

1996 Atlanta, U.S.A.

The first Olympic Games was broadcasted via the Internet.
We witnessed the shattering of the 200m world record by
Michael Johnson.

FASTER. HIGHER. STRONGER
NOW SMARTER

Alibaba Cloud USA



New users will receive USD\$300 credit

2017 Alibaba Cloud

Officially joins the Olympic family.
Manifest the future of the Olympic Games through
Cloud Computing and Smart Technologies.

ADVERTISEMENT

THE WALL STREET JOURNAL.

DOW JONES | News Corp *****

FRIDAY, OCTOBER 6, 2017 ~ VOL. CCLXX NO. 82

WSJ.com

★★★★ \$4.00

DJIA 22775.39 ▲ 113.75 0.5% NASDAQ 6585.36 ▲ 0.8% STOXX 600 391.03 ▲ 0.2% 10-YR. TREAS. ▼ 6/32, yield 2.352% OIL \$50.79 ▲ \$0.81 GOLD \$1,269.90 ▼ \$3.80 EURO \$1.1711 YEN 112.82

What's News

Business & Finance

The stock rally continued, notching new milestones. The S&P 500 posted its longest record streak in 20 years. A1, B11

◆ American shale firms are starting to ease up on drilling as they confront technological, operational and financial obstacles. A1

◆ Lighthizer plans to propose core Nafta changes in a bid to force auto plants in Mexico back to the U.S. A5

◆ A U.S. trade panel backed Whirlpool in its effort to limit competition from foreign washing-machine firms. A5

◆ YouTube moved to promote more authoritative sources after news searches this week yielded videos peddling misinformation. B1

◆ Facebook cut references to Russia from a public report in April about manipulation of its platform. B4

◆ The CFPB moved to curtail payday-lending practices with a rule that brings the industry under federal oversight. B10

◆ Finra's subpar investment returns are compounding its members' financial challenges, some brokerages say. B1

◆ Netflix is raising prices for its video-streaming services in the U.S. as it spends huge amounts on content. B3

◆ Honeywell is pursuing a deal for Evoqua, which is laying groundwork for an IPO. B3

World-Wide

◆ Russian hackers stole U.S. secrets about how the NSA penetrates foreign computer networks and defends against cyberattacks. A1

◆ Trump is expected to refuse to certify that Iran is complying with the 2015 nuclear agreement. A6

◆ GOP support grew for restrictions on bump stocks, the rifle accessory used in the Las Vegas attack. A9

◆ Senate Republicans are running into internal resistance to their proposed repeal of the estate tax. A2

◆ NATO reached an agreement with holdout France to increase allied funding for counterterrorism. A6

◆ Sessions told U.S. attorneys to develop programs with local partners aimed at reducing violent crime. A4

◆ The Senate approved Quarles for a key banking oversight post on the Federal Reserve Board. B10

◆ Police arrested the head of Brazil's Olympic committee for his alleged role in a vote-buying scheme. A8

◆ Nigerian and French troops were sent to a desert region where three Green Berets were killed. A6

◆ Kazuo Ishiguro was awarded the Nobel Prize in literature. A10

CONTENTS Opinion A13-15
Business News B3-5 Sports A12
Crossword A11 Streetwise B1
Head on Street B12 Technology B4
Life & Arts A10-11 U.S. News A2-5
Mansion M1-12 Weather A11
Markets B11-12 World News A6-8

4 0 5 3 0 >
0 78908 63141 1

© Copyright 2017 Dow Jones & Company. All Rights Reserved

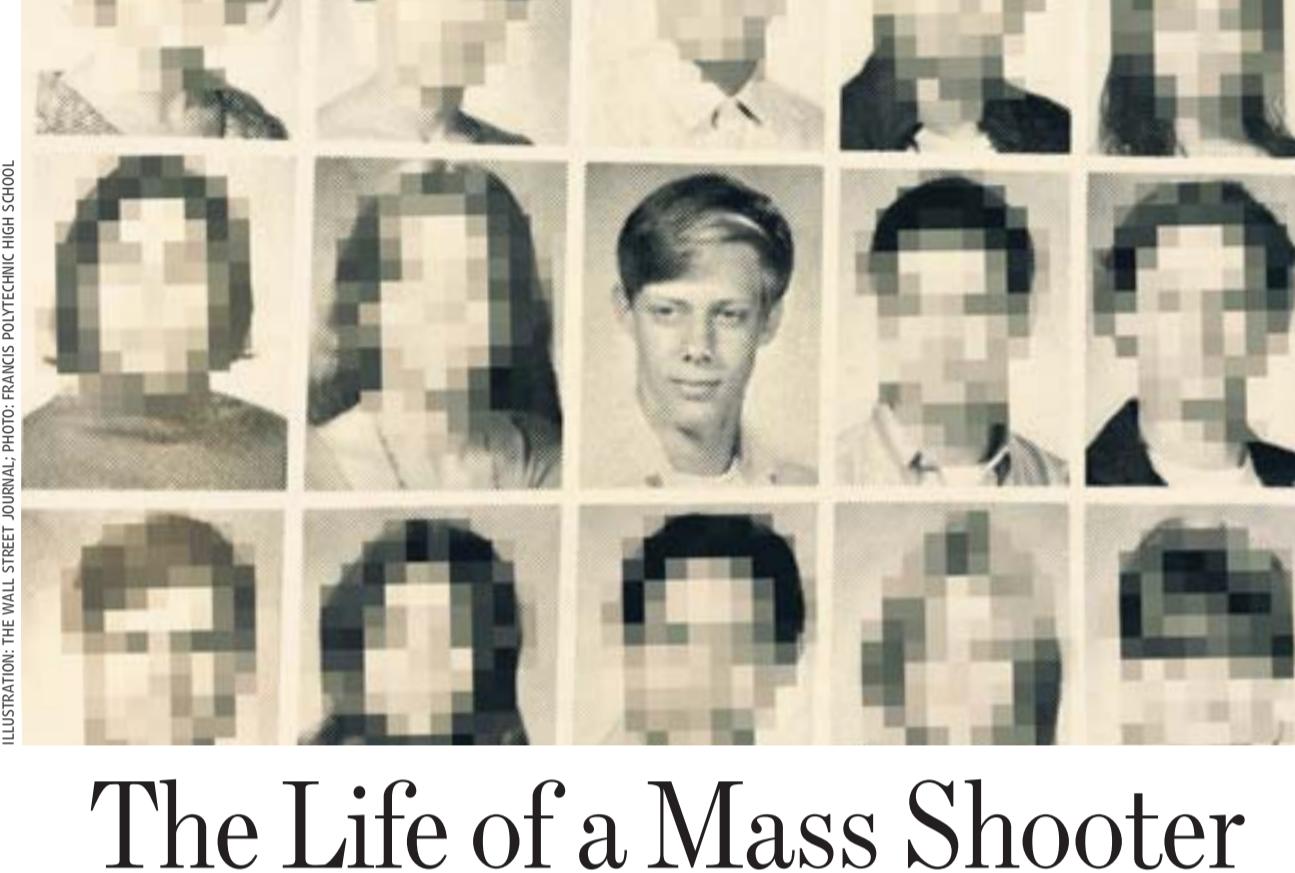


ILLUSTRATION: THE WALL STREET JOURNAL; PHOTO: FRANCIS POLYTECHNIC HIGH SCHOOL

Russian Hackers Stole NSA Spy Secrets

By GORDON LUBOLD AND SHANE HARRIS

WASHINGTON—Hackers working for the Russian government stole details of how the U.S. penetrates foreign computer networks and defends against cyberattacks after a National Security Agency contractor removed the highly classified material and put it on his home computer, according to multiple people with knowledge of the matter.

The hackers appear to have targeted the contractor after identifying the files through the contractor's use of a popular antivirus software made by Russia-based Kaspersky Lab, these people said.

The theft, which hasn't been disclosed, is considered by experts to be one of the most significant security breaches in recent years. It offers a rare glimpse into how the intelligence community thinks Russian intelligence exploits a widely available commercial software product to spy on the U.S.

The incident occurred in 2015 but wasn't discovered until spring of last year, said the people familiar with the matter.

The stolen material included details about how the NSA penetrates foreign computer networks, the computer code it uses for such spying and how it defends networks inside the U.S., these people said.

Having such information could give the Russian government information on how to protect its own networks, making it more difficult for the NSA to conduct its work. It also could give the Russians methods to infiltrate the networks of the U.S. and other nations, these people said.

Please see RUSSIA page A4

The Life of a Mass Shooter

With a fortune made in real estate, Stephen Paddock didn't fit the profile of a mass killer

LAS VEGAS—More than a half century ago, a bank robber held authorities in an armed stand-off in downtown Las Vegas until federal agents shot out the windows of his car.

Benjamin Paddock, who was later described on his FBI "Most Wanted" flier as a psychopath with suicidal tendencies, surrendered a few miles from the high-rise hotel where last weekend his

By Valerie Bauerlein, Ian Lovett and Cameron McWhirter

oldest son became one of America's deadliest killers.

Stephen Paddock was 7 years old at the time of his father's capture in 1960. It was unclear whether he ever saw him again.

Paddock's mother moved her four boys to Southern California and, like many before them, began a new life. Stephen played on his high school tennis team in the San Fernando Valley and graduated from a Cal State campus with a business degree. He had steady jobs

Please see PAST page A9

◆ Prospects for gun-measure deal grow... B9

TOMORROW



WSJ. MAGAZINE

STYLE & TECH

Stocks Extend Record Run, Investors Wonder How It Ends

By DANIEL KRUGER AND AKANE OTANI

Stocks continue their steady march higher, notching milestones not seen in more than 20 years, yet many investors see few obstacles to the seemingly endless run.

The S&P 500 closed at its sixth consecutive record Thursday, its longest streak of highs since 1997. A gauge of expected swings in the index fell to an all-time low. Investors don't see many worries ahead: The economy keeps growing at a slow but steady pace, corporate earnings remain healthy and investors are betting a tax over-

haul will further boost profits.

That isn't what many analysts and investors expected coming into this year, when they thought bond yields would rise as the economy heated up and stocks would stall as valuations remained stretched.

Instead, bond yields are lower than where they ended last year—the benchmark 10-year U.S. Treasury note stood at 2.352% Thursday, down from 2.446% at the end of 2016—and inflation remains stubbornly short of the Federal Reserve's

Please see STOCKS page A2

◆ Gold loses luster as global angst eases... B12

On the Rise

Cumulative Nasdaq records

75 records

Most set in one year was 62 in 1980

50

25

0

2017

Projection

Source: WSJ Market Data Group

THE WALL STREET JOURNAL

Trump Move Seen on Iran

President is expected to refuse to certify Iran's compliance with nuclear pact... A6

Want a Job as a Dog Walker? It's Just Like Getting Into Harvard

* * *

Picky apps take on a tiny percentage of thousands who apply; 'proper pet safety'

By LAINE HIGGINS

Alec Gracia, a 23-year-old Starbucks barista looking for a fun, easy way to supplement his income, applied for a part-time job as a dog walker.

He was rejected.

The bad news was delivered via email from Wag!, a San Diego-based on-demand dog-walking app. The company said he

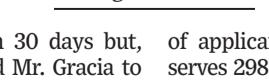
they showed no mercy in their teasing. "It felt a little ridiculous," he says. "I never thought this was something I needed experience for."

In many American cities, though, landing a job as a dog walker is tougher than earning entrance to an elite university.

Rover, a Seattle-based pet-care app with more than 120,000 walkers, accepts only 15%

of applicants. At Wag!, which serves 298 U.S. cities, the acceptance rate is 5%. In New York's Manhattan, which employs more dog walkers than the rest of America combined, the acceptance rate is slimmer still.

Please see PETS page A5



Midnight on a walk

U.S. Shale Companies Ease Up On Drilling

By BRADLEY OLSON AND LYNN COOK

American shale drillers, which defied expectations and upended traditional oil markets by increasing production amid lower prices, are finally showing signs of slowing down.

The number of rigs drilling for oil in the U.S., typically viewed as a proxy for activity in the sector, grew 6% in the third quarter—a marked deceleration from the previous four quarters, when it rose more than 20% on average.

Last month, the U.S. Energy Information Administration cut its forecast for U.S. oil production, saying it now expects the industry to end the year at 9.69 million barrels a day, down from 9.82 million.

U.S. oil output remains ro-

Please see SHALE page A8

FASTER. HIGHER. STRONGER **NOW SMARTER**

Alibaba Cloud USA



New users will receive USD\$300 credit

Alibaba Cloud

Worldwide Cloud Services Partner



U.S. NEWS

GOP Support Ebbs for Estate-Tax Repeal

BY RICHARD RUBIN

WASHINGTON—Senate Republicans are running into internal resistance to their proposed repeal of the estate tax, making it a potential casualty of the trade-offs the GOP faces in its effort to overhaul the tax code.

The party's leaders included estate-tax repeal in the tax-overhaul framework they released last week. But Republican Sens. Mike Rounds of South Dakota and Susan Collins of Maine said this week that repeal isn't needed. Others say their desire to eliminate the tax must be balanced against other priorities including tax cuts for businesses and middle-class families.

"I don't think we have to totally repeal it because I think the folks on the upper end of it are all avoiding it right now legally anyway," Mr. Rounds said Wednesday. "For me, we can't fail on [a tax overhaul] and whatever we can do to pick up the last few votes we may need, I'm ready to negotiate."

Under current law, the tax,

House Approves 2018 Budget Plan

WASHINGTON—The House passed a 2018 budget resolution on Thursday, a first step down the path toward a major tax bill.

The chamber voted 219-206 to adopt its version of the budget. All Democrats and 18 Republicans voted against it. The Senate Budget Committee approved its alternative resolution

on Thursday.

"This is the most conservative budget in 20 years," said Rep. Diane Black (R., Tenn.), who chairs the House Budget Committee. "The vision in there, if we were to follow it, really could change the trajectory of this country."

The budget is particularly important this year because it is the prerequisite to using reconciliation for a major tax bill. That fast-track procedure will enable the Senate to pass a subsequent tax bill on a simple-

majority vote rather than needing 60 votes, which would require at least some Democrats voting for the bill.

The tax plan itself will follow the framework that Republican leaders outlined last week. It includes lower tax rates on corporations, other businesses and individuals.

Getting that to fit inside the \$15 trillion constraint will be challenging and major revenue-raising pieces—such as repeal of the state and local tax deduction for individuals—are al-

ready under attack.

Thursday's budget vote was, potentially, an early preview of future debates. Five of the 18 Republican votes against the budget came from New York and New Jersey Republicans, who have expressed the most concern about repealing the deduction.

Democrats said the spending cuts called for under the GOP budgets would be damaging.

—Richard Rubin
and Siobhan Hughes

with a top rate of 40%, applies to estates valued at more than \$5.49 million per person or \$10.98 million per married couple. The tax applies to about 5,500 estates a year.

According to IRS data, more than 40% of the estate tax in 2015 was paid by estates with gross values over \$50 million.

Preserving the estate tax would help Republicans fight the "tax cuts for the rich" label that Democrats are pinning on their plan. Giving up on repeal may ultimately be a nec-

essary concession given their narrow margin for error in the Senate, where Republicans have 52 seats out of 100 and any three GOP senators can sink an idea. Besides Mr. Rounds and Ms. Collins, Sen. John McCain (R., Ariz.) has opposed past repeal efforts, though when he was asked Thursday about the tax, he called it "confiscatory."

One alternative: a larger exemption that would narrow the scope of the tax without getting rid of it altogether.

Stopping short of repeal would mean courting a fight with conservatives who want to get rid of what they call a "death tax."

"It's very important to me," said Sen. John Kennedy (R., La.). "It's the most unfair tax God ever put breath in. It's taxing money that's already been taxed. I just think it's inherently unfair."

The office of Senate Majority Leader Mitch McConnell declined to comment.

This year, 0.2% of people

dying will have a taxable estate. Increases in the exemption under Presidents George W. Bush and Barack Obama made the tax less common. In 2008, 0.7% of the deceased had taxable estates; in 2000, 2.2% did.

"We've taken care of the problem for the vast majority of family-owned businesses or ranchers in this country," Ms. Collins said. "So that is not a priority for me as we seek to craft this tax bill."

Many households use es-

tate-planning techniques and charitable donations to minimize or avoid the estate tax. Republicans say they worry about the impact of the tax on families with illiquid businesses.

One way to address that concern, Mr. Rounds said, would be to double or triple the current exemption, setting it at \$20 million or \$30 million per couple.

Increasing the exemption instead of repealing the estate tax would take up much less fiscal space in the GOP tax plan. Right now, lawmakers are already struggling to fit more than \$5 trillion in rate cuts into a budget that would allow only \$1.5 trillion.

Part of their strategy is to cut back on tax breaks, but that's tough. They are already under pressure in the House to soften the proposed repeal of the deduction for state and local taxes, because of potential defections from New York and New Jersey Republicans. In the Senate, some lawmakers are pushing for a boost in the child tax credit that could be costly.

Defaults High for Certificate Students

BY MELISSA KORN

More adults are enrolling in certificate programs to beef up their credentials and skills without leaving the workforce for lengthy periods.

But when certificate candidates take out student loans, they often struggle to pay those loans back, according to data released Thursday.

Certificates, offered mainly by community colleges and for-profit schools, generally take one to two years to complete, and can prepare individuals for work in fields including cosmetology and medical office billing. They tend to be far less expensive than a bachelor's degree.

But undergraduate certificate program graduates who started their programs in the 2003-04 year owed a median \$3,700 in student debt, including principal and interest, a dozen years after starting the programs, the new data showed. That is much less than the \$13,800 median sum that those who graduated with associate degrees owed, and the \$11,700 median sum owed by graduates of programs awarding bachelor's degrees or graduate degrees.

Even so, 44% of undergraduate certificate program graduates who borrowed in the 2003-04 year had defaulted by 2015, according to the figures, which come from the U.S. Department of Education's data arm, the National Center for Education Statistics. In comparison, the default rate was 45% among college dropouts, 22% among graduates who earned associate degrees, and 8% for those who earned at least a bachelor's degree.

Ben Miller, senior director for postsecondary education at the liberal Center for American Progress, says there is a clear connection between the high default rates for graduates of certificate programs and their overall quality.

"We really need to take a closer look at what's being awarded there," he said of the programs, which had gained support in recent years as a decent, career-focused alternative to pricey bachelor's degrees. "We're all too willing to let the minority of standout certificates dwarf the far larger number that appear to not have much value."

Certainly, some certificate programs in a field like manufacturing have strong outcomes as measured by their graduates' ability to land jobs. Roughly 30 million jobs paying an average \$55,000 annually don't require a bachelor's degree, according to Georgetown University's Center on Education and the Workforce. That includes jobs requiring certificates, associate degrees or other credentials.

GULF COAST

Tropical Storm Nate May Hit New Orleans

Tropical Storm Nate has formed in Central America and is forecast to strengthen into a hurricane, potentially threatening New Orleans and other parts of the U.S. Gulf Coast this weekend, the National Hurricane Center said Thursday.

Nate was hovering over Nicaragua, where it could dump 15 to 20 inches of rain. The center's forecast shows the storm crossing over Mexico's Yucatán Peninsula early Saturday before reaching open water in the Gulf of Mexico.

—Jon Kamp

ECONOMY

Jobless Claims Fall After a Recent Rise

The number of Americans filing applications for new unemployment benefits fell in late September, though recent hurricanes continued to disrupt economic activity in some regions.

Initial jobless claims, a proxy for layoffs across the U.S., declined by 12,000 to a seasonally adjusted 260,000 in the week ended Sept. 30, reversing a jump during the prior week, the Labor Department said Thursday.

Claims have remained at historically low levels for several years.

—Ben Leubsdorf

ECONOMY

Harvey Hit Exports, Cutting Trade Gap

The U.S. trade deficit narrowed in August, reflecting an increase in exports and a down-tick in imports as Hurricane Harvey disrupted shipping along the Gulf Coast.

The foreign-trade gap in goods and services narrowed 2.7% from the prior month to a seasonally adjusted \$42.395 billion in August, the Commerce Department said Thursday.

Imports decreased 0.1% in August, and exports increased 0.4% from July.

August exports of goods and

services reached the highest level since December 2014, and exports of services were the highest on record, not adjusted for inflation. Exports of goods increased a slight \$600 million, while imports of goods decreased \$300 million, underpinned by volatility in the energy category.

—Sarah Chaney

CONGRESS

Ex-Lawmaker Gets Early Prison Release

A federal judge ordered that a former Louisiana congressman sentenced to 13 years in prison for taking bribes be released

from jail pending a new sentencing hearing. Democrat William Jefferson has been serving his sentence since 2012.

He was convicted of accepting more than \$400,000 in bribes in exchange for brokering business deals in Africa. Agents searched his home in 2005 and found \$90,000 cash in his freezer.

Judge T.S. Ellis III said a new sentencing hearing is necessary because the Supreme Court has subsequently changed what constitutes "an official act" for which a public official can be convicted. The Supreme Court decision came as it overturned the corruption conviction of former Virginia Gov. Bob McDonnell.

—Associated Press

STOCKS

Continued from Page One

2% target. Stocks have kept climbing. The Dow Jones Industrial Average and Nasdaq Composite also closed at fresh highs Thursday.

"It's kind of like the 1996 moment where Alan Greenspan himself called stocks 'irrationally exuberant' and the rally continued for three more years, said Jason Pride, director of investment strategy at Glenmede, with some \$37 billion in assets under management. Stocks are expensive now, but they "are not at extremes," he said.

The S&P 500's current record streak is the longest since the eight highs ending June 17, 1997, during the dot-com boom.

The markets have been so calm that some analysts and investors have expressed concerns that money managers are growing complacent. The CBOE Volatility Index, known as Wall Street's "fear gauge," fell 4.6% Thursday to 9.19, surpassing its record closing low of 9.31 set in December 1993.

Stock-market gains have been broad, spanning regions and sectors. Japan's Nikkei Stock Average closed at its highest level since August 2015 on Thursday. The Stoxx Europe 600 rose for nine straight trading days through Tuesday, its longest winning streak in more than two years.

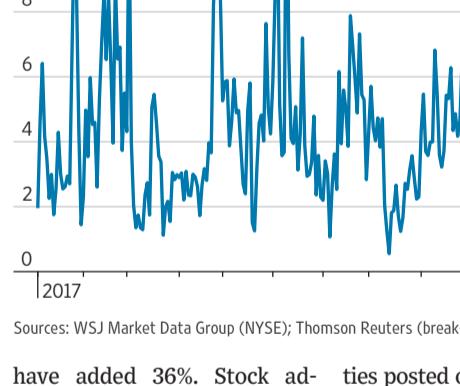
Several U.S. companies have posted outsize gains this year. In the Dow industrials, Boeing Co. has risen 66%, while Caterpillar Inc. and Visa Inc. each

No Worries

Stocks continue to hit records and Treasury yields haven't broken out of their narrow range, defying expectations heading into this year.

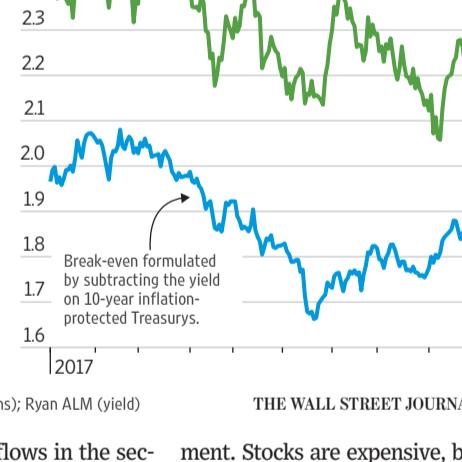
The number of NYSE-listed securities hitting new highs as a percentage of those traded has risen, illustrating the rally's breadth.

14%



Sources: WSJ Market Data Group (NYSE); Thomson Reuters (break-evens); Ryan ALM (yield)

A market-based reading of inflation expectations has risen, giving a modest lift to Treasury yields.



THE WALL STREET JOURNAL

have added 36%. Stock advances have also been widespread, with all 11 major sectors of the S&P 500 in positive territory for the month so far.

October brings back painful memories of the financial crisis and the crash of 1987 for many investors and analysts. And the long economic expansion and eight-year bull market have some saying this rally can't go on forever.

There are signs of skepticism, with some investors pulling money out of U.S. stocks even as they hit records.

Mutual funds and exchange-traded funds tracking U.S. equi-

ties posted outflows in the second quarter, according to fund tracker EPFR Global, their first quarterly outflows since the third quarter of 2016. Stock-trading volumes on major U.S. exchanges have hovered below average levels for the year in recent weeks—reflecting investors' lack of conviction in the rally, some analysts say.

Yet few see signs of an imminent downturn. "The market's seeing smooth sailing ahead for the economy right now," said David Klaskin, chief investment officer of Oak Ridge Investments, which has \$3.4 billion in assets under manage-

ment. Stocks are expensive, but with central banks remaining accommodative, that's helping indexes trudge on, he said. Mr. Klaskin has been cautious of fast-growing companies that are among the best performers this year; he acknowledges those bets haven't paid off.

U.S. consumer prices remain sluggish, but other patches of the economy have perked up. U.S. economic output grew at a 3.1% annual rate in the second quarter, slightly stronger than previously thought. September auto sales rose at their fastest pace of the year. A gauge of manufacturing activity reached

a 13-year high last month, while service-sector activity rose to its highest level since 2005.

Because Hurricanes Harvey and Irma likely slowed hiring last month, economists are projecting just 80,000 jobs added in September—less than half this year's monthly average growth of 176,000—when the Labor Department releases its monthly employment report Friday. But the labor market has been strong, with unemployment hovering near a 16-year low in recent months.

"The rally has been akin to a relay race," said Brian Jacobsen, multi-asset strategist at Wells Fargo Asset Management, which has \$450 billion under management. "Every time there's been a slowdown, the baton has been passed to another part of the economy."

Mr. Jacobsen is optimistic about the potential for corporate tax changes; he expects shares of financial companies, small-capitalization stocks and makers of discretionary and staple consumer products to perform well.

Steven Chiavarone, assistant vice president and portfolio manager at Federated Investors, which has \$360.4 billion in assets under management, said the firm recently increased its position in small-cap stocks because it thinks smaller companies stand to benefit more from a tax overhaul. "Policy is unfolding in a positive way relative to what we think were overly muted expectations in the market," he said.

—Amrit Ramkumar

contributed to this article.

CORRECTIONS & AMPLIFICATIONS

Amazon.com Inc. is planning to add 50,000 office workers, mostly software developers, in the coming years. A Page One article Thursday about the company incorrectly said it plans to hire 50,000 developers this year.

Keep Neighborhoods First, a Los Angeles advocacy organization that has opposed Airbnb Inc., coordinates with the hotel industry and hotel unions, but it doesn't receive funding from either group. A

Business & Finance article Monday about lobbying by Airbnb and the hotel industry incorrectly said Keep Neighborhoods First received industry and union money.

The middle name of Abduali Hasan Sharif, a Somali refugee charged in an attack against a police officer and other pedestrians in Edmonton, Alberta, was misspelled as Hassan in a World News article Tuesday about inflation gauges incorrectly said it was the change from a year earlier.

The U.S. Commerce Department's personal-consumption expenditures price index rose 0.2% in August from a month earlier. A U.S. News article Saturday about inflation gauges incorrectly said it was the change from a year earlier.

The greater sage grouse can fly. A U.S. Watch article on Wednesday about the removal of a planned mining ban on 10 million acres in the West incorrectly said the bird is flightless.

THE WALL STREET JOURNAL

(USPS 664-880) (Eastern Edition ISSN 0099-9660)

(Central Edition ISSN 1092-0935) (Western Edition ISSN 0193-2241)

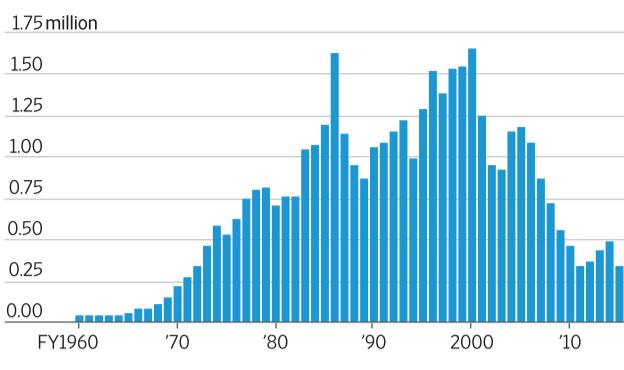
Editorial and publication headquarters: 1211 Avenue of the Americas, New York, NY 10036

Published daily except Sundays and general legal holidays.

U.S. NEWS

Less Action

The number of Border Patrol apprehensions along the U.S.-Mexico border has dropped over the past decade.



Note: Fiscal year ends Sept. 30

Source: U.S. Border Patrol

THE WALL STREET JOURNAL.

DELICIA LOPEZ/ASSOCIATED PRESS



A Border Patrol officer escorting away a group of immigrants after they were found in a tractor-trailer in Edinburg, Texas, in August.

Illegal Entry To U.S. Gets Rarer, Riskier

Trump's harder line, longer-term trends make southwest border tougher to sneak across

By ALICIA A. CALDWELL

der, migrants are now making riskier journeys. The Chinese group's use of a transborder tunnel, for instance, was unusual, border officials said, with such labor-intensive conduits previously reserved for high-profit drug loads.

President Donald Trump has made cracking down on illegal immigration a priority of his administration. He has promised to arrest and quickly deport people trying to sneak into or living illegally in the U.S., build a wall at the Mexican border, and hire at least 5,000 new Border Patrol agents.

Though many of those measures have yet to materialize or even get funding, the number of people caught crossing the border since Mr. Trump took office has plummeted in comparison to past years, according to U.S. Border Patrol statistics.

While that falloff may reflect the deterrent effect of the new administration's hard-line approach, there has also been a longer-term shift in the pattern

of illegal migration to the U.S. Douglas Massey, a sociology professor and co-director of the Mexican Migration Project at Princeton University, said the demographics of illegal border crossers have changed in the past decade, with most of those trying to sneak into the U.S. now coming from countries other than Mexico. As recently as 2014, Mexicans made up more than half of il-

California Becomes A 'Sanctuary State'

California Gov. Jerry Brown signed a "sanctuary state" bill Thursday, positioning the state to restrict cooperation between local law enforcement and the Trump administration in efforts to deport illegal immigrants.

The bill limits local law-enforcement cooperation with federal officials, and passed the Democratically controlled legislature last month.

California is a Democrat-majority state that offers an array of benefits to undocumented immigrants. The bill's author, Democratic State Senate President Kevin de León, and Mr. Brown negotiated for several weeks. Mr. Brown sought—and won—more-limited protections for immigrants than Mr. de León wanted.

Mr. de León said the bill would prevent local police from being "commandeered" into doing immigration enforcement by federal officials, but said the law "will not provide full sanctuary."

The Trump administration

said the law would threaten public safety. "The state of California has now codified a commitment to returning criminal aliens back onto our streets, which undermines public safety, national security, and law enforcement," said Devin O'Malley, a spokesman for the U.S. Justice Department.

The measure divided law enforcement in California with Los Angeles Police Department Charlie Beck supporting the measure and the California State Sheriffs' Association opposing it.

—Alejandro Lazo

of illegal migration to the U.S.

Douglas Massey, a sociology professor and co-director of the Mexican Migration Project at Princeton University, said the demographics of illegal border crossers have changed in the past decade, with most of those trying to sneak into the U.S. now coming from countries other than Mexico. As recently as 2014, Mexicans made up more than half of il-

legal crossers.

"Now what you are seeing are people who are more desperate," Mr. Massey said, adding that smugglers have raised their prices as the border has become more fortified. "You are paying more for more services. The cost of getting through the border without inspection has really skyrocketed."

A Homeland Security report released last month said

smuggling fees for a Mexican or Central American have gone from a few thousand dollars less than a decade ago to as much as \$8,000 recently.

Border Patrol officials said the already higher prices for migrants from farther away have also soared, reaching tens of thousands of dollars for immigrants from Asia.

"As the price goes up, the number of people crossing

goes down," Mr. Massey said. "And as the price has gone up, the methods used have become more serious."

The San Diego-area tunnel was evidence of that.

Tekae Michael, a San Diego-based Border Patrol agent and agency spokeswoman, said the passageway had originally been discovered in December by Mexican authorities, but apparently never sealed.

"The initial use for that tunnel was going to be drugs," Ms. Michael said. A Mexican human-trafficking ring is believed to have tapped into a tunnel started by drug smugglers and continued it north into the U.S., she said, adding that the U.S. end of the tunnel was just big enough "to fit a single person at a time."

In Texas, Border Patrol agents found dozens of people this summer hidden inside tractor-trailers trying to sneak through highway checkpoints. Ten people died in a smuggling effort inside a sweltering trailer found parked in a San Antonio Wal-Mart in July.

Lighter Burden

The improving economy has helped reduce the share of households struggling to pay their rent.



Sources: Census Bureau; IPUMS-USA; NYU Furman Center

THE WALL STREET JOURNAL.

Price Pressures for Renters Begin to Ease Now

By LAURA KUSISTO

After the housing crisis, the share of renters who spent so much on housing that they couldn't afford food, medical care, clothing or other necessities soared to record levels.

Now that trend is reversing. Across the 53 largest metropolitan areas in the U.S., the share of rent-burdened households—those that spend more than 30% of their incomes on rent—fell to 47.7% from 48.9% between 2012 and 2015, according to a report from New

York University's Furman Center released Thursday.

More than two-thirds of metropolitan areas experienced a decline in the share of rent-burdened households in the period.

Research shows that households spending more than 30% of their incomes on rent often struggle to afford basic necessities. There are broader economic consequences because some renters often are forced to move farther and farther away from their jobs in order to afford their

monthly payments.

The housing boom and bust helped create a new crisis in which millions more Americans became renters, straining the existing housing stock and driving rents up faster than incomes in major metropolitan areas, according to NYU.

The share of renter households increased in all of the 53 largest metros from 2006 to 2015 and has continued to rise in the vast majority of metros since 2012.

Median rents, meanwhile,

continued to increase faster

than inflation in virtually every metro between 2012 and 2015. Rent growth has slowed considerably in the past year, but that trend isn't captured by these data.

Incomes, which fell in real terms during the early years of the recovery, have finally started to catch up. Real median incomes in major metropolitan areas increased at an average annual rate of 1.8% from 2012 to 2015, according to the report.

In part, the improvement in renters' fortunes is a reflection

of the fact more wealthy people are renting. The increase in renting in recent years was most pronounced among households where at least one member has a bachelor's degree or higher. That was also the group that has seen the largest income gains lately.

While renters' fortunes have improved slightly in the last several years, rental affordability is likely to remain a policy challenge. Apartment construction is at 30-year highs, but the vast majority of that stock is on the high end.

60 YEARS OF ADVENTURE AND DISCOVERY



superOcean
HERITAGE
SINCE 1957

TR
Jewelers

557 Main Street, New Rochelle, NY 10801

914.636.7110

BREITLING

1884

INSTRUMENTS FOR PROFESSIONALS

U.S. NEWS

Party-Line Vote Approves 3 Trump Picks

BY BRENT KENDALL
AND ARUNA VISWANATHA

WASHINGTON—Two of President Donald Trump's judicial nominees moved a step closer to Senate confirmation Thursday, amid a debate over whether it is appropriate for lawmakers to ask questions about a nominee's religious faith.

Senators also split sharply over Mr. Trump's nominee to lead civil-rights enforcement at the Justice Department: Eric Dreiband, a private practice lawyer and former George W. Bush administration official who has been criticized by civil-rights groups.

The Republican-led Senate Judiciary Committee voted 11-9 along party lines to send Mr. Dreiband to the full Senate for a final confirmation vote along with two appeals court nominees—University of Notre Dame law professor Amy Barrett for a seat on the Seventh U.S. Circuit Court of Appeals in Chicago and Michigan Supreme Court Justice Joan Larsen for a seat on the Sixth Circuit in Cincinnati.

Ms. Barrett's nomination created a stir during her confirmation hearing last month, when some Judiciary Committee Democrats, including Sen. Dianne Feinstein (D., Calif.), asked questions related to Ms.

Barrett's Catholicism and whether she could separate her religious beliefs from her duty of impartiality as a judge.

Sen. Chuck Grassley (R., Iowa), the Judiciary Committee chairman, said during the panel's discussion Thursday that the Democrats' questions of Ms. Barrett "strongly implied that she was too Catholic for their taste, whatever it means to be too Catholic."

He added, "I mention this because I fear the committee is heading down a dangerous road if we continue to ask nominees questions like this."

Democrats responded that Ms. Barrett had no judicial experience and very little in her

professional record for them to examine other than her legal writings, which included an article she co-wrote that explored what a Catholic judge should do when faced with the prospect of presiding over a death penalty case, if the judge believed she was morally precluded from imposing a death sentence.

Sen. Richard Durbin (D., Ill.) said the article was provocative and it shouldn't have come as surprise that senators would ask about it. He also noted that Sen. Grassley had asked the nominee questions about the article.

"It was the nominee herself...who raised this issue of

whether the teachings of the Catholic Church should have any impact on the discharge of the judicial duties of a Catholic judge," Mr. Durbin said.

Ms. Feinstein, who voiced concern that Ms. Barrett and Justice Larsen would be hostile to abortion rights, said the controversy stemming from the religious-related questions had been exaggerated.

Justice Larsen, who has served on the Michigan Supreme Court since 2015, appeared on a short list Mr. Trump released as a presidential candidate of people he would consider for the U.S. Supreme Court.

Mr. Dreiband, the Justice

Department nominee, has been an employment lawyer in private practice who represented companies in discrimination and other cases. He worked at the Labor Department and the Equal Employment Opportunity Commission.

At his hearing last month, he highlighted his work on discrimination cases against employers while at the EEOC and said he would emphasize compliance with and enforcement of civil-rights laws.

Some civil-rights groups have alleged Mr. Dreiband would be part of a Trump administration movement to narrow the scope of civil-rights protections.

Somber at Sea



TIME FOR MENDING: The USS John S. McCain left Singapore Thursday for repair in Japan, more than six weeks after a collision tore a hole in its hull, killing 10 sailors.

Seeking an Edge, Pence Shoots for the Moon

BY ANDY PASZTOR

Vice President Mike Pence promised Thursday to return U.S. astronauts to the moon while studying ways to streamline federal rules controlling rocket launches, laying out the administration's most specific plans yet to promote commercial and military space projects.

During the first meeting of the reconstituted White House Space Council—and surrounded by a panel of senior cabinet officials—Mr. Pence called for brawny new policies to ensure the U.S. is "as dominant in space as we are here on earth."

But the high-level policy session didn't produce any technical or funding details

about steps to reach that goal. And the most pressing questions remained unresolved about protecting space assets from adversaries intent on hacking, jamming or launching direct attacks.

President Donald Trump signed an executive order in June re-establishing the space council, a high-level policy group intended to oversee

both civilian and military space initiatives.

The wide-ranging discussion featured recommendations from a handful of industry leaders about enhancing private-public partnerships to promote civilian exploration programs. There also were stark warnings from experts about the hazards of countries, or potentially even ter-

rorists, targeting U.S. space networks, including Global Positioning System satellites.

Mr. Pence set the tone by opening the meeting saying "America seems to have lost our edge in space" and that without a coherent policy, manned exploration particularly has "suffered from apathy and neglect." But, he added, "those days are over."

RUSSIA

Continued from Page One
people said.

The breach is the first known incident in which Kaspersky software is believed to have been exploited by Russian hackers to conduct espionage against the U.S. government. The company, which sells its antivirus products in the U.S., had revenue of more than half a billion dollars in Western Europe and the Americas in 2016, according to International Data Corp. Kaspersky says it has more than 400 million users world-wide.

The revelation comes as concern over Russian infiltration of American computer networks and social media platforms is growing amid a U.S. special counsel's investigation into whether Donald Trump's presidential campaign sought or received assistance from the Russian government. Mr. Trump denies any impropriety and has called the matter a "witch hunt."

A spokesman for the NSA didn't comment on the breach. "Whether the information is credible or not, NSA's policy is never to comment on affiliate or personnel matters," he said.

In a statement, Kaspersky said it "has not been provided any information or evidence substantiating this alleged incident, and as a result, we must assume that this is another example of a false accusation."

Kremlin spokesman Dmitry Peskov in a statement didn't address whether the Russian government stole NSA materials using Kaspersky software. But he criticized the U.S. government's decision to ban the software from use by U.S. agencies as "undermining the competitive positions of Russian companies on the world arena."

Sen. Jeanne Shaheen, (D., N.H.) on Thursday asked the Senate Armed Services Committee to hold hearings. "As you are aware, I have been concerned about the serious dangers of using Kaspersky software due to the company's strong ties to the Kremlin," she wrote in a letter to Sen. John McCain (R., Ariz.), the committee chairman.

The Kaspersky incident is the third publicly known breach at



SHARIFULLIN VALERY/TASS/ZUMA PRESS

Kaspersky Lab founder Eugene Kaspersky says the firm 'does not have inappropriate ties' to Russia.

Kaspersky Software Linked to Breach

All antivirus software scans computers looking for malicious code, comparing what is on the machine to a master list at the software company.

But Kaspersky Lab of Moscow, whose software is linked to a theft of National Security Agency data from an NSA contractor's home computer, is "aggressive" in its methods of hunting for malware "in that they will make copies of files on

a computer, anything that they think is interesting," said Blake Darché, a former NSA employee.

Mr. Darché, who worked in the agency's hacking group that targets foreign computer systems, said the product's user license agreement, which few customers probably read, allows this.

"You're basically surrendering your right to privacy by using Kaspersky software," said Mr. Darché, who is chief security officer of Area 1, a computer-security company.

The Department of Homeland Security banned federal agencies last month from using

Kaspersky, stating "the risk that the Russian government...could capitalize on access provided by Kaspersky products to compromise federal information and information systems directly implicates U.S. national security."

The company said in a statement: "We aggressively detect and mitigate malware infections no matter the source and we have been proudly doing it for 20 years. We make no apologies for being aggressive in the battle against malware and cybercriminals."

—Gordon Lubold

and Shane Harris

the NSA involving a contractor's access to a huge trove of highly classified materials. It prompted an official letter of reprimand to the agency's director, Adm. Michael Rogers, by his superiors, people familiar with the situation said.

Adm. Rogers came into his post in 2014 promising to stanch leaks after the disclosure that NSA contractor Edward Snowden the year before gave classified documents to journalists that revealed surveillance programs run by the U.S. and allies.

The Kaspersky-linked incident predates the arrest last year of another NSA contractor,

Harold Martin, who allegedly removed massive amounts of classified information from the agency's headquarters and kept it at his home, but wasn't thought to have shared the data.

Mr. Martin pleaded not guilty to charges that include stealing classified information. His lawyer has said he took the information home only to get better at his job and never intended to reveal secrets.

The name of the NSA contractor in the Kaspersky-related incident and the company he worked for aren't publicly known. People familiar with the matter said he is thought to have

purposely taken home numerous documents and other materials from NSA headquarters, possibly to continue working beyond his normal office hours.

The man isn't believed to have unwittingly aided a foreign government, said people with knowledge of the breach. It is unclear whether he has been dismissed from his job or faces charges.

Kaspersky software once was authorized for use by nearly two dozen U.S. government agencies, including the Army, Navy and Air Force, and the departments of Defense, State, Homeland Security, Energy, Veterans

Affairs, Justice and Treasury.

NSA employees and contractors never had been authorized to use Kaspersky software at work. While there was no prohibition against these employees or contractors using it at home, they were advised not to before the 2015 incident, said people with knowledge of the guidance the agency gave.

For years, U.S. national security officials have suspected that Kaspersky Lab, founded by a computer scientist who was trained at a KGB-sponsored technical school, is a proxy of the Russian government, which under Russian law can compel the company's assistance in intercepting communications as they move through Russian computer networks.

Kaspersky said in its statement: "As a private company, Kaspersky Lab does not have inappropriate ties to any government, including Russia, and the company has never helped, nor will help, any government in the world with its cyberespionage efforts."

Suspicions about the company prompted the Department of Homeland Security last month to take the extraordinary step of banning all U.S. government departments and agencies from using Kaspersky products and services. Officials determined that "malicious cyber actors" could use the company's antivirus software to gain access to a computer's files, said people familiar with the matter.

U.S. investigators believe the contractor's use of the software alerted Russian hackers to the files, according to people with knowledge of the investigation.

Experts said the software, in searching for malicious code, may have found samples of it in the data the contractor removed from the NSA.

But how the antivirus system made that determination is unclear. Also unclear is whether Kaspersky employees alerted the Russian government to the finding.

Investigators did determine that, armed with the knowledge that Kaspersky's software provided, hackers working for Russia homed in on the machine and obtained a large amount of information, said the people familiar with the matter.

Department nominee, has been an employment lawyer in private practice who represented companies in discrimination and other cases. He worked at the Labor Department and the Equal Employment Opportunity Commission.

At his hearing last month, he highlighted his work on discrimination cases against employers while at the EEOC and said he would emphasize compliance with and enforcement of civil-rights laws.

Some civil-rights groups have alleged Mr. Dreiband would be part of a Trump administration movement to narrow the scope of civil-rights protections.

Sessions Beefs Up Anticrime Initiative

BY ARUNA VISWANATHA

The Justice Department said Thursday that it will reinvoke a program to reduce violent crime through partnerships with state and local law enforcement and targeted prosecutions.

Attorney General Jeff Sessions told all U.S. attorneys to "implement an enhanced violent-crime reduction program" akin to a 2001 Justice Department program called Project Safe Neighborhoods, which had lost some funding in recent years.

The memo, dated Wednesday and released Thursday, instructs all U.S. attorneys to develop programs to work more closely with local police, state prosecutors and others to "identify the most significant violent-crime problems facing the district and develop a coordinated plan of attack."

The Justice Department said it would allocate 40 new prosecutors to 20 U.S. attorneys offices to "focus on violent crime reduction."

The effort comes as violent crime and homicide rates have trended upward. Last month the Federal Bureau of Investigation released data that showed an uptick in the U.S. in 2016 for the second consecutive year, driven in part by a jump in homicides in large cities. Violent-crime rates remain well below their peak in the early 1990s.

Last year, violent crime rose nationally by 4.1% to 386 per 100,000 residents, and homicides increased by 8.6%, the FBI reported.

Chicago in particular faced a sharp rise in deadly violence, recording 287 more homicides

Before 2015, violent crime had shown a long decline over the previous two decades.

last year than in 2015. Houston, Denver and San Antonio also saw increases in their violent-crime and homicide rates.

Mr. Sessions has made reversing that trend a priority, saying: "We cannot accept this as the new normal." Before 2015, violent crime had shown a long and mostly steady decline over the previous two decades.

The new efforts are built on programs that date to the 1990s, including Project Exile, developed by former FBI Director James Comey when he was a prosecutor in Richmond, Va., to strategically target gun crimes. Deputy Attorney General Rod Rosenstein also ran a similar effort called Baltimore Exile when he was the U.S. attorney in Maryland.

Justice Department officials said the new efforts will similarly entail determining which neighborhoods are the most violent, which offenders are driving that violence and targeting those individuals for prosecution.

In one notable change, the Bureau of Alcohol, Tobacco, Firearms and Explosives will determine the first retail purchaser of a firearm linked to a shooting incident within 24 hours, instead of the five to six business days it currently takes, the Justice Department said.

U.S. NEWS

WASHINGTON WIRE

GOVERNMENT ETHICS

IRS Scrutiny Hooks Left-Leaning Groups

Some nonprofit groups received scrutiny from the Internal Revenue Service through the use of screening terms that would single out left-leaning groups, according to an inspector general's report released Thursday.

What happened to those groups from 2004 to 2013 was similar to the treatment that tea-party groups received from 2010 to 2012. A report from the same inspector general about conservative groups in 2013 led to the resignation of then-acting IRS Commissioner Steven Miller.

"Democrats should be outraged," said Rep. Kevin Brady (R., Texas), chairman of the House Ways and Means Committee, about the new report. "The IRS targeted Americans based on their political beliefs, both parties."

Some Democrats said the report shows that there wasn't political bias or targeting at the IRS. They said the problem was poor management and unclear rules about how to define political activity and how much is acceptable for different types of nonprofits.

—Richard Rubin

TREASURY

Mnuchin Didn't Break Law, Watchdog Says

Treasury Secretary Steven Mnuchin's requests for and use of military aircraft for official travel violated no laws, a department internal watchdog has found.

The Treasury's inspector general also found the department offered insufficiently "rigorous and complete" justification for why Mr. Mnuchin needed a military plane, and recommended the agency be ready to justify its requests in greater detail in the future.

A spokeswoman for the Treasury Department said the department would "incorporate fully" the inspector general's enhancements to the approval process for military air travel.

—Kate Davidson

Nafta Plan to Favor Parts From U.S.

By JACOB M. SCHLESINGER
AND WILLIAM MAULDIN

WASHINGTON—The Trump administration's chief trade negotiator plans to propose significant changes to a central aspect of the North American Free Trade Agreement, in a bid to force auto factories in Mexico to move back to the U.S., according to people briefed on the plan.

The proposal introduces a requirement that cars would need to have a specific level of U.S.-made content to qualify for tariff breaks, a step that would change a core principle of the 23-year-old regional trade pact and pit the long-time trade members against each other. Currently, cars can cross the continent's borders duty free if they have a specified amount of content from within the Nafta region, in keeping with the pact's original objective of creating a more integrated continental economy.

"This would be enormous," said Gary Hufbauer, a trade expert at the Peterson Institute for International Economics. "It's completely anathema to the concept of a free-trade agreement where the point is to have stuff made across the whole area."

Since negotiations with Mexico and Canada to rewrite Nafta began in mid-August,



Ford plant in Louisville, Ky., last year. The Trump administration's plan worries U.S. auto makers.

U.S. Trade Representative Robert Lighthizer has hinted in public statements that he was considering such a proposal to meet President Donald Trump's demand that a revised Nafta needs to curb the U.S. trade deficit with Mexico.

But Mr. Lighthizer hasn't yet made a specific proposal on automotive-content requirements, amid signs of strong opposition from the two Nafta partners, the U.S.

auto industry, members of Congress and even some officials inside the Trump administration.

During briefings this week, USTR officials said they aim to make a detailed proposal calling for a required level of U.S. content during the fourth round of negotiations, which is scheduled to begin Wednesday in Washington, according to people familiar with the discussions.

The talks were first reported Thursday by the trade publication Inside U.S. Trade.

It is still possible that Mr. Lighthizer could change or pull back on the proposal after receiving feedback from members of Congress or business groups.

A USTR spokeswoman declined to comment.

Nafta contains rules specifying the level of North American content required in a host

of items—including cars and car parts—for them to qualify for tariff breaks. For example, cars and pickup trucks assembled in the bloc need to have 62.5% North American content to travel to the U.S. from Mexico without paying tariffs that range from 2.5% to 25%. There are currently no country-specific rules of origin in the pact.

USTR officials said in briefings this week on Capitol Hill and with other stakeholders that they would propose changing the agreement so that autos and auto parts would require 50% U.S. content—and that they would require 85% Nafta-region content, according to people familiar with those discussions.

When Mr. Lighthizer suggested in the first round in August that such a proposal may be forthcoming, Mexican and Canadian officials staunchly objected.

Detroit auto makers and foreign-based producers have also fought against the concept, arguing that a significantly higher rule of origin for assembled cars risks putting a monkey wrench in the North American supply chain that they have developed over two decades. Such changes, they say, risk raising prices for consumers due to tariffs, and would hurt the companies' global competitiveness.

Panel Backs Whirlpool in Trade Fight With Rivals

By JACOB M. SCHLESINGER
AND ANDREW TANGEL

WASHINGTON—Whirlpool Corp. won crucial backing from a government panel in its bid to limit competition from foreign washing-machine makers, giving the Trump administration another opportunity to invoke little-used powers to ramp up trade enforcement.

The U.S. International Trade Commission voted 4-0

Thursday to approve the petition from the Benton Harbor, Mich., company seeking broad protection in the U.S. market from South Korean rivals Samsung Electronics Co. and LG Electronics Inc. The vote came under a trade law that allows U.S. companies to win such limits if they can show they suffered "serious injury" from a surge of imports.

The provision—Section 201 of the Trade Act of 1974—was last used in 2002 by the Bush

administration to impose steel tariffs. The special "safeguard" was designed to offer U.S. industries a bigger shield against foreign competition than the more widely used antidumping laws.

The members of the ITC, a bipartisan panel, will next consider what specific tariffs or quotas they believe should be implemented. The deadline for the panel to send recommendations to the White House is Dec. 4.

Whirlpool shares fell 1.3% to \$183.44 on Thursday.

"The ITC vote is an important win for American manufacturers and American workers," Whirlpool Chairman Jeff Fettig said. "This vote sets the stage for the administration to put in place an effective remedy to create a level playing field for American workers and manufacturers."

LG said it would seek a "fair application of U.S. trade laws," adding that "imposing

restrictions on imported washers will only hurt consumers by raising prices and decreasing choices, while jeopardizing U.S. investment and job growth." Samsung said it was disappointed with the trade commission's vote. "We believe that safeguard remedies should not discriminate in favor of one group of U.S.-based workers over another and should not negatively impact a fair appliance marketplace for consumers," Samsung said.

PETS

Continued from Page One

Ethan Judelson, 21, a film student at Emerson College, applied to walk for Wag! in New York City last year. He passed the initial screening questionnaire, but he was abruptly dismissed during a phone interview.

A Wag! representative asked Mr. Judelson if he would look a dog in the eye if the animal was hesitant to leave for the walk. "I said, 'Yes,' and they said, 'We can no longer go on with this process,'" he says. "They never gave me the right answer."

Turns out a dog may perceive looking into its eyes as a threat, according to Yuruan Olgun, a certified professional dog trainer in New York. Even so, she says, the question asked Mr. Judelson during the interview was "so general, it would be hard to give a one-size-fits-all response."

A spokeswoman for Wag! says, "If an applicant fails a question on our test, he or she does not make the cut."

By one measure, there is no better time to be a dog walker. U.S. pet ownership is at an all-time high, with pets residing in 65% of homes across the country, according to IBISWorld, a market research firm based in California. That includes about 160 million pet cats and dogs.

The uptick has buoyed the dog-walking industry, which has seen its annual revenue grow 3.7% over the past five years to \$1 billion, the report says. It has become so competitive in places like New York City that firms offer specialized services. Fido has never had it so good.

Brooklyn, N.Y.-based Canine Running Co., one of the Big Apple's 312 brick-and-mortar dog-walking companies listed on Yellow Pages, offers one-on-one runs—not walks—for its furry clients.

To give anxious owners real-time updates, several dog-walking services boast live GPS tracking. Wag! and Rover's walkers flag the exact location of potty breaks and send post-walk photos.

Swift, which operates only in New York City, promises the same services as its national competitors with the refined expertise of local New Yorkers.

Proving expertise isn't easy.



Midnight prepares to go for a walk in Brooklyn, New York.

Wag! receives "many tens of thousands of applications" a month, says chief executive and co-founder, Joshua Viner. When weeding out applicants, some executives say their companies give an edge to applicants who say their love of dogs outweighs their need for money.

Seattle resident Natalie Lockwood, 40, spent a little over a week in May applying to walk for Rover. She filled out a biographical questionnaire and agreed to a background check. Next, she recorded herself for an automated video interview. She took an online safety course

who miss their family dogs or can't afford a four-legged pet of their own.

Most dog walking gigs provide a supplementary income. For some, including Ms. Oiphant, "It's like getting paid for therapy," she says.

Getting hired isn't easy but neither is navigating on-demand apps. They operate like Uber, with dog walkers filling requests. Dog owners can request specific walkers, but usually the matches are random.

"A lot of the time it's not very much advance notice," says 20-year-old Willow Quillen, a student at the Brooklyn-based Pratt Institute. She says playing with dogs for money is "amazing," but most of her clients are 3 to 4 miles away and she must arrive within 30 minutes. That is tough without a car.

Other walkers say such commutes make it hard to justify the \$15-to-\$25 pay for a 30-minute walk. "By and large you are often beholden to a schedule that neither pays a living wage nor is particularly manageable," says Los Angeles resident Andrew Gerngross, 56, who started walking dogs for Wag! in June while between writing gigs.

For each candidate elated to learn of their approved application, there are thousands more coping with rejection.

Jack Lyons, 20, a dog lover and UCLA student, took to Twitter after getting rejected by Wag! over the summer. "I was shocked," he says.

Mr. Lyons says he was derailed by the multiple-choice safety test, despite consulting Google for answers.

"I'm still going to reapply," he says, "because, obviously, I want the money."

that included such quiz questions as what to do when confronted by an aggressive dog.

Ms. Lockwood was hired after a successful training session with a Rover instructor.

Wag!'s initial application steps are similar to Rover's, but aspiring walkers also must get a perfect score on the company's safety test, which is a doozy. Applicants must identify several types of harnesses, as well as say what they would do in such worst-case scenarios as a dog that slips its leash and runs.

Meg Oiphant, 22, moved to Brooklyn for a part-time internship in September and applied at Wag! She fits the typical profile of an aspiring dog walker, who are usually canine-loving students or part-time workers

Proving expertise isn't easy.

that included such quiz questions as what to do when confronted by an aggressive dog.

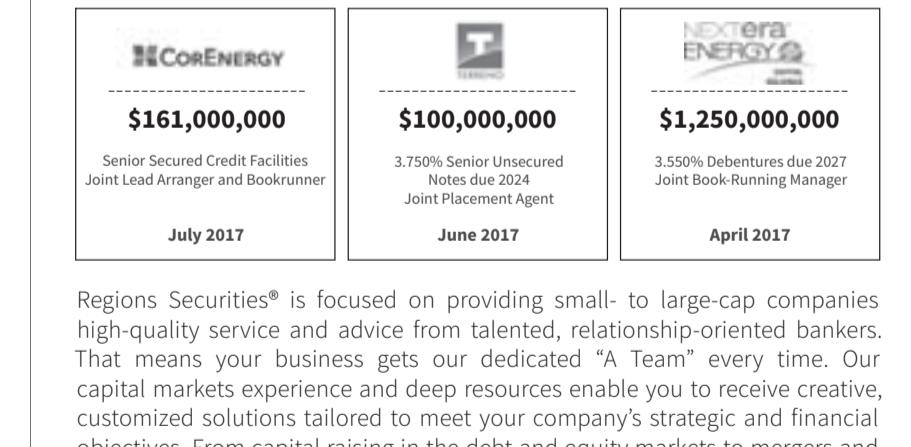
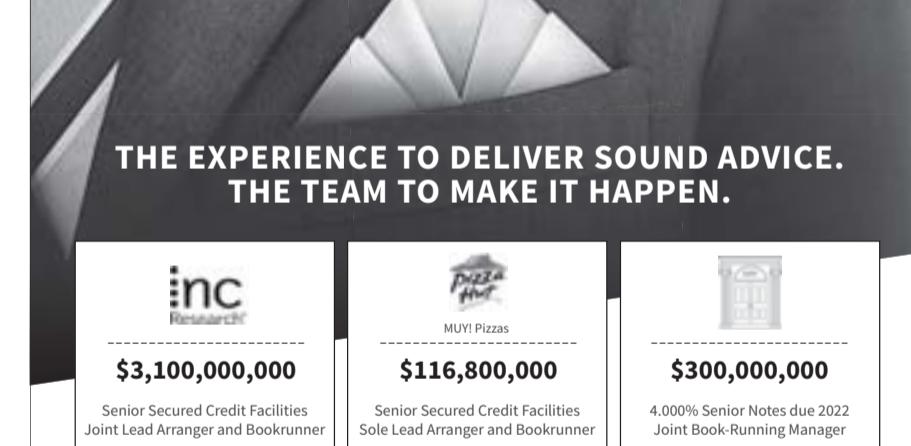
Ms. Lockwood was hired after a successful training session with a Rover instructor.

Wag!'s initial application steps are similar to Rover's, but aspiring walkers also must get a perfect score on the company's safety test, which is a doozy. Applicants must identify several types of harnesses, as well as say what they would do in such worst-case scenarios as a dog that slips its leash and runs.

Jack Lyons, 20, a dog lover and UCLA student, took to Twitter after getting rejected by Wag! over the summer. "I was shocked," he says.

Mr. Lyons says he was derailed by the multiple-choice safety test, despite consulting Google for answers.

"I'm still going to reapply," he says, "because, obviously, I want the money."



Regions Securities® is focused on providing small- to large-cap companies high-quality service and advice from talented, relationship-oriented bankers. That means your business gets our dedicated "A Team" every time. Our capital markets experience and deep resources enable you to receive creative, customized solutions tailored to meet your company's strategic and financial objectives. From capital raising in the debt and equity markets to mergers and acquisitions advice, our bankers can set things in motion for your company. It's time to take the next step and get the attention you and your company deserve.

Terry Katon | Executive Managing Director
Capital Markets
terry.katon@regions.com

Ward Cheatham | Executive Managing Director
Corporate Banking
ward.cheatham@regions.com

regions.com/securities

REGIONS
SECURITIES

Corporate Banking | Capital Markets & Advisory Services
Comprehensive Financing Solutions | Industry Expertise

Investment, Annuities and Insurance Products
Are Not FDIC Insured | Are Not Bank Guaranteed | May Lose Value
Are Not Deposits | Are Not Insured by Any Federal Government Agency
Are Not a Condition of Any Banking Activity

Banking products and services, including lending, financial risk management, and treasury and payment solutions, are offered by Regions Bank.
Deposit products are offered by Regions Bank, Member FDIC.

© 2017 Regions Bank. All rights reserved. Regions Securities is a registered service mark of Regions Bank and is used under license for the corporate and investment banking services of subsidiaries of Regions Financial Corporation. Regions, the Regions logo and Regions Securities are registered trademarks of Regions Bank and are used by its affiliates under license. The LifeGreen color is a trademark of Regions Bank.

WORLD NEWS

Trump to Overhaul Iran Policy

President expected to refuse to certify Tehran's compliance; Congress holds key

By FELICIA SCHWARTZ

WASHINGTON—President Donald Trump is expected to refuse to certify that Tehran is complying with the 2015 international nuclear agreement, as part of a broader policy change on Iran to be set out as early as next week, people familiar with the deliberations said.

That move would place key decisions about the future of the nuclear deal before Congress, which could move to reinstate sanctions under an expedited 60-day review process.

However, Congress may choose not to, people familiar with the discussions have said, as such a step could lead to the agreement's collapse. Reimposing sanctions would be considered a breach of the accord's provisions requiring sanctions to be lifted as long as Iran is deemed to be in compliance by international consensus.

If Congress doesn't take action, the outcome of the administration's approach may be to accuse Iran of failing to comply with the agreement while leaving the deal in place.

A senior administration official said Mr. Trump has decided on a strategy to confront Iran's ballistic-missile development, Iran's Revolutionary Guards Corps, the country's shipping of weapons as well Iranian behavior that the administration believes destabilizes the region. But the president hasn't made a final decision on whether to decertify Iran's compliance, and if so, under what grounds, the official said.

His national security team completed a monthlong policy review in September and Mr. Trump approved it, the official said.

Other people familiar with the deliberations expect Mr.



Iranian President Hassan Rouhani watching a display of missiles at an armed forces parade in Tehran in September.

Trump will refuse to certify that Iran is complying with the agreement, although they note that the administration is known for changing policy directions.

Mr. Trump, speaking on Thursday ahead of a briefing with senior military leaders at the White House, said Iran had "not lived up to the spirit" of the nuclear deal and added, "You will be hearing about Iran very shortly."

White House press secretary Sarah Sanders said Thursday that Mr. Trump has decided on the certification issue "and he'll make that announcement at the appropriate time." The president told reporters last month during United Nations General Assembly meetings that he had made a decision, but he didn't divulge it. He also didn't share

his decision with either French President Macron or U.K. Prime Minister Theresa May, officials said.

Mr. Trump is expected to deliver a speech in the next week or two to outline the

Many of the president's advisers support staying with the agreement

broader Iran strategy, although officials said planning was preliminary and could change.

Mr. Trump has called the accord "the worst deal ever" and told The Wall Street Journal in July that he planned to tell Congress that Iran isn't com-

plying. Many of Mr. Trump's cabinet advisers, including Secretary of State Rex Tillerson, Defense Secretary Jim Mattis and others support staying with the deal. They advised Mr. Trump to certify the deal as the policy review was under way.

Mr. Tillerson and National Security Adviser Lt. Gen. H.R. McMaster briefed European officials at the U.N. General Assembly that they are seeking to amend U.S. legislation that requires the compliance certification every 90 days.

The possible amendment would scrap or extend the certification requirement so that Mr. Trump isn't forced to say every 90 days whether Iran is complying with the deal, an irritant for the president, officials have said.

Ambassadors from the European Union, France, Germany

and the U.K. have been visiting with Republican and Democratic lawmakers this week, urging them not to take legislative steps that would threaten the nuclear deal, a Western diplomat said. Their pitch, the diplomat said, is to stress that the nuclear deal is working and that Europe is prepared to discuss other issues concerning Iran outside the deal.

Conservative U.S. lawmakers have signaled that they are prepared to avoid sinking the deal right away as the administration looks for ways to address its concerns about it.

"I'm not necessarily saying that Congress should impose sanctions in that 60-day window," Sen. Tom Cotton (R., Ark.) said Tuesday. "We need a new and broader approach that looks at fixing the problems with the deal."

Troops Mobilized After Niger Ambush

Reinforcements of French and Nigerien troops deployed to the remote desert borderlands between Mali and Niger, after three American Green Berets were killed in an ambush by an Islamic State affiliate, regional security officials said.

By Joe Parkinson
in Johannesburg
and Nancy A. Youssef
in Washington

Helicopters on Thursday transported troops to the Tilaberi region where Wednesday's attack took place, bolstering a sprawling cross-border military zone where almost 4,000 French soldiers are deployed.

U.S. officials and Nigerien military officials stationed in the region said the American commandos were on a routine patrol with soldiers from the west African state of Niger.

Nigerien officials said they gave chase to a small group of men on motorcycles headed toward Mali's border.

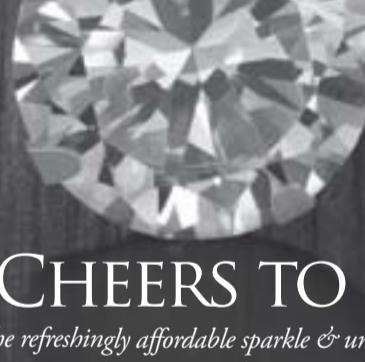
As they returned, they were ambushed by a large convoy, including several technical vehicles and dozens more armed men on motorcycles, the officials said.

An initial U.S. military assessment found that as many as 50 members of the extremist group ambushed the patrol. The wounded troops were transported to Landstuhl Regional Medical Center in Germany and are in stable condition, the Pentagon said.

Four Nigerien soldiers were also killed, Nigerien Col. Moussa Salaoubarmou said.

Col. Salaoubarmou said the convoy likely was ambushed by fighters from the Islamic State in the Sahara group.

Stauer's exclusive lab-created DiamondAura® studs set in luxurious 14K yellow gold. Order yours today at the unbelievable price of only \$49!



14K Gold

CHEERS TO STANDING OUT!

The refreshingly affordable sparkle & unique martini setting of our 14K gold DiamondAura® Stud Earrings set them apart from their run-of-the-mill mined counterparts.

Sparkling stud earrings are a must-have. However, don't settle for over-priced mined diamonds in average, ho-hum settings.

Earrings really worth celebrating. We've poured 14K yellow gold martini settings to the brim with two total carats of our scientifically-grown DiamondAura®. Leveraging the powers of science, we've created a true rock star that's not only on par with mined diamonds but has more fire and no inclusions—PLUS it's a stone you can feel good about. DiamondAura is sustainable, conflict free, and leaves a low carbon footprint. The only thing missing are several zeros.

Martini settings elevate the stone within. Not one to cover up the carat weight, the

"The higher price tags on mined diamonds have more to do with sentiment and clever marketing than intrinsic value."

—MONEY Magazine

minimalist design has less metal on the top and sides, so the sparkle is more visible and has greater brilliance.

Mined diamond stud earrings with this level of carat weight, fire, color and clarity set in 14K gold go in upwards of \$14,000. But we're not pushing a big name. We would rather you own these beauties for what you'd pay for a few well-made martinis, not make you buy a round for the whole house.

Satisfaction guaranteed or your money back. Indulge the intoxicating sparkle of the 14K Gold DiamondAura Stud Earrings for 30 days. If she isn't completely overjoyed, send them back for a full refund of the item price.

Last call. This amount of sparkle and design for the money will empty our reserves in no time. Call today!

Cheers to standing out... and to getting more for your money.

14K Yellow Gold DiamondAura® Stud Earrings (2 ctw) non-offer code price \$299†

Offer Code Price Only \$49 + S&P Save \$250

Also available in 14K White Gold

You must use the offer code to get our special price.

† Special price only for customers using the offer code versus the price on Stauer.com without your offer code.

• 2 ctw DiamondAura® set in 14K yellow gold • Post backs

Call today and experience how good it feels to get true luxury for less

1-800-333-2045

Offer Code: GSE138-01. Please use this code when you order to receive your discount.

Stauer® 14101 Southcross Drive W., Dept. GSE138-01. Burnsville, Minnesota 55337

www.stauer.com

Stauer...Afford the Extraordinary.™



An Italian soldier from NATO's Resolute Support Mission, second left, trains Afghan soldiers near Herat.

NATO to Increase Funding For Counterterrorism Programs

By JULIAN E. BARNES

BRUSSELS—NATO reached an agreement with holdout France to increase allied funding for counterterrorism programs, clearing a significant obstacle to the Trump administration's agenda for the alliance.

Under the deal, allied diplomats said, the North Atlantic Treaty Organization will spend an additional \$12 million to \$24 million on counterterrorism programs next year. The overall NATO budget of roughly \$1.6 billion will rise modestly to encompass the new spending.

The French have been forcefully opposed to increasing common funding in recent years, particularly for counterterrorism initiatives, and have expressed concerns about how the money is spent.

Many members don't see counterterrorism as the alliance's core mission, but at a NATO meeting of leaders in May there was broad agreement to expand training.

President Donald Trump has pushed NATO to focus more on counterterrorism. NATO has taken some steps to get more involved in training, including asking members to

increase their contributions to its mission in Afghanistan.

Many NATO initiatives, including the deployment of military forces to Poland and the Baltic States, aren't covered by the common budget and are funded based on voluntary national contributions of personnel or military equipment to missions. But NATO officials and diplomats said common

\$1.6B

The North Atlantic Treaty Organization's overall budget

funding is important to promote the training missions.

Adam Thomson, the director of the European Leadership Network and the former U.K. ambassador to NATO, said both the amount of money for counterterrorism and the overall NATO training effort remains small. "The significance of this step is more political," Mr. Thomson said. "It signals a willingness to put alliance money where its mouth is on" counterterrorism.

NATO's North Atlantic

Council of ambassadors failed to agree on expansion of the common funding until late last month, when France stopped its block. The new U.S. ambassador to NATO, Kay Bailey Hutchison, said increasing common funding was important to help the alliance get more involved in counterterrorism programs.

Allied diplomats said the full slate of counterterrorism initiatives being funded is still being discussed.

Mr. Trump in May spoke at NATO headquarters about terror attacks in Europe, but few if any of the initiatives being considered by NATO involve directly fighting European terror networks.

Some NATO officials have examined how to expand the number of mobile training teams the alliance sends to countries such as Tunisia and Jordan. Such teams can work with partner militaries on a range of skills that can help them combat terror groups more effectively.

NATO is also working to finalize the number of additional troops it will contribute to an expanded mission in Afghanistan, which the U.S. and allied diplomats have argued is part of the counterterrorism effort.

WORLD NEWS

Saudis, Russia Get Closer

BY NATHAN HODGE

MOSCOW—The first visit by a Saudi monarch to Moscow showcased Russia's efforts to wield its rising influence in the Middle East on Thursday, a day after Russian President Vladimir Putin said of long-standing U.S.-Saudi ties, "everything changes."

The Kremlin put on a lavish official welcome for Saudi Arabia's King Salman. Mr. Putin greeted him in the Kremlin's ornate Andreyevsky reception hall, following an arrival broadcast on Russian national television.

Russia and Saudi Arabia, the world's two leading crude-oil producers have forged an emerging energy alliance. Before the two leaders met behind closed doors, Mr. Putin said the summit would "give a new, powerful impetus to the development of bilateral relations" between Moscow and Riyadh.

King Salman said the visit showed the "coinciding views" between Russia and Saudi Arabia on a host of regional and geopolitical issues.

"We strive to continue positive cooperation between our countries to achieve stability in the world oil markets, which contributes to the growth of the world economy," he said.

Russia isn't a member of the Saudi-led Organization of the Petroleum Exporting Countries, but played a key role in brokering a deal among



King Salman and President Vladimir Putin talk in the Kremlin.

24 countries to bolster crude prices by cutting output this year by almost 1.8 million barrels of oil a day this year.

Saudi Arabia and other OPEC members are now pressuring Russia to extend the agreement, which remains in place until the end of March,

further into 2018. Mr. Putin declined Wednesday to say whether Russia would back such a measure, but suggested an extension should last until the end of next year, if one is agreed on.

Despite the burgeoning energy partnership, the two

countries have been on opposing sides of a fault line dividing the Middle East: the war in Syria. Riyadh has supported the ouster of Syrian President Bashar al-Assad, but Russia intervened directly in the conflict two years ago, helping reverse the course of the war in the Syrian president's favor.

In Syria, Russia aligned militarily with Iran, Saudi Arabia's regional rival. Russia hasn't taken sides in another regional crisis: The move by Riyadh and its Arab allies to cut diplomatic ties with Qatar over what they say is the emirate's support for terrorism and for meddling in their affairs, things Qatar denies.

Saudi and Russian officials offered few details about the two leaders' discussion of the Middle Eastern crises, but suggested that the dialogue had been constructive.

"It is of fundamental importance that both King Salman and President Putin have shown full understanding of the need for a mutually respectful dialogue between all the parties concerned to solve these and other problems," said Russian Foreign Minister Sergei Lavrov.

Asked if he took into account Saudi Arabia's ties with Washington, Mr. Putin said: "Does anything ever last forever in the world? It seems to me, on the contrary, everything changes."

◆ OPEC pushes Russia to stick to oil plan..... B11

Turkey Arrests U.S. Consulate Worker

BY YELIZ CANDEMIR

ISTANBUL—A local employee of the American consulate in Istanbul has been arrested over alleged links to followers of U.S.-based Turkish cleric the government accuses of masterminding last year's failed coup.

The U.S., whose relations

with Turkey have grown strained, said the arrest was unwarranted.

The employee was charged Wednesday with espionage and attempting to overthrow the government, the state-run Anadolu news agency said. The man is accused of having ties to a former prosecutor and four former police chiefs

who led a 2013 corruption probe that reached some of President Recep Tayyip Erdogan's allies. The government said exiled cleric Fethullah Gulen's followers had pushed the investigation in a bid to overthrow the government.

Ankara wants the U.S. to return Mr. Gulen to Turkey. Mr. Gulen, based in Pennsylvania, denies any involvement in last year's coup attempt.

U.S. ties to Turkey have also been strained over Ankara's approach to the fight against Islamic State; U.S. charges against members of Mr. Erdogan's security team related to the beating of demonstrators in Washington; and Mr. Erdogan's crackdown.

Central Asians Bridge Divisions



MIDDLE EAST CROSSROADS

By Yaroslav Trofimov

TASHKENT, Uzbekistan—Post-Soviet Central Asia, a patchwork of often hostile nations separated by seesawing frontiers, is moving to put old disputes aside and embrace a level of cooperation unseen in decades.

At the heart of this change is a new policy pursued by

Uzbekistan, which accounts for 45% of the region's population and whose isolationist stance had affected all its neighbors.

The country's new president, Shavkat Mirziyoyev, assumed power a year ago and has dramatically improved relations with all of Uzbekistan's neighbors.

"A peaceful and prosperous Central Asia is our main goal and key task," Mr. Mirziyoyev said in a speech at the United Nations in New York last month. "We are ready for sensible compromises with Central Asian nations on all issues without exception."

Given the pivotal role that Uzbekistan, a Muslim nation of more than 30 million people, plays in the region, such an outreach has the potential to boost all Central Asian economies. It could also temper the ethnic strife that had given rise to violent extremism in the past.

In recent years, thousands of Central Asians flocked to join Islamic State and other militant groups in Syria and Iraq. Central Asians were involved in several recent terrorist attacks in Russia, Turkey and Western Europe. Militants from Uzbekistan have also long been active in neighboring Afghanistan.

In recent weeks, Mr. Mir-



People at a checkpoint at the Kyrgyz-Uzbek border in May.

ziyoyev signed landmark border demarcation agreements on a visit to Kyrgyzstan—the first such trip by an Uzbek leader in 17 years. The deal was followed by the reopening of border crossings.

That is a huge milestone considering that Uzbek and Kyrgyz border guards were clashing just a few years ago and that, in 2010, ethnic strife between Uzbeks and Kyrgyz claimed the lives of several hundred people in Kyrgyzstan's southern city of Osh.

Uzbek ties with another neighbor, Tajikistan, have improved, too, despite continuing friction over Tajikistan's plan to construct a giant hydropower station that could affect the flow of the Amu Darya river—a critical water source for Uzbek agriculture.

In April, direct flights resumed between the two nations for the first time in 25 years. This month, Uzbekistan—where Tajik is the lingua franca in major cities such as Samarkand and Bukhara—is hosting performers and other cultural figures from Tajikistan for the first such festival in two decades.

"We must have friendly and predictable relations with our neighbors. Without that, we cannot ensure either security or stable development for ourselves," Uzbek Foreign Minister Abdulaziz Kamilov said in an interview.

"We are not aiming to play any special, leading or key role in the region," he added. "For us in the region, there is no big or small country, no older or younger brother."

The most progress so far has been made between Uzbekistan and Kyrgyzstan, which have had frosty relations since the Soviet Union's collapse in 1991, with festering disputes over frontiers, water allocation and minority rights. The Soviet-drawn border has left two fully isolated Uzbek enclaves in Kyrgyzstan and a small Kyrgyz enclave in Uzbekistan.

Travel between the nations was restricted by Uzbekistan following the 2005 Islamist-inspired uprising in the Uzbek section of the Fergana Valley, near the Kyrgyz frontier. Such travel became virtually impossible after 2010.

Last month, jubilant crowds gathered as Uzbek-Kyrgyz border checkpoints in the valley fully reopened, allowing people on both sides to visit relatives and friends they hadn't seen in years.

DON'T MISS OUT!
NYC'S BIGGEST WINE & FOOD FESTIVAL

CELEBRATING
10 YEARS!

Choose From Over 80 Events.

GET TICKETS NOW!

NYCWFF
NEW YORK CITY WINE & FOOD FESTIVAL

OCT 12-15 | PRESENTED BY **Coca-Cola**

TICKETS: NYCWFF.ORG | 866.969.2933 | @NYCWFF

HOSTED BY AND BENEFITING **Food Network COOKING CHANNEL**

EXCLUSIVE PROVIDER OF WINE AND SPIRITS **NOKIDHUNGRY**

PRESIDENT **Coca-Cola**

PREFERRED CARD **FOOD BANK FOR NEW YORK CITY** TITLE **COOKING CHANNEL** HEADQUARTER HOTEL **HUDSON NEW YORK** BEER AND WATER DISTRIBUTOR **MANHATTAN BEER DISTRIBUTORS** PREMIER **NEW YORK POST**

OFFICIAL AIRLINE **American Airlines** OFFICIAL AUTOMOTIVE PARTNER **Alfa Romeo** OFFICIAL BANK **Bank of America** EXCLUSIVE PROVIDER OF WINE AND SPIRITS **NOKIDHUNGRY**

HOSTED BY AND BENEFITING **Food Network COOKING CHANNEL** TITLE **COOKING CHANNEL** HEADQUARTER HOTEL **HUDSON NEW YORK** BEER AND WATER DISTRIBUTOR **MANHATTAN BEER DISTRIBUTORS** PREMIER **NEW YORK POST**

HOSTED BY AND BENEFITING **Food Network COOKING CHANNEL** TITLE **COOKING CHANNEL** HEADQUARTER HOTEL **HUDSON NEW YORK** BEER AND WATER DISTRIBUTOR **MANHATTAN BEER DISTRIBUTORS** PREMIER **NEW YORK POST**

The Festival promotes responsible drinking. 100% of the net proceeds go to Food Bank for New York City and the No Kid Hungry® campaign. Photos: Courtesy of Getty Images | Sponsors confirmed as of 9.15.17

WORLD NEWS

Police Arrest Brazilian Olympic Chief

Prosecutors say head of country's Olympic committee brokered bribes to get Rio Games

BY LUCIANA MAGALHAES
AND PAUL KIERNAN

RIO DE JANEIRO—Brazilian police arrested the head of the country's Olympic committee for his alleged role in a vote-buying scheme to secure Rio de Janeiro's bid to host the 2016 Games.

Prosecutors said Thursday that Brazilian Olympic Committee President Carlos Arthur Nuzman and his deputy, Leonardo Gryner, brokered the payment of bribes to undecided members of the International Olympic Committee ahead of a 2009 vote on what city would host last year's Olympics. Mr. Gryner was also arrested.

After police raided his home last month, Mr. Nuzman amended his tax filings to include 16 one-kilogram gold bars in Switzerland, prosecutors said Thursday. They said his earlier failure to disclose that asset—worth nearly \$700,000 at current gold prices—or to declare its source “indicates the illicitness of its origin.”

“While Olympic medalists sought to realize the dream of gold medals, the heads of the Olympic committee hid their gold in Switzerland,” Brazilian federal prosecutor Fabiana Schneider said in a televised press conference.

Mr. Nuzman’s lawyers declined to comment. Following a raid on his home last month, they denied wrongdoing on his



Police escorting Carlos Arthur Nuzman, president of the Brazilian Olympic Committee, after his arrest in Rio de Janeiro on Thursday.

behalf. Mr. Nuzman didn’t receive a salary as president of the Brazilian Olympic Committee, a spokesman for the committee said. He also wasn’t paid for his role at the helm of the Rio 2016 organizing committee, a spokesman for that body said. No representative for Mr. Gryner could be reached to comment.

According to Brazilian and French authorities carrying

out the investigation into the alleged vote-buying scheme, the bribes were paid to Papa Massata Diack, the son of former IOC official Lamine Diack of Senegal. They allege a contractor who did business with Sergio Cabral, a former governor of Rio de Janeiro state, paid out the bribes with the help of Messrs. Nuzman and Gryner. Days after \$2 million was transferred to the younger

Mr. Diack’s accounts in Senegal and Russia in 2009, they said, Rio was selected over Chicago, Tokyo and Madrid to host the 2016 Games.

The Diacks and Mr. Cabral couldn’t be reached to comment. Mr. Cabral was sentenced last month to 45 years in prison for corruption and money laundering unrelated to the Olympics.

In court documents un-

sealed Thursday, Brazilian prosecutors presented what they said was evidence that payments had flowed via Messrs. Nuzman and Gryner.

In emails and memos to Mr. Nuzman and his secretary, Mr. Diack complained he hadn’t received a \$450,000 transfer “that I was expecting since Nov. 12, 2009, as per my agreements/correspondence with Leonardi [sic] Gryner.”

Bill Cleared to Fund Election Campaigns With Public Money

SÃO PAULO—Brazil’s Congress approved a controversial new bill that would introduce public campaign financing in the country after corporate donations were banned in the wake of a vast corruption scandal.

Lawmakers voted to create a \$541 million fund for candidates to spend on next year’s general elections, in addition to the existing \$261 million year-round fund for political parties.

Critics of the new fund say it risks putting public money in the hands of corrupt politicians, while little is being done to improve governance or reduce campaign costs.

But without public funding, Brazilian politicians would remain hostage to the interests of powerful corporations, its advocates say, skewing policies in favor of the wealthy and deepening stark social divides.

“There is a financial cost to having a democratic country, to being able to give people the possibility to vote for all those who want to be candidates,” said Congressman Celso Pansera.

Previously, politicians could rely on companies to fund a chunk of their campaign expenses. In 2015, however, the Supreme Court banned corporate donations to campaigns after a graft probe found that much of private funds paid to parties were thinly veiled bribes.

—Samantha Pearson
and Paulo Trevisani

Catalan Parliament Session Blocked

BY JEANNETTE NEUMANN

BARCELONA—A top Spanish court suspended Catalonia’s planned parliamentary session on independence, as pro-union forces attempt to stop the region from a headlong rush toward secession.

Acting on a petition from a political party opposed to unilateral independence from Spain, the Constitutional Court issued an order suspending Monday’s meeting of lawmakers in Barcelona while it weighs the legality of a session in which Catalan President Carles Puigdemont was set to present the results from Sunday’s referendum.

Catalan leaders and separatist lawmakers defied another order from the same court when they moved ahead with Sunday’s vote, raising the possibility they could disobey Thursday’s order as well.

Even if the lawmakers flout the suspension and move ahead with the session, they must still overcome deep divisions among the separatist parties behind Catalonia’s independence drive.

Catalan officials have said that about 90% of those voting on Sunday cast a ballot in favor of secession although the vote was marred by irregularities, such as the lack of an of-



Barcelona's La Rambla district. A Spanish court suspended Catalonia's parliament meeting on secession.

ficial census. Many Catalans, who are against independence or thought the vote was illegitimate, boycotted the vote.

The separatist movement is a hodgepodge of different groups, with some pushing for a unilateral declaration of independence and others calling for a separation negotiated with Madrid.

Negotiations, though, also

face serious hurdles. Prime Minister Mariano Rajoy says there can be no talks when the starting point is an independence referendum he considers illegal. Catalan leaders have said they won’t back down on their push for independence because they have the support of many Catalan voters.

Catalan separatist groups are also debating whether to

call new regional elections, a move they believe could strengthen their majority in parliament, says Lorenzo Bernardo de Quirós, head of Free-market Corporate Intelligence, a Madrid consulting firm.

The overarching goal, he said, remains independence. “It’s not a debate about fundamentals, it’s a tactical debate,” Mr. Bernardo de Quirós said.

CANADA

Trade Deficit Grew In August From July

Canada’s trade deficit widened in August from July to the fifth-largest on record, as exports fell for a third straight month and are now down on a year-to-year basis.

The deteriorating trade picture in Canada likely strengthens expectations that the Bank of Canada will take a pause this month—and possibly for the rest of 2017—on rate rises after increases in July and September.

Canada’s merchandise trade deficit in August stood at a seasonally adjusted 3.41 billion Canadian dollars (US\$2.73 billion), Statistics Canada said Thursday, compared with a revised C\$2.98 billion shortfall in the previous month.

The August trade deficit was wider than traders anticipated. According to economists at Royal Bank of Canada, market expectations heading into Thursday’s Canada trade report were for a C\$2.6 billion shortfall.

Canada’s monthly trade data cover the export and import of goods and don’t include services.

The U.S. August trade deficit narrowed to \$42.40 billion, according to data released Thursday..

—Paul Vieira

WORLD WATCH

FOOD PRICES

Global Rises Driven In Part by Dairy

World food prices rose in September as vegetable oil and dairy products became more expensive, the United Nations’ Food and Agriculture Organization said Thursday.

The FAO’s food-price index rose 1.4% in September from August and was up 4.3% from September 2016.

Vegetable-oil prices continued to advance, increasing 4.5% on the month to a seven-month high. Lower palm-oil production in South East Asia and slow planting in South America helped to drive the increases. Dairy prices rose 4.5%.

The cereal-price index dropped 1.6% from August, with ample South American maize supplies and Russian wheat production weighing on prices, the U.N. body’s report said.

Meat prices were unchanged since July.

Sugar prices were also flat, after a decline in August that followed a sharp rally in July that was driven by speculation and currency considerations.

Heavy global supply meant that prices were down 33% on the year, the report noted.

—David Hodari

FROM PAGE ONE

SHALE

Continued from Page One

bust and may still surpass the record annual average of 9.6 million barrels a day, set in 1970. But companies, confronting technological, operational and financial obstacles, are starting to ease up on drilling.

The pace of innovation that allowed shale drillers to maintain production even as prices fell appears to be slowing, experts say. The cost of labor and services, meanwhile, is rising in the most popular oil fields, driving up drilling expenses. And companies are facing a backlash from investors, who have grown weary of drillers focusing on growth over profit.

“There’s always a lot of exuberance,” said Robert Clarke, an analyst with energy consulting firm Wood Mackenzie. “But then something happens that kind of puts the brakes on.”

Future oil production is notoriously difficult to predict, and a surge in prices could improve the economics of America’s shale. But a growing chorus of industry leaders believes U.S. growth may peak sooner than

government forecasts—a development with ramifications for oil markets. In recent years, shale production has reliably filled voids in world supply, effectively taming volatile price gyrations.

“There are no new shale plays that have come forward,” said Mark Papa, chief executive of Centennial Resource Development Inc.

Though the EIA has revised its forecast for oil production, which has averaged roughly 9.16 million barrels a day so far this year, its estimate is still too high, according to Harold Hamm, CEO of Continental Resources Inc. “The EIA’s phantom forecast needs huge growth to catch up to projections,” said Mr. Hamm.

An EIA spokesman defended the agency’s forecasts and said it continues to see month-on-month increases in U.S. production.

Oil prices, which plunged from more than \$100 a barrel in 2014, rose in September to over \$50. Still, chief executives of three major U.S. producers said last month they wouldn’t necessarily spend more on drilling even if prices rise to \$60 a barrel.

Pioneer Natural Resources Co. CEO Tim Dove said at a conference in Oklahoma City that a “thundering herd” of investors has asked the company to focus on returns, not growth.

The firm stunned shareholders in August when Mr. Dove said some recently drilled wells in the Permian basin—a region in Texas and New Mexico that has become the hottest drilling spot in the world—were a “train wreck.” Underground pressure problems stymied output and delayed drilling for months, he said.

Pioneer says the problem has been solved, but the solution added about \$400,000 to the cost of each well. Now, Pioneer is chipping away elsewhere to make up the difference.

Many new Permian wells are producing more oil and gas than they did a year ago, largely due to techniques such as drilling longer wells and injecting more sand into fractured rock. But if that production is measured according to the length of a well, it appears operators aren’t improving as much as expected. Based on barrels pumped per foot of well length, new wells in key regions of the Permian haven’t

been significantly more productive since 2014, according to Tudor Pickering Holt & Co.

“All these factors are pointing to slower, more methodical development,” said David Purcell, managing director at Tudor Pickering Holt, an energy investment bank. “That needs to happen.”

Critics have long complained that a tie between company leaders’ pay and production growth has led to a “drill at any cost” mentality. Invesco Ltd., which has more than \$900 billion in assets under management, sent letters to board

members of several shale companies in recent months urging them to link executive pay to return on capital rather than production growth. The firm may not be able to continue supporting board members and management if the companies don’t change tack, said Kevin Holt, chief investment officer of Invesco’s U.S. value equities.

“They need to drill at a regulated pace, generate returns and give that cash back to shareholders,” said Mr. Holt. He declined to say which companies received letters.

Investment advisory firm

Sailing Stone Capital Partners also sent letters earlier this year urging companies to orient compensation packages toward returns. “Studies have shown that compensation schemes tied to these metrics do not result in superior long-term share price performance,” it said in the letter.

Investor demands for a more conservative approach appear to be having an effect. Some of the biggest producers have promised to pay for new investments and dividends only with cash from operations. If they keep those promises, U.S. crude output would likely surge into 2018 and then stay roughly flat for the next three years, according to energy advisory firm BTU Analytics.

Wood Mackenzie forecasts that the surge in drilling in the Permian wouldn’t peak until 2025 and is on pace to produce almost 5 million barrels a day. But it recently warned that if operators drill in the same aggressive manner used in other basins, employing techniques that maximize initial production but jeopardize future wells, Permian output could peak as soon as 2021 at 4.4 million barrels a day.



Hydraulic fracturing machinery at a Shell site near Mentone, Texas.

MATTHEW BUSCH/BLOOMBERG NEWS

MASSACRE IN LAS VEGAS

Prospects for a Gun-Measure Deal Grow

Legislation restricting rifle accessory used by Las Vegas gunman draws GOP support

BY KRISTINA PETERSON

WASHINGTON—Support grew among congressional Republicans Thursday for tightening restrictions on a rifle accessory that was used to terrifying effect in the Las Vegas mass shooting, raising the prospect of a rare bipartisan agreement on gun legislation.

The National Rifle Association signaled it could support some restrictions on the devices, called bump stocks, easing the way for action since Republicans often follow the group's lead on gun policy. The NRA and GOP lawmakers also left open the possibility that they might seek action from the administration, rather than new legislation, to add new guardrails around the device's use.

Rep. Carlos Curbelo (R., Fla.) said dozens of Republicans had contacted his office about co-sponsoring bipartisan legislation he hopes to introduce this week to ban the manufacture, sale or transfer of bump stocks. Sen. Dianne Feinstein (D., Calif.) introduced similar legislation in the Senate Wednesday.

"I think we are on a verge of a breakthrough here when it comes to sensible gun policy," Mr. Curbelo said Thursday. "It's obvious that this is a flagrant circumvention of the law."

Bump stocks allow semiautomatic rifles to mimic fully automatic weapons, and GOP lawmakers are making a narrow argument that bump stocks essentially circumvent existing law that effectively bars civilians from owning automatic weapons made after 1986.

"Fully automatic weapons have been outlawed for many,



A bump stock, left, was installed on an AK-47 semiautomatic rifle at a gun store in Salt Lake City on Thursday.

Shooter Scoped Out Other Cities

Stephen Paddock researched travel to other cities before carrying out his massacre at a country music festival in Las Vegas, law-enforcement officials said Thursday.

Paddock booked rooms in a Chicago hotel in August overlooking Grant Park, where the Lollapalooza music festival was held that month, and researched

travel to Boston, officials said. Paddock planned his Las Vegas rampage carefully, stocking his 32nd-floor hotel suite with an arsenal of rifles and multiple cameras, according to authorities. He killed himself as SWAT units descended upon his room.

The law-enforcement officials said Paddock had booked rooms at Chicago's Blackstone Hotel, which advertises rooms with an unobstructed view of Lake Michigan and Grant Park.

He booked one room on Aug. 1 but didn't appear to check in. A

separate room was booked for Aug. 3. It is unclear if either room had views of the park.

Lollapalooza, which ran Aug. 3-6, drew thousands of concertgoers to Grant Park, including former President Barack Obama's daughter Malia, with a lineup that featured Lorde, Chance the Rapper and Arcade Fire.

A Blackstone spokeswoman said, "No guest under the name Stephen Paddock" stayed at the hotel during the music festival.

"We can confirm that a reservation was made under the

name Stephen Paddock, however authorities have not confirmed that this is the same person as the Las Vegas shooter," the spokeswoman added.

A federal law-enforcement official said Paddock also researched travel to Boston. Paddock may have scouted Fenway Park, home to the Boston Red Sox, and other Boston concert venues, the official said. Authorities don't yet know if Paddock traveled to Boston.

—Shibani Mahtani
and Del Quentin Wilber

many years," House Speaker Paul Ryan (R., Wis.) told reporters Thursday. "This seems to be a way of going around that, so obviously we need to look at how we can tighten up

the compliance with this law."

Whether a bipartisan deal would solidify or crumble in the coming weeks remains unclear. Congress has long been deeply divided over gun control, and shootings at Sandy Hook Elementary School in late 2012 and the Pulse nightclub in Orlando in June 2016 resulted in no change in gun laws. A ban on certain assault

style weapons signed into law during the Clinton administration expired more than decade ago and was never renewed.

Many Democrats back stronger restrictions, saying

PAST

Continued from Page One and later made his fortune in real estate—he was a multimillionaire, one of his brothers said—which afforded him a comfortable retirement as a high-stakes gambler.

His life after that traumatic start was by most appearances a Golden State success, leaving authorities to untangle the confounding profile of a killer responsible for the deadliest mass shooting in the U.S. in at least 50 years.

At 64 years old, Paddock didn't have the usual profile of a mass shooter. He left virtually no footprint on social media, had no criminal record and, his youngest brother Eric Paddock said, revealed no particular ideology. Interviews with law-enforcement officials, casino employees and two of his brothers, reveal an intensely private, self-contained man.

After his father's arrest, he grew up in Sun Valley, a largely working-class Los Angeles suburb. He was married as a young man and twice divorced. He began buying rental properties around Los Angeles in the 1990s, records show, a decade that sent prices soaring.

Though Paddock had few social ties, he maintained relationships with a small set of people, who described him as loyal and generous. He sent cookies to his 89-year-old mother in Florida, and he treated his youngest brother and nephew to \$1,000 dinners in Las Vegas, the brother said.

Yet he moved often, to look-alike houses, one after another, in a string of retirement communities in sunny places. He wore gloves when he drove and kept his window shades drawn.

Decades after his father's arrest, Paddock wired tens of thousands of dollars to his long-term girlfriend, authorities said, and checked into one of his regular haunts, the Mandalay Bay Resort and Casino, with \$20,000 worth of weapons.

A few minutes after 10 p.m. Sunday, he broke through the window of his room and began firing at concertgoers below, killing 58 people and wounding nearly 500 others. Paddock killed himself before police could arrest him, officials say.



Stephen Paddock, top center, from the Francis Polytechnic High School Varsity Tennis Team photo in the school's 1970 yearbook.

A new start

When Stephen Paddock's father was arrested in 1960, federal agents raided the family's new one-story home in a middle-class Tucson, Ariz., neighborhood. Two of his brothers were toddlers; Eric was an infant. Neighbors worried Stephen was old enough to understand, so they took him swimming as a distraction, according to newspaper stories at the time.

Their mother, Irene Hudson, soon moved the family to Southern California, telling her sons their dad died in a car accident. It was a story that two of the brothers said they believed for decades.

By the early 1960s, the family had settled in the east San Fernando Valley of Los Angeles, and Ms. Paddock worked as a secretary.

"We were never close as a family," said Patrick Paddock, the second oldest son. "I wasn't close to any of my brothers, even growing up."

While their mother was at work, the boys fended for themselves. They all grew big, said Patrick Paddock, who is 6'5" and 250 pounds. Their mother gave them chores around the house, including some cooking and cleaning. For fun, he said, the brothers would slide their dogs down a well-waxed hall.

Eric Paddock said his older brother Stephen was "like a

dad surrogate," who sometimes took him camping.

In school, Stephen Paddock showed an aptitude for math and "engineering-type things," said Richard Alarcon, a classmate at Francis Polytechnic High School in the 1970s, who became a Los Angeles city councilman.

As a junior, Paddock played on the varsity tennis team and appears, straight-faced and shaggy-haired, in "The Student," the school yearbook.

Stewart Kops, 65, who appeared next to Paddock in the

yearbook's team photo, said he didn't remember him: "He was either not a good tennis player, or very quiet."

The Paddock brothers for years accepted that their father was dead, said Patrick Paddock. But Benjamin Paddock was alive, all 6'4" of him, escaping from prison before he was recaptured in 1978. Their mother finally told them the truth about him when they were in their 20s, Patrick Paddock said.

Paddock married twice, first in 1977, the year he graduated from college, and a second time in 1985, when he wed Peggy Okamoto, a high-school classmate. Neither one lasted.

In the early 1990s, Paddock began investing in California real estate, according to property records and his brothers.

'How the hell does this happen?' said Eric Paddock, the shooter's brother

yearbook's team photo, said he didn't remember him: "He was either not a good tennis player, or very quiet."

The Paddock brothers for years accepted that their father was dead, said Patrick Paddock. But Benjamin Paddock was alive, all 6'4" of him, escaping from prison before he was recaptured in 1978. Their mother finally told them the truth about him when they were in their 20s, Patrick Paddock said.

Paddock married twice, first in 1977, the year he graduated from college, and a second time in 1985, when he wed Peggy Okamoto, a high-school classmate. Neither one lasted.

In the early 1990s, Paddock began investing in California real estate, according to property records and his brothers.

Paddock purchased rental properties and arranged some purchases through trust set up in his mother's name, including a Temecula, Calif., ranch house where she lived from the early '90s to mid-2000s.

It wasn't clear how much money Paddock netted from real estate, or how much accrued to his partners, which included his youngest brother. Eric Paddock said his brother moved their mother into a comfortable Florida home.

"Steve took care of the people he loved," Eric Paddock said, sobbing outside his home this week. "The people he loved, he took care of."

In 2014, Paddock and his partners sold a Dallas apartment complex for more than \$8 million, according to the buyer, in what appeared his largest real-estate deal.

Poker play

Paddock began gambling at the Wynn casino not long after it opened in 2005, according to a person familiar with his gambling. He also frequented The Cosmopolitan, as well as casinos owned by Caesars Entertainment Corp., the Atlantis in Reno, Nev., and others.

He mostly played video poker. "It was like a job for him," said his brother Eric. "He did it mathematically."

Paddock gambled enough that casinos provided him complimentary suites, sushi and poolside services. At least one casino later cut back on the perks after his playing skills seemed to protect him from losing enough money to compensate for the freebies, several people familiar with the matter said.

He met Marilou Danley, a Filipina immigrant with Australian citizenship, about five years ago, and they soon became a couple. She worked as a hostess in the high-limit gambling room at the Atlantis in Reno.

Ms. Danley and Paddock moved from Reno to Florida, near his brother Eric and his mother in Orlando, then to a retirement community in Mesquite, Nev. "It was fun to hang out with Steve because he was a rich guy," Eric Paddock said. "I'd get to partake of a bunch of thousands of dollars of comps on the hotel, but Steve would say, 'Could you go get me a sandwich?'"

limitations on the capacity of firearms and magazines could limit the damage they can inflict, while Republicans argue that tighter rules can step on the Second Amendment rights of gun owners and don't work to reduce gun violence.

But in the wake of the shooting at a Las Vegas music festival, where a gunman's rampage killed 58 people and left almost 500 injured, lawmakers said they were optimistic a narrow deal might be struck. Law-enforcement officials have said the Las Vegas gunman appears to have used at least one rifle outfitted with a bump stock, allowing him to fire hundreds of rounds a minute from the windows of his hotel room in Sunday night's attack.

Asked about bump stocks in the daily White House briefing Thursday, press secretary Sarah Huckabee Sanders said, "We should have that conversation and we want to be a part of it moving forward."

GOP lawmakers weren't united Thursday on whether bump stocks should be addressed through new legislation or by the Bureau of Alcohol, Tobacco, Firearms and Explosives. Rep. Adam Kinzinger (R., Ill.) said he was sending a letter to the ATF asking the agency to re-examine the procedures around bump-stock purchases. "This would be faster than any legislative action, and it would also give the ATF the ability to look at all things that are kind of in this realm."

The NRA also called for ATF to "immediately review whether these devices comply with federal law," the gun group said in a statement. "The NRA believes that devices designed to allow semi-automatic rifles to function like fully automatic rifles should be subject to additional regulations."

—Michael C. Bender contributed to this article.

In Reno, Paddock liked to gamble late at night and off to the side, so as to avoid smokers. His hotel room at the casino would sometimes be outfitted with special air purifiers, a former casino employee says. He told people he moved to Mesquite because the dry weather was good for his health; he told his brother Eric he was leaving Florida in 2015 because of the humidity.

In June, a doctor prescribed Paddock the antianxiety medication diazepam—better known by the brand name Valium—according to a story in the Las Vegas Review-Journal, which cited records obtained from Nevada's prescription monitoring program. The state pharmaceutical board said it couldn't confirm the news report.

For the past several years, Paddock split time between a home on a quiet cul-de-sac in Mesquite and hotels in Las Vegas, about a 90-minute drive. He went to karaoke night some Tuesdays at Peggy Sue's diner. His neighbors say they hardly knew him. His home backed up to a golf course, but he wasn't known there, either.

In late 2016, Paddock began buying dozens of weapons that were later found in his homes and at the shooting scene, law-enforcement officials said. He never used them at the only shooting range within 20 miles of his home.

"It's almost like he was trying to avoid people," said Jason Shaw, part-owner of the nearby Smokin' Gun Club range.

Ms. Danley said through her lawyer that Paddock never "took any action that I was aware of, that I understood in any way to be a warning that something horrible like this was going to happen."

Eric Paddock said he was in regular touch with Paddock, who had sent a text asking about his mother after Hurricane Irma hit Florida last month. The brothers, though, hadn't spoken in about six months, he said.

"If I'd just called him back instead of texting, would I have heard something in his voice?" he said. "Would he have given up something?"

—Sara Randazzo, Alexandra Berzon, Jim Carlton, Lisa Schwartz and Chris Kirkham contributed to his article.

GREATER NEW YORK

New Law Aims to Help Ex-Convicts Get Jobs

It will allow New Yorkers to seal up to two convictions for nonviolent offenses

BY THOMAS MACMILLAN

A new state law will allow thousands of New Yorkers to seal records of old criminal convictions, and advocates are hoping it doesn't fizzle like a similar but seldom-used statute from 2009.

The law, which takes effect Saturday, is intended to remove an obstacle that could prevent some people with nonviolent criminal convictions from getting a job, housing or financial aid for college.

"This law aims to give people the opportunity to overcome the stigma of a criminal conviction," said Kate Wagner-Goldstein, an attorney at the Legal

Action Center, which has been advocating for sealing laws for decades.

The law will let New Yorkers apply to seal up to two convictions, including one felony, for crimes other than sex offenses and violent felonies, starting 10 years after their sentencing date or release from prison. District attorneys will have 45 days to object to the application, which judges can grant with or without a hearing.

Sealed records won't be visible to most employers or landlords, but will be available to law enforcement and child-protective services, and can be considered in future criminal cases.

A growing number of states—as many as 20—have laws allowing for sealing or expunging criminal records, said Judy Whiting, general counsel for the Community Service Society. Efforts to prevent arrests or convictions from handicapping

some people have accelerated in recent years. The focus also has included preventing employers from asking job applicants about their criminal histories.

President Barack Obama ordered federal agencies in 2015 to stop asking job applicants

'An old conviction for a minor or a non-violent offense should not hold people back...'

questions about their criminal backgrounds.

New York state has 2.3 million people with criminal convictions, according to the governor's office. While the new law could affect tens of thousands of people in the state, Ms. Wagner-Goldstein said she is con-

cerned it might meet the fate of a previous conviction-sealing law that never lived up to its potential.

That 2009 law, which applied more narrowly to only certain drug offenses, resulted in sealing in only 52 instances in New York City and less than 500 statewide between 2009 and 2016, according to figures from the New York State Division of Criminal Justice Services.

"The numbers were pitiful," said attorney Alan Rosenthal, a former director at the Center for Community Alternatives and a longtime advocate for sealing laws.

State Assembly member Joseph Lentol, who sponsored both laws, said the new law will have a much greater impact. The 2009 measure hasn't been used because it is so limited in scope, Mr. Lentol said.

"This law isn't as restrictive," he said. "It applies across the

board to nonviolent felonies and misdemeanors."

Eric Arnone, a former prosecutor who now practices criminal defense, said his office has already been fielding calls from people interested in the new law. He said attorneys and potential clients are eager to see how judges and district attorneys handle the new applications.

A spokeswoman for Manhattan District Attorney Cyrus Vance Jr. said he does "not anticipate having to challenge the sealings, except on rare occasions."

Acting Brooklyn District Attorney Eric Gonzalez said he "strongly supported" the law and has dedicated prosecutors ready to review requests.

"An old conviction for a minor or a nonviolent offense should not hold people back from moving on with their lives," Mr. Gonzalez said.



PIETER FOLEY FOR THE WALL STREET JOURNAL
Site on Manhattan's west side where the killings took place.

Fired Worker Kills Boss, Himself

BY ZOLAN KANNO-YOUNGS

A construction worker shot and killed a foreman who had fired him before turning the gun on himself in Manhattan Thursday, the New York Police Department said.

The 44-year-old worker shot his former supervisor in the head at about 7:10 a.m. at a building under construction in the vicinity of Riverside Boulevard. The suspect was fired two days earlier, NYPD Deputy Chief Christopher McCormack said.

The NYPD initiated its active shooting protocol and deployed its Emergency Service Unit and other squads armed with long rifles to the area near 63rd Street and 11th Avenue. At least one school in the area went into lockdown.

"During the course of this search we realized we were actually dealing with a workplace violence situation," NYPD Deputy Chief Phillip Rivera said. "The shooter had a dispute with a foreman and shot him several times."

Police found the 37-year-old foreman on the 37th floor of the building with a gunshot wound to the head. At about 8:45 a.m., police discovered the body of the alleged shooter with a "self-inflicted gun shot wound" on the fifth floor of the building. Officers obtained a 9mm semiautomatic gun at the scene.

Police said they weren't searching for additional suspects. Deputy Chief McCormack said police were speaking to construction workers at the site to learn about the shooter.

"They said he was a bit of a hot head," he said.

Deputy Chief McCormack said the apparently disgruntled man's motive stemmed from "respect of himself and the workers."

Police were still investigating how the suspect entered the building. There is video of the first floor but no other cameras in the building.

While some people were evacuated, police told workers on the 39th floor to shelter in place.

"They were safe up there," NYPD Capt. Thomas Traynor said. "I had guys up there."

New York Comic Con Takes City by Storm



DRESSED TO KILL: Thousands made their way to New York Comic Con on its opening day Thursday, with many attired as characters from comics, graphic novels, films and games. Clockwise from above left, Sarah Hinsley, as Black Cat; Martin Rogers, as the Red Knight; Rebecca Quinones as X23; and a group of friends from New Jersey who are really into the old Pac-man videogame. The event, held at the Javits Center and other sites around the city, runs through the weekend.

Upstart Candidate Takes Aim at de Blasio's GOP Challenger

BY MIKE VILENSKY

As Republican Nicole Malliotakis seeks to unseat Democratic Mayor Bill de Blasio, she is fending off attacks from an opponent lambasting her record and questioning her credentials—but it isn't Mr. de Blasio.

It's Bo Dietl, an independent candidate with ties to Republican President Donald Trump who has become Ms. Malliotakis' most vociferous critic since she won the GOP nomination in September in the New York City mayoral race.

With the two set to square off against each other and Mr. de Blasio in a Tuesday debate, some independents and conservatives who want Mr. de Blasio toppled are concerned that Mr. Dietl and Ms. Malliotakis may split the anti-de Blasio vote.

The already outnumbered Republican now has to fight on

two fronts," said William F.B. O'Reilly, a New York Republican strategist. "It's not helpful to anyone who wants to see de Blasio defeated."

In the increasingly heated race between Mr. Dietl and Ms. Malliotakis, analysts see echoes of other right-wing rifts around the country between established Republicans and anti-establishment insurgents. "The difference between them is Bo's not a politician," said Bernard Kerik, the former New York City Police Department commissioner and a friend of Mr. Dietl's, after watching the two spar at a recent candidate forum.

Mr. Dietl, a former New York Police Department detective who runs an investigations company, has gone after Ms. Malliotakis, a Staten Island assemblywoman, as much as he has the mayor. He has clashed with her when they have

crossed paths at parades, issued a news release telling her to quit, and posted a video on social media of a voter who changed his mind from backing Ms. Malliotakis to Mr. Dietl.

"I resent the insinuation I am taking Republican votes away from Malliotakis," Mr. Dietl said in an email. "It's more accurate to say that she's taking votes away from me."

Ms. Malliotakis mostly has ignored Mr. Dietl's attacks or dismissed him as not serious. "Voters tired of schools that don't educate and subways that don't work will realize Malliotakis is the common sense alternative to de Blasio," her spokesman said.

Mr. Dietl's poll numbers have hovered between 5% and 10%, and the debate on NY1 Tuesday is expected to give him wider exposure. Ms. Malliotakis is polling between 15% and 20%,

and analysts said Mr. Dietl may be keeping those down.

"In a town where a Republican winning is overwhelmingly uphill at best, splitting the Republicans is a nail in the coffin for the GOP nominee," said Chris Coffey, a political strategist and former aide to Mayor Michael Bloomberg.

Mr. Dietl's supporters say he is more electable than his Republican opponent: "Bo has crossover appeal," said Queens Councilman Eric Ulrich, a Republican backing Mr. Dietl.

Most New York City Democrats don't appear to be ditching Mr. de Blasio for Mr. Dietl, two polls released Thursday suggested. A Quinnipiac University poll found Mr. de Blasio with 61% support among voters, while an NBC 4 New York/Marist poll has the mayor favored by 58%.

The mayor's campaign man-

So Far, Trump Mum On Mayor's Race

President Donald Trump is one prominent Republican who has yet to weigh in publicly on the race for New York mayor.

As a registered New York City voter, the president gets a vote like any other resident, but he hasn't yet endorsed a candidate. It is typical for sitting presidents to back their party's

nominee in a New York City mayor's race.

On Thursday, the president's press aides declined to say who he would vote for in November, but Trump associates said he is following the race.

"He's a hometown boy, loves New York, but hates [Democratic Mayor Bill] de Blasio," said Chris Ruddy, a friend of Mr. Trump's who is CEO of conservative Newsmax Media. "He'll be tracking it for sure."

—Mike Vilensky

Dietl received money from short-lived Trump communications director Anthony Scaramucci; Ms. Malliotakis got donations from other Trump allies, including Manhattan heiress Rebekah Mercer.

—Maria Gay

contributed to this article.

GREATER NEW YORK

At This Brooklyn Watering Hole, Just 'Beer Yourself'

ATM-style cards allow customers to sample new and unusual drafts priced from 50 cents an ounce

BY CHARLES PASSY

When customers make their way to the Williamsburg location of Randolph Beer, a brew-centric bar, they will find an impressive 24 choices on draft, from pale ales to stouts to a seasonal Oktoberfest offering.

But if they want to do any drinking at the Brooklyn spot, they will have to work the taps themselves sans bartender. As a sign says, "Beer Yourself."

The self-serve aspect is actually a selling point for craft-beer buffs. They say they appreciate not only the sheer novelty of it, but also that they can sample new and unusual brews without having to commit to a full pint.

The beer is priced by the ounce, from 50 cents for some of Randolph's house-made brews to slightly above \$3 for extremely hard-to-find varieties. Customers are given a "beer ATM card," as it has sometimes been described, that records all their pours.

"You can try a dozen different beers in a night and only spend \$30. It's amazing," said Grant Beeman, a resident of Union City, N.J., who treks into New York just to visit Randolph.

But beer buffs don't necessarily have to venture that far to pour their own, as a handful of other bars are offering similar self-serve set-ups. Among them: Duke's on the Upper East Side and Clinton Hall in the South Street Seaport.

And more are on the way. Randolph co-founder Dave Plate says he plans to offer the self-serve feature at the next location he is opening, which will be in Brooklyn's Dumbo neighborhood. And Clinton Hall owner Telly Hatzigeorgiou says he will include it at three additional locations he is developing in the city, plus he plans to add it at his Slate NY bar in the



Katie Aldworth, of the Upper West Side, poured herself a draft at Randolph Beer in Williamsburg, Brooklyn. Self-serve is a novelty a handful of bars are embracing.

Flatiron District.

There are reasons bars are embracing the trend beyond the fact it does obviously draw certain customers.

For starters, it can bring down costs—not only in terms of needing fewer bartenders, but also in terms of eliminating waste. In most drinking spots, it is a given that bartenders will "over-pour," either by accident or because they offer customers the occasional freebie.

Conversely, the pour-your-own setup is "a zero waste proposition," said Mr. Plate of Randolph.

And even though customers may just pour an ounce or two of the beers they try, the tab can grow.

Julie Zucker, who handles marketing for Duke's, says that, on average, beer drinkers consume the equivalent of about 3.5 standard-pour beers at the bar's Upper East Side location. By contrast, at



the Duke's in Murray Hill, which doesn't offer the self-serve feature, it is more like 2 beers, she says.

Of course, all that drinking can pose problems of another sort—intoxication. Not to mention underage drinkers potentially helping themselves to a pour.

But the establishments offering the self-serve feature, including Duke's, say they monitor their beer "wall" closely. And the New York State Liquor Authority, which oversees bars, says that as long as safeguards are in place, the pour-your-own option is within the law.

Pour-Your-Own Beer: A Drinker's Guide

Some of the current offerings at Randolph Beer:

◆ Randolph Beer's Wet-Hopped Marzen

An Oktoberfest-inspired beer made with hops sourced from upstate New York. 50 cents an ounce.

◆ Cascade Brewing's Figaro

A hard-to-find beer aged in Chardonnay barrels. \$3.09 an ounce.

◆ Industrial Arts Brewing Company's Wrench

An India pale ale with an explosion of aroma and flavor. 55 cents an ounce.

◆ Captain Lawrence Brewing Company's Leaking Staves

A sour-style ale that offers plenty of complexity. \$1.48 an ounce.

◆ Graft Cider's Lost in the Woods

Yes, pour-your-own cider—in this case, one with earthy and citrusy notes. 65 cents an ounce.

Source: Randolph Beer

at least that is how Jeff Isaacson, vice president of bar operations at Ark Restaurants, which has restaurants throughout the city, sees the situation.

"When you're getting your own beer and not talking to anybody, you might as well stay home," he said.

GREATER NEW YORK WATCH

NEW YORK CITY

Cuomo Panel to Look At Congestion Pricing

New York Gov. Andrew Cuomo is putting together a task force to study congestion pricing and other ideas for fixing New York City's traffic.

The Democrat announced the commission on Thursday. He is calling it the "Fix NYC" panel.

The group will recommend solutions to traffic congestion and the funding challenges facing the city's subway and bus systems.

Congestion pricing would charge motorists more for entering the most congested parts of New York City. The idea is to discourage vehicular traffic in dense urban areas while also raising money for mass transit.

Former Mayor Michael Bloomberg proposed a congestion-pricing plan several years ago, but it quickly ran into opposition. Mayor Bill de Blasio has criticized the idea.

The panel will report its recommendations in December.

—Associated Press

Columbia Sets \$100 Million to Diversify Faculty

BY LESLIE BRODY
AND MELISSA KORN

Columbia University announced Thursday it was committing \$100 million over the next five years to diversifying its faculty, as the school continues to grapple with low numbers of minority teachers.

Experts say a more diverse faculty can help attract a more varied student population and

lead to innovative research.

The latest sum comes on top of \$85 million the university has spent since 2005 to recruit and retain faculty from underrepresented groups.

"The reality is that you can't really achieve excellence without diversity," said Dennis Mitchell, vice provost for faculty diversity and inclusion. "It requires diverse thought to solve complex problems."

Columbia has had trouble recruiting and retaining scholars from minority groups. Nine percent of its 1,637 tenured and tenure-track faculty members now are African-American, Hispanic, Native American or Pacific Islander, officials said. About 30% are women.

Mr. Mitchell said some of the funds would help in recruiting dual-career couples in academia. When the school

wanted to hire women in the sciences, for example, it sometimes struggled to pay for jobs for their partners, he said.

"Recruiting one often meant hiring two," he said.

With this additional funding, "we don't have to scramble the way we have in the past trying to patch together resources for the partner."

The initiative includes a commitment by Columbia Uni-

versity Medical Center to spend \$50 million on diversifying.

A number of other schools have invested heavily in diversifying their teaching ranks as well. Yale University committed \$50 million to such a plan in late 2015, while the City University of New York last summer received a \$541,000 grant from the Andrew W. Mellon Foundation to help diversify its professor population.

Public Hospitals Brace for Cuts

BY MARA GAY
AND MELANIE GRACE WEST

The head of New York City's public hospital system says he will leave more jobs unfilled at the 11 hospitals he oversees to cope with a cash-flow crisis that emerged after the state withheld millions of dollars in aid.

City and state officials have sparred over the funding in recent days as health-care dollars from Washington become scarce.

Stanley Brezenoff, interim president of NYC Health + Hospitals, said in a letter to staff Thursday that he would fill just 25% of the 250 to 300 positions that become available each month at the hospitals the system oversees. NYC Health + Hospitals officials say they only have about two weeks of cash on hand because the state has yet to disburse \$380 million in federal and city money.

"I recognize that an even larger number of lost positions across our system will have consequences for patients, for a number of services and for continuity of care and I deeply regret this—but this budget cut leaves us with no choice," Mr. Brezenoff wrote.

In an interview, Mr. Brezenoff said he had begun slowing payments to vendors and could be forced to consider reducing patient services on days when there isn't enough staff on hand.

"There will be hard choices," he said.

Asked whether NYC Health + Hospitals could meet its payroll obligations for the rest of the month, Mr. Brezenoff said he couldn't immediately say.

Mr. Brezenoff said that without the funds, the public hospitals would likely increase the number of patients they ask ambulance services to send to other hospitals. But he said no person who arrived at a public hospital would be

"The suggestion that the state is somehow in a position to reverse federal cuts is willful political ignorance and a distortion of reality—only the federal government can possibly restore cuts they've enacted," Jason Helgerson, New York state Medicaid director, said in an emailed statement.

"Save for the federal government restoring these funds, there is no way the remaining [health care funding] can reimburse all hospitals at 100 percent."

The dispute seemed to lay bare the ways in which the enduring tensions between New York Gov. Andrew Cuomo and New York City Mayor Bill de Blasio can sometimes spill over into the functioning of government. Senior city officials said the state only informed them the \$380 million wouldn't be immediately available when they asked why it had yet to be distributed.

Mr. Brezenoff said state officials had given the city no notice that it wouldn't be receiving the money from the state, and for a time didn't return his phone calls about the aid.

Cuomo officials said the city knew the federal cuts were a possibility and should have planned accordingly.

The reduction in federal aid has been planned for years as part of changes under the Affordable Care Act that assumed states would have reduced costs because more patients would be insured.

\$2.6B

Loss of federal health-care aid that Cuomo officials anticipate

turned away. The system serves low-income New Yorkers who often can't find treatment elsewhere.

"Our staff would never turn away a patient who comes to us," Mr. Brezenoff said. "That will put terrific strain on us perhaps, but that's a given. It's in the DNA. And it's required by law."

Officials with New York Gov. Andrew Cuomo's administration say they are trying to plan for a \$2.6 billion loss in federal health-care aid to the state that will require hospitals throughout the state to find savings.

CHARLES P. ROGERS BEDS DIRECT

Columbus Day Sale on every bed & mattress.

IN-STORE & ONLINE - This week take an extra 10-20% off already reduced prices on every bed, every mattress, everything - PLUS - FREE DELIVERY on orders of \$299 or more. Here are a few examples:

ESTATE LATEX MATTRESSES
Top-rated for 2017 by leading independent buyers guide (ratings and links online). Reg. \$3499-\$2399.
Now from \$1119.20.

ST. REGIS MATTRESSES
Rated a "best mattress for couples" by leading independent buyers guide.
Reg. \$1499-\$2759.
Now from \$809.10.

Above: Newhouse white leather headboard Reg. \$2899-\$3399,
Now from \$1199.20.

Left: Solid mahogany Barcelona platform bed Available with or without built in drawer option.
Reg. \$3359-\$6399.
Now from \$1663.20.

Right: Hand-forged iron Campaign daybed \$1699-\$1799.
Now from \$809.10.
Optional pop-up trundle stores a second mattress underneath.

CHARLES P. ROGERS ~ BED MAKERS SINCE 1855

NEW YORK: 26 W. 17 ST (5-6 AVES) / 213 E. 59 ST (2-3 AVES) 212-675-4400/1-800-272-7722.
DAILY/COLUMBUS DAY 9-8, SAT 10-7, SUN 12-6. ONLINE AT: CHARLESPROGERS.COM
NJ: FACTORY STORE: 300 RTE. 17 N., EAST RUTHERFORD. DAILY/COLUMBUS DAY 10-6, SAT 10-7, CLOSED SUN.

LIFE & ARTS

FILM REVIEW

By Joe Morgenstern

Precarious Joy In 'Florida'



Bria Vinaite and Brooklynn Prince.

SEAN BAKER makes unsentimental, non-judgmental movies about poor people. In his 2015 feature "Tangerine," his subjects were transgender prostitutes in Hollywood, Calif. His new film, "The Florida Project," follows a giggling gaggle of little kids who live in shabby motels within sight of Walt Disney World in Central Florida. (Nightly fireworks, free for the watching!) The first thing to be said about this vivid work of fiction, which the filmmaker wrote with Chris Bergoch, is that it feels like fact—not so much a slice of life as a flow of life connected to some endlessly renewable source of psychic energy. Another thing is that watching the movie leaves you feeling edgy, just as you're meant to feel, for these kids live their lives of joyous freedom on the edge of homelessness and beckoning chaos.

It's all quite new, and very much of our time. In the bygone days of movie bratdom, little kids were rascally, brash or cute. (Or simply cheerful, like the sweet-faced English children who flow through Tony Richardson's "A Taste of Honey.") The kids in "The Florida Project"—the phrase Walt Disney assigned to his plans for Disney World—can summon up cuteness when the situation demands it; when, for example, they're cadging ice cream from strangers on the street. For the most part, though, they're in a state of perpetual motion that feeds on the sights, sounds, junk entertainment and junk food around them, a mode of being that might be diagnosed as ADHD if it weren't the default state for all their friends.

As in previous films, Mr. Baker mixes amateur and professional actors to exceptional effect. The standout amateurs are Brooklynn Prince as Moonee, a vibrantly endearing 6-year-old; Bria Vinaite as Moonee's heedless, hapless mother, Halley; and Valeria Cotto as Moonee's friend Jancey. Willem Dafoe plays Bobby, the endlessly harried manager of the grubby, purple-walled Magic Castle, where Moonee and her mother live for \$38 a night. (Jancey lives nearby in a dump called Future World.)

Mr. Dafoe's performance is a model of magnetic minimalism and a perfect fit for his artfully written role. Bobby has seen it all. He studies his tenants' behavior with the eye of an entomologist (and deals belatedly but decisively with a bedbug infestation). He tries to maintain a modicum of control, even chases a trio of flamingos from the driveway before they block traffic. Yet this laconic, impulsive manager manages to maintain a reserve of kindness and paternal concern for the kids who drive him crazy every day from sunrise to sunset. He's our guide and surrogate in the motel, the one who sees how wild Moonee and Jancey are, yet how tender and precious.

BOOKS

Ishiguro's Quiet Power Claims the Nobel Prize

BY ELLEN GAMERMAN
AND JENNY GROSS

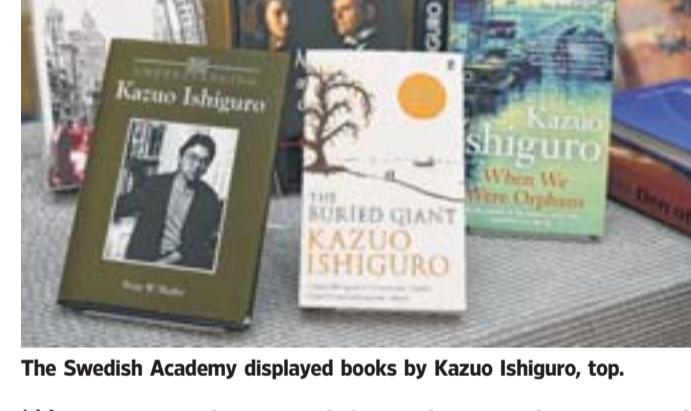
KAZUO ISHIGURO, the British author whose emotionally restrained characters filled the powerful worlds of his novels, won the 2017 Nobel Prize in Literature, the Swedish Academy announced Thursday in Stockholm.

The 62-year-old writer, largely discovered by American audiences with his 1989 English country-house novel "The Remains of the Day," helped elevate the unreliable narrator in contemporary fiction and challenged publishing orthodoxy with his disregard for the constraints of traditional literary genres.

Mr. Ishiguro's books have been critical and commercial successes, published in roughly 40 languages with more than 2.5 million copies sold in the U.S. alone. His American publisher, Vintage, an imprint of Alfred A. Knopf, was printing 200,000 copies of various titles following the Nobel news, and Amazon customers were given a wait of up to four weeks for some of his popular novels.

Speaking to reporters in his garden in London, Mr. Ishiguro said he was writing an email in the kitchen when his agent called to tell him he had won. "I thought it was a hoax," he said, thinking he would have found out from the Nobel Committee. He even mistrusted his wife, Lorna MacDougall, who dashed out of a hair appointment at a salon to call her husband with the news. He finally believed he had won when the British Broadcasting Corp. called for an interview.

"This is amazing and totally unexpected news for me," he said. "It comes at a time when the world is uncertain about its values, its leadership and its safety. I just hope that my receiving this honor will even in a small way encourage the forces for goodwill and peace."



The Swedish Academy displayed books by Kazuo Ishiguro, top.

The author, known as "Ish" to his friends, was born in Nagasaki, Japan, and moved to Britain at the age of five when his father took a research job at the National Institute of Oceanography. Mr. Ishiguro has said that the Japan in his stories is one he largely invented to serve his fiction. Some see in his work traces of the trauma of transplanting to a London suburb from the Japanese city the U.S. hit with a nuclear bomb when his mother was a teenager there.

val in 2015, Mr. Ishiguro said he was surprised to learn that some readers were sniffing at the presence of ogres and pixies in the book. "If there are battle lines being drawn in literary snobland, I'm on the side of the ogres," he said.

"The Remains of the Day," a World War II-era story about a repressed English butler's loyalty to a British lord who turns out to be a Nazi sympathizer, won the Booker Prize and was made into a 1993 film starring Anthony Hopkins and Emma Thompson. Mr. Ishiguro, who drafted the novel in four weeks, found the butler an apt metaphor. "This is the kind of powerless situation that many of us are in," Mr. Ishiguro told The Wall Street Journal two years ago. "We live in small worlds and we contribute to some bigger world upstairs."

The butler, Stevens, is a classic Ishiguro narrator, recounting the past in ways that deflect attention from his failures and loss. Brian W. Shaffer, an English professor at Rhodes College in Memphis, Tenn., who has written widely about the author, described him as "a great poet of the unsaid."

Mr. Ishiguro has plotted a careful and thoughtful career at his own pace, usually publishing one book every five years, said Angus Cargill, his editor at U.K. publisher Faber & Faber. "It's that kind of restraint that's there in his prose, it's in everything he does. I think that's why his work is so profound."

Sonny Mehta, editor in chief of Knopf, a division of Random House, said whether set in kind of future or a deep past, Mr. Ishiguro's writing reflects a "fastidiousness and concern for the big, big themes."

Mr. Ishiguro's creative process requires not just control but a leap of faith. "I do get into these kind of desperate phases in the writing of all my novels," he said at the Hay Festival. "People think I must have it down to some kind of routine. I don't. Every time I think, 'Well, the last time was a complete fluke.'"

—Wiktoria Szary and Paul Hannon contributed to this article.

FROM TOP: RICHARD POHLE/THE TIMES/REDUX; JONATHAN NACKSTRAND/AFP/GTY IMAGES

TELEVISION REVIEW

A HAGIOGRAPHIC DIRECTOR'S CUT

AFTER 2 1/2 HOURS of genuflecting, "Spielberg" may well leave viewers asking what exactly was the point. Steven Spielberg is the most famous filmmaker in the world, of course, one who's as responsible as any for the current state of American cinema. But his story is hardly unknown, and such an influential figure in what is arguably our most influential medium is deserving of some scrutiny. Informed criticism. Maybe a few tough questions. Instead, "Spielberg" is like this weird wedding reception where the guests line up to throw bouquets at the bride.

Director Susan Lacy, who founded "American Masters" at

PBS back in the '80s, has spent 30 years producing hagiographic portraits of cultural figures and social phenomena, but the slavish adoration of "Spielberg" is something else—and a surprise, given the rigor with which HBO has generally conducted its documentary programming. With interviews done over several years, "Spielberg" was made not only with the subject's participation but with some of his biggest stars—including Tom Hanks, Tom Cruise and Leonardo DiCaprio—and the input of filmmakers with whom he came of age in '70s Hollywood, among them Martin Scorsese, Francis

Please see SPIELBERG page A11

'Jaws'
director
Steven
Spielberg in
1975.



LIFE & ARTS

THEATER REVIEW | By Terry Teachout

Bare-Bones Shakespeare

John Doyle's minimalist version of 'As You Like It' can feel less than clear



New York

CLASSIC STAGE
Company, one of New York's most admired off-Broadway theaters, has launched its 50th season with an "As You Like It" directed by John Doyle, who became CSC's artistic director last year. Mr. Doyle, who specializes in spare small-scale stagings of musicals, hasn't done much Shakespeare, and this production, a 100-minute minimalist version of Shakespeare's comedy, is very much in

the now-familiar style of his CSC revivals of Stephen Sondheim's "Pacific Overtures" and "Passion." The set, which he designed himself, is as close to a bare stage as you can get, and the actors, as is also Mr. Doyle's wont, supply their own instrumental accompaniment for the agreeable Broadway-style songs, set to Shakespeare's words by Stephen Schwartz ("Godspell," "Wicked"), with which the show is sprinkled.

Perhaps in part because the



Kyle Scatliffe and Hannah Cabell, above, and Ellen Burstyn and Hannah Cabell, top, in Classic Stage Company's production.

first song doesn't come along until a half-hour into the proceedings, Mr. Doyle's "As You Like It" gets off to a slowish, oddly unspecific start. It feels as if we are meant to see Ellen Burstyn, who is dressed in drag as Jaques and spends much of the first part of the play sitting on a trunk reading along with a script that she holds in her lap, as the director—or possibly not. Truth to tell, I never really thought that Mr. Doyle's underlying concept for the

production registered with full clarity, nor did it seem that he was entirely at ease with Shakespeare's comic side.

Fortunately, the rest of the cast, which includes

Quincy Tyler Bernstein as Celia, Hannah Cabell as Rosalind and André De Shields as Touchstone, is full of fine performers, and the second half of the show took wing and gave much pleasure. I found special delight in Leenay Rideout, who is not only very funny as Phoebe but

also plays a mean jazz fiddle.

As You Like It

Classic Stage Company,
136 E. 13th St. (\$60-\$125),
866-811-4111, closes Oct. 22

Mr. Teachout is the Journal's drama critic. "Billy and Me," his new play, opens at Palm Beach Dramaworks on Dec. 8. Write to him at teachout@wsj.com.

production registered with full clarity, nor did it seem that he was entirely at ease with Shakespeare's comic side. Fortunately, the rest of the cast, which includes Quincy Tyler Bernstein as Celia, Hannah Cabell as Rosalind and André De Shields as Touchstone, is full of fine performers, and the second half of the show took wing and gave much pleasure. I found special delight in Leenay Rideout, who is not only very funny as Phoebe but

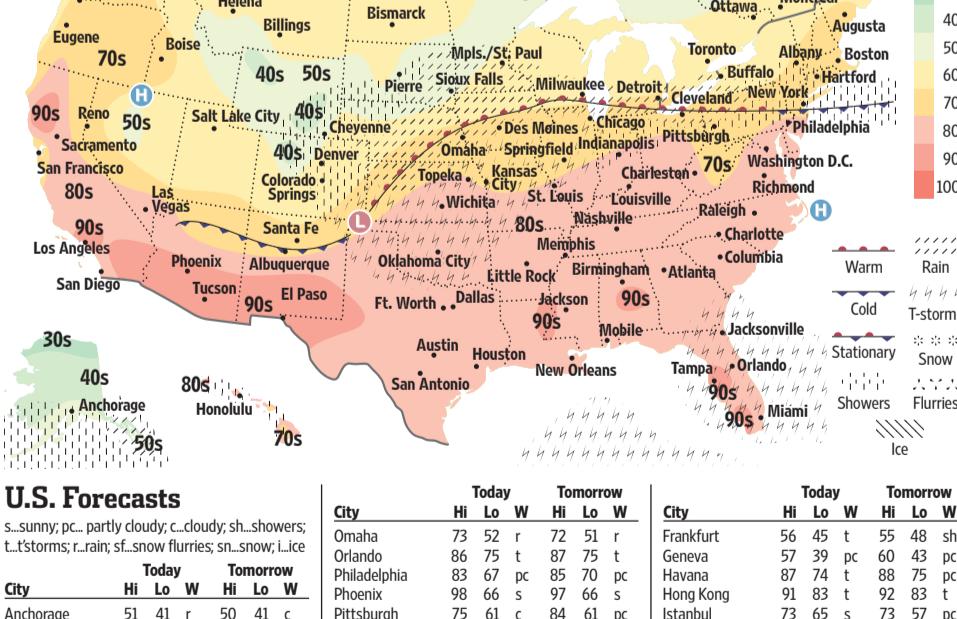
also plays a mean jazz fiddle.

As You Like It

Classic Stage Company,
136 E. 13th St. (\$60-\$125),
866-811-4111, closes Oct. 22

Mr. Teachout is the Journal's drama critic. "Billy and Me," his new play, opens at Palm Beach Dramaworks on Dec. 8. Write to him at teachout@wsj.com.

Weather



U.S. Forecasts

S...sunny; pc...partly cloudy; c...cloudy; sh...showers; t...storms; r...rain; sf...snow flurries; sn...snow; l...ice

Today Hi Lo W Tomorrow Hi Lo W

City Anchorage Atlanta Austin Baltimore Boise Boston Burlington Charlotte Chicago Cleveland Dallas Denver Detroit Honolulu Houston Indianapolis Kansas City Las Vegas Little Rock Los Angeles Miami Milwaukee Minneapolis Nashville New Orleans New York City Oklahoma City

Hi Lo W

Hi Lo W

AccuWeather.com

The WSJ Daily Crossword | Edited by Mike Shenk



STATE YOUR NAME | By Peter Gordon

The answer to
this week's contest
crossword is a
best-selling book.

Across

- 1 Missing GI
- 5 Cable channel that shows many NCAA games
- 10 Gloucester glassful
- 13 Fourth little piggy's share
- 14 Stock exchange?
- 16 R cause, often
- 17 Musician mentioned in the theme song to "All in the Family"
- 19 WWII general Arnold

► Email your answer—in the subject line—to crosswordcontest@wsj.com by 11:59 p.m. Eastern Time Sunday, Oct. 8. A solver selected at random will win a WSJ mug. Last week's winner: Steve Bernstein, Flint, MI. Complete contest rules at WSJ.com/Puzzles. (No purchase necessary. Void where prohibited. U.S. residents 18 and over only.)

PUZZLE CONTEST

25 North Sea diver

26 Start for athlete or cycle

28 Bit of crowd-sourced criticism

31 "As If!"

32 "Live well" chain

36 How a couple may walk

37 Where drinks come with mini umbrellas

38 Like a virtuoso performance

39 Computer input

41 Choreographer Lubovitch

42 Text-scanning by PC

43 "Oy__!"

44 Teleprompter brand

45 Evolutionary survivors

46 Port on the Adriatic Sea

48 Ant. ant.

52 __Xtra (soda brand)

53 Patriots' org.

55 Available

58 Pioneering TV company

59 Dress fancily, with "out"

60 Med. care option

Previous Puzzle's Solution



Mr. Spielberg filming 'Schindler's List,' above, and 'Saving Private Ryan,' below.

SPIELBERG

Continued from page A10

Ford Coppola, Brian DePalma and George Lucas. His entire family got on board. Mom. Dad. His sisters. No one ever said Mr. Spielberg didn't know how to control a narrative.

Mr. Spielberg is a likable, self-effacing interview subject, and even his fiercest critics will admit to the director's fluency in film language, his gift for spectacular imagery and a facility for accessing the moviegoer's emotions. ("Has he ever been in analysis?" asks the film critic J. Hoberman, delivering one of the very few less-than-adoring statements in the movie. No, it turns out.) And "Spielberg" can be a feast for the eyes, even when the clips come from less-than-classic Spielberg films ("War Horse," to name just one). The subject was as open as he needed to be during the reported 30 hours of interviews he gave Ms. Lacy, or so it appears: Since her questions go unheard, there's no sign of evasiveness or resistance. Mr. Spielberg speaks frankly about the pain of his parents' divorce, and the pain that his own divorce inflicted on his children; he recalls his embarrassment as a child at having his Russian-Jewish immigrant grandfather calling out "Shmuil!" to the amusement of the other mostly non-Jewish kids in his Phoenix neighborhood. He admits, "All I wanted to do was fit in."

At the same time, there's nothing said about the dream that was DreamWorks, or his wealth, or his power, or—as addressed so well in Molly Has-

kell's recent book "Steven Spielberg: A Life in Films"—the deeper influence of his Jewishness on his films, "Schindler's List" aside, and whether an atavistic hunger for cultural assimilation and a profound insecurity might lay behind Mr. Spielberg's career-long preference for box-office supremacy over, say, Mr. Scorsese's level of high art. There's also nothing about the treatment in his movies of women—who, when they appear at all, are usually problematic.

"Spielberg" opens with a salute to "Lawrence of Arabia" by the great David Lean, who made grand epics of emotional depth and intellectual complexity. The film inspired the young Spielberg, who "saw it, went to see it a week after that, and went to see it a week after that." The world in which one could see the same film in the same theater three weeks running—a world that started to change when Mr. Spielberg made "Jaws"—is mostly gone, and the state of the movies today is something Mr. Spielberg had no small part in creating. That seems like a natural subject to have been brought up. Like quite a few things, it goes unaddressed.

Spielberg

Saturday, 8 p.m., HBO



SPORTS

MLB | By Jason Gay

Hey Baseball, Let's Speed It Up!

Major League Baseball's postseason is here, and everyone's fired up: the hard-core baseball nuts, the October bandwagoners, those greedy Cubs fans who now want two World Series titles in 109 years, and, of course, the Journal's superb baseball writer, Jared Diamond, who still sleeps in his Bernie Williams pajamas, and sobs tears of joy when a meaningless mid-August game rolls into extra innings.

I do not want to rain on baseball's most exciting moment. But you may be aware of the anxiety that a beloved game may be working itself into oblivion. The other day, Diamond and the Journal's Brian Costa offered a thorough accounting of how analytics have reshaped—and more worryingly, lengthened—baseball to the point where there's true concern it's getting, well, kinda boring.

The numbers don't lie. This season there were more strikeouts (an all-time record) and home runs (an all-time record), but also more pitching changes (an all-time record rate) and fewer balls hit into play. The average gap between balls hit into play this season was a record 3 minutes, 48 seconds. That's the length of Adele's hit "Rolling in the Deep." The next time you see a ball hit into play at a baseball game, start singing Adele's "Rolling in the Deep."

We could have had it alllllllllll Rolling in the Deeeeeeeeep.

It really works! Your family and the dog may think you're nuts, but tell them you're just waiting for the next baseball to get hit into play.

Baseball is getting to be all-or-nothing, but also drawn-out—the average nine-inning game this season was 3 hours, 5 minutes, another record. The other night's Yankee-Twins wild-card game—which did feature a spectacular first inning in which the teams battered each other with home runs—ended up 8-4 New York and took 3 hours, 51 minutes. Then Wednesday's Diamondbacks-Rockies wild card (an 11-8 Arizona win) took 3 hours, 54 minutes.

Sheesh. You can do a successful open heart surgery in three hours, 54 minutes. You can fly from Atlanta to Los Angeles (that's time spent in the air—it doesn't include the 20 minutes the crew spends waiting for you to rush to the gate from Chick-fil-A). You can watch all of "The Godfather Part II" and still have time for a "Seinfeld" and a half.



New York Yankees manager Joe Girardi chats with players on the mound during Tuesday's AL Wild Card game. The game took 3 hours, 51 minutes to complete.

None of this is meant to be a rejection of analytics, which I think smartened up baseball and removed a lot of the old-school eye test mumbo-jumbo. But Diamond and Costa think the delays could be contributing to the aging of baseball's television audience, never a great sign for a sport. Do you know the median age of a baseball TV viewer this season?

122 years old.

OK, I'm kidding. It's 57.

Baseball is alert to the game creep, and considering changes like pitch clocks and limiting the number of visits to the pitcher's mound. Those are good alterations, but I have a more immediate solution that may be used during the 2017 playoffs:

GUYS, HURRY UP!!!

I mean it: Hurry up. I'm talking to all of you baseball players, from Los Angeles, Washington, D.C., Boston, Cleveland, Arizona, Chicago, New York and Houston. I

don't need rule changes and a committee to get this show on the road. I just need bullhorn to yell: LET'S GOOOOOOO!!

Batters: Speed it up! Do not step out of the batter's box between pitches and do all 26 Bikram yoga poses. Lose the batting gloves, which you guys adjust like you're on your way to a royal coronation. Grip it and rip it! People watching at home have lives to lead, jobs to prepare for, internet message boards to scream at each other on. Come on, what are you waiting for? That pitch was right down the middle.

Pitchers: Throw that rock. What's the matter with you? This isn't that hard. Rear back and chuck it. There are people who play chess faster than this. Let them hit it, put it into play—your teammates behind you are atrophying from lack of physical activity. Your curveball stinks anyway. Don't worry about the guy on first base—he's 15 pounds overweight,

he's not going anywhere.

Managers: Want to have a chit-chat with your struggling pitcher? Thinking about making a switch? Hustle out of the dugout. Let's go! Run—don't walk. Run faster! You're strolling like you're eating an ice cream on a cobblestone street in Nantucket! And when you get to the mound, make it snappy. This is not a corporate retreat. This is not the hellish 9 a.m. office meeting. Deliver your message and beat it.

Umpires: You're fine. I feel bad for you: they're making you do video replay, which you must hate, and a lot of people want to replace you with robots. Welcome to my life, baby! The Journal wants us all doing videos, and the minute that they can find a robot who can write an inane sports column, it's on the sidewalk for yours truly.

I really do have baseball's best interests at heart. There's no need for a game to end at midnight Eastern Time. We howl when the Oscars do

this—baseball does it all the time.

This is the moment when my friends on the West Coast say: Listen, you media elite dopes, the world does not revolve around Eastern Time. Your 8 p.m. starts are 5 p.m. starts for us, which means we miss almost half the game while still at work, fighting home through traffic, or at the juice bar, which has a surprisingly great beet smoothie, but doesn't have a TV.

To which I say: Blow it out your well-tanned ears, West Coast people! You guys get all the nice weather, you can surf 12 months a year, you're not far from the mountains, and Elon Musk is building you all robot cars and space highways.

All I want back here in the cold and the darkness is a lovely baseball game that ends before my kids wake up in the morning and demand "Paw Patrol." We really could have it alllllllllll. Hurry! LET'S GOOOOOOO!!

SOCER

A WORLD CUP WITHOUT MESSI, RONALDO AND U.S.?

BY JOSHUA ROBINSON AND MATTHEW FUTTERMAN

IF YOU SEE next summer's World Cup in Russia as a chance to watch the planet's most storied soccer nations and players duke it out for five weeks, then we might have some bad news for you. Especially if you're a fan of Lionel Messi, Cristiano Ronaldo or the Netherlands.

None of those guys might be there. Italy, Chile and the U.S. are in danger, too. Without Messi, Ronaldo or the defending champions of Europe and South America, is it even a World Cup?

As the grueling, two-year qualifying process heads into its decisive final month, things have taken an awkward turn for countries used to sailing right in. Around the world, the race for the 32 spots in Russia has giants of international soccer clinging to the ropes.

Peru, a side it drew with last October, and on the road in Ecuador.

Chile, meanwhile, won the 2015 Copa America and the 2016 Copa America Centenario, but currently sits one point farther back in the South America standings. It faces a trip to Brazil in its final game.

To Brazil, which has only lost once in 16 games and leads South American qualifying by 10 points, this is downright hilarious.

The race for the 32 spots in Russia has giants of international soccer clinging to the ropes.

"That's not Brazil's problem!" the Brazilian legend Zico said last week. "That's a problem for everyone else."

The U.S. national team can, for once, compare itself to Argentina and Chile—for exactly the wrong reasons. The Americans have what amounts to a do-or-die match Friday night in Orlando against Panama. Wins against Panama Friday and away at Trinidad on Tuesday would guarantee the U.S. safe passage and mark a great escape for a team that has qualified for every World Cup since 1990.

In every other country, not making the World Cup is cause for national self-examination and existential hand-wringing.

In the U.S., not making the World Cup might not exactly have fans burning jerseys, but it's a catastrophe of a different sort. Boosters of the sport rely on the World Cup as that quadrennial moment when the game slips into the mainstream sports obsession.

"The sport goes to a whole new



From left to right, Argentina's Lionel Messi, U.S. soccer coach Bruce Arena and Portugal's Cristiano Ronaldo.

level with every World Cup," said Charlie Stillitano, executive chairman of Relevant Sports, a soccer promoter. "It's a huge disaster if we don't get there."

U.S. television rights for the event now generate more money for FIFA than rights sales for nearly any other country. 21st Century Fox and NBCUniversal's Telemundo are paying FIFA nearly \$2 billion for World Cup rights from 2015 to 2026.

David Sternberg, who previously ran media operations for Manchester United, said Russia's time zones were already likely to depress U.S. television ratings. "Everyone is anxious," Sternberg said.

There are a number of reasons for the Americans' position. The U.S. Soccer Federation stuck with head coach Jurgen Klinsmann long after the players had lost confidence in his leadership. That produced losses against Mexico and Costa Rica to start this six-team, 10-game final qualifying stage.

More broadly though, this country of some 325 million has managed to produce just a single player of significant international consequence since advancing to the round-of-16 in the 2010 World Cup. Christian Pulisic, the team's 19-year-old star who plays for Borussia Dortmund in Germany, has largely carried the team through the tournament. But opponents have begun to double-team him and no one else on the team has proven good enough to keep up.

In Asia, Australia was supposed to have wrapped up one of the four automatic spots for Russia already after qualifying for the past three World Cups. But a draw against Thailand, and Saudi Arabia's win over Japan last month, sent the Socceroos tumbling into a playoff against Syria.

In Europe, Italy, Portugal and Wales are facing home-and-home playoffs against group runners-up to book their spots.

None of the European powers is

in worse shape than the Netherlands. The Dutch went into meltdown during qualifying for Euro 2016 and missed out on the tournament altogether. The Oranje are on their third manager in three years, Dick Advocaat, and currently sit third in their group behind France and Sweden.

Africa, meanwhile, may send an entirely different set of teams to Russia than the five that went to Brazil four years ago. Algeria, which took Germany to extra-time there in the round-of-16, is already eliminated. Ghana and Cameroon are also in deep trouble. Ivory Coast and Nigeria lead their respective groups but don't have their spots locked up yet. Possible replacements include Egypt, Tunisia and Cape Verde.

However, for the giants who miss out this time, there is small consolation on the horizon: it will get easier soon.

Only nine more years until the World Cup expands to 48 teams.

OPINION

About That Trump Dossier 'Wall'



POTOMAC
WATCH
By Kimberley
A. Strassel

More news on the Russia-collusion front came Wednesday, when the Senate Intelligence Committee said it has now verified what everyone knew

nine months ago: Russia worked to sow chaos during the 2016 election; vote totals weren't affected; and no evidence has emerged that Donald Trump was in cahoots with Moscow.

But in the more distant, less camera-filled corners of Washington, there actually is some interesting new information. It centers on the document that increasingly looks central to the "chaos" Russia sowed: the Trump dossier.

That was the infamous list of accusations compiled starting in the summer of 2016 by a former British spook, Christopher Steele, who had been hired by the liberal opposition-research firm Fusion GPS. The discredited rumors about Mr. Trump came from anonymous Russian sources. This is notable, since it turns out Fusion was separately—or maybe not so separately—working with entities tied to the Kremlin.

How close was Fusion's leader, Glenn Simpson, to Natalia Veselnitskaya, the Kremlin-linked lawyer? Did the Russians know about the dossier all along and help plant the information in it? Were American law-enforcement agencies

relying on Russian-directed disinformation when they obtained secret warrants against Trump associates? Chaos, indeed.

Witness how hard the Federal Bureau of Investigation is fighting to avoid divulging any information about the dossier. More than a month ago the House Intelligence Committee issued subpoenas to the FBI and the Justice Department, asking for dossier-related documents. Lawmakers were told to go swivel.

A little more than a week ago, the committee's frustrated chairman, Rep. Devin Nunes, took the case all the way to Deputy Attorney General Rod Rosenstein, who finally offered to make an FBI official available for a briefing. But the bureau is still withholding all documents. To date, Sen. Chuck Grassley's Judiciary Committee has not received any paper from the FBI on Russia matters, despite numerous requests, some countersigned by the Democratic ranking member, Dianne Feinstein.

Increasingly, one name is popping up: Gregory Brower, who leads the FBI's Office of Congressional Affairs. Mr. Brower is an odd man for the job. These gigs tend to go to more-junior people, since they involve the drudgery of answering calls from grumpy congressional staffers. Yet Mr. Brower is a former U.S. attorney—a job that requires Senate confirmation—and a former Nevada state senator.

Before his latest role, he was the deputy general counsel of the FBI. In that post he was

described as a confidant of former FBI Director James Comey. It was Mr. Comey who installed Mr. Brower in the congressional affairs job, just a few days before President Trump fired the director.

Mr. Brower has been shutting down congressional requests and stonewalling ever since. He has even tried appealing directly to House Speaker Paul Ryan's office to squelch committee demands

for documents. The FBI keeps justifying its intransigence by saying it doesn't want to interfere with Special Counsel Robert Mueller's investigation. But Mr. Grassley recently announced that Mr. Mueller's separate inquiry would no longer be considered a legitimate reason for the FBI to withhold information from Congress.

Now here's the surprise: Reuters reported Wednesday that Mr. Mueller "has taken over FBI inquiries into a former British spy's dossier" against Mr. Trump. How very convenient. The Mueller team has leaked all manner of details from its probe, even as it had avoided the dossier. But just as Congress is ratcheting up pressure on the FBI, anonymous sources say that it's out of the bureau's hands.

Some Republicans might be tempted to cheer news that the special counsel is looking into the dossier. They shouldn't. A Mueller takeover will make it even harder for Congress to conduct an independent investigation—which may well have been the reason for the move. Mr. Mueller has had months to look into the document, and his lack of curiosity so far speaks volumes. As a friend of Mr. Comey and a former FBI director himself, Mr. Mueller cannot be counted on to examine impartially whether the FBI was duped.

Sen. Richard Burr, who leads his chamber's Intelligence Committee, noted on Wednesday that his dossier investigation has "hit a wall." Mr. Steele has gone underground. Mr. Simpson won't hand over relevant documents or say who paid him. The FBI is stiff-arming lawmakers. No one wants to talk about a dossier that Paul Roderick Gregory, a Russia expert at the Hoover Institution, found to read like something "compiled by a Russian, whose command of English is far from perfect and who follows the KGB (now FSB) practice of writing intelligence reports." No one wants to discuss an array of Russian lawyers, lobbyists and Kremlin officials who may have been involved in its creation.

All of this is a lot more shady than Facebook ads. If Congress wants to produce the answers it has promised, it has to break through the dossier "wall."

Write to kim@wsj.com.

I Can't Understand a Word My Priest Says

HOUSES OF WORSHIP
By Mary Sherry

I have been singing the praises of my new parish ever since I moved to the small Wisconsin town where I live. Here people respond and sing with conviction during the liturgies. They participate as lectors, altar servers and Eucharistic ministers. Our pastor comes from India. He loves his vocation, projects warmth, and is great with kids. He's everything you want in a parish priest—except I can't understand a word he says.

I'm not alone. Today around a quarter of Catholic diocesan priests were born outside the U.S., and about 30% of priests ordained in America last year were foreign-born. Some of my friends complain that priests from Africa and India seem to be taking over American parishes. While recognizing they're lucky even to have a priest, they still bemoan the deeply accented, sometimes incomprehensible English they're subjected to.

Why the discontent? It's more than a language issue. Not long ago, priests from the U.S. were the world's missionaries. Adventurers from Biloxi, Boston and Boise set forth and spread the Gospel in places like Nigeria, Nicaragua and Papua New Guinea. They would return home and preach about poverty, illiteracy and disease. We could alleviate these problems, they'd tell us, with

money and prayer. The missionaries inspired financial generosity, prayer and vocations to religious life. They made us proud.

And help we did. I still remember the Association of the Holy Childhood, a foreign mission organization. It sponsored a program in which students could adopt a "pagan baby," whereby a donor could name the child and receive a certificate. In 1950 a pagan orphan "adoption" cost \$5—around \$50 today. My sisters and I "bought" several by saving our allowances and doing chores. We named each John, after our father, who only had daughters. The program instilled in us the importance of helping those less fortunate and spreading the good news in the process.

Now grown up, those pagan babies have cellphones, careers, Twitter accounts and many trappings of modern life. Some have become priests and nuns after learning English as the language of commerce in their native lands. Many see opportunities for ministry in the U.S. Some come as political refugees; others find salaries are higher here, enabling them to send money home to support their families. Still others find that life in the U.S. is just more comfortable. Most see the U.S. as spiritually needy—so privileged that its people no longer crave sacramental care.

No matter what motivates

them, opportunity knocks loudly. They're welcomed especially by U.S. bishops eager to avoid closing parishes for lack of clergy. That the U.S., once a rich source of missionaries, has become mission territory in less than 50 years is amazing.

Foreign clergy are a blessing, but some cultural differences can be unsettling.

The cultural differences can be unsettling. Some of these missionaries are unsparing in their criticism of matters like street-dress altar-server apparel, the custom in many American parishes.

Add this to hard-to-comprehend English, and it's no wonder the people in the pews get annoyed and check their emails—or start shopping for another parish.

Yet there can be a bright side to these cultural differences. Our pastor told us during a recent Friday Mass that a new priest from India would be coming to learn the cultural ropes for a few weeks before moving on to another assignment. He urged us to welcome the new priest at the weekend Masses with small gifts—some flowers or even cookies. We'd never done this with an American priest, but apparently it is an Indian tradition.

At Mass two days later, our pastor introduced the trainee—who looked absolutely terrified—and invited us to come forward with gifts. Instead of baked goods and bouquets, the parishioners presented the new priest with cheese. Then someone brought up a Green Bay Packers cap. Another gave him a University of Wisconsin coach's jacket. Yet another gave him a pair of deer antlers that hunters clank together to attract prey. The parishioners gave this Indian practice of welcoming a new priest with gifts a distinctive central Wisconsin flavor.

This delightful event reminded me that I'm part of a big, wide church. It's sometimes tempting to tune out a hard-to-understand priest, but I've learned it's worth it to try. I was brought up on the Latin Mass, which I didn't understand either. And as a traveler, I've heard Mass in many languages I don't speak. The universality of Catholicism is powerful at these moments.

The new priest is starting to settle in. He seems more comfortable when he preaches. He appears to be a friendly and gentle man. I still can't understand a word he says. Yet in a grace-filled, mysteriously powerful way I understand him.

Ms. Sherry is the author of "The Spiritual Spa" (Resurrection Press, 2006).

By Mark P. Mills

Hurricane Maria devastated Puerto Rico's electric grid, destroying half the island's long-distance transmission lines and compromising most local distribution capacity. Virtually all cell towers went dark. Restoring service under these conditions would be a daunting challenge under any circumstances. But Puerto Rico Electric Power Authority filed for bankruptcy last July.

Environmentalists are already lobbying for Prepa to build a greener grid, one less dependent on "old" fuels like oil. But Puerto Rico didn't go dark because of how it produces electricity. The power plants survived. The wires distributing power got destroyed.

A greener grid would do nothing to minimize suffering after the next hurricane. What Puerto Rico and others need is a harder grid so that far fewer people are blasted back to the 19th century when disaster

strikes and service can be restored faster after a blackout.

Engineers can do it. Previous calamitous outages have pointed to solutions: stronger poles and wires; waterproof substations with sturdier, higher walls; pre-emptive tree removal near wires; and,

Sell the bankrupt power authority and harden the grid.

essential parts of the system, buried wires. New classes of materials for radically stronger poles and wires are emerging, as is software that can model extreme events and radically improve system designs. Other ideas: low-power sensors that can operate in blackouts by scavenging power from nature and gather critical information for repair and recovery, and swarms of drones for rapid damage assessment.

With proper directives and incentives, private businesses could meet the engineering challenge more quickly, cost-effectively and creatively than government bureaucracies. Fears about privatizing infrastructure are irrelevant.

All this would cost far less than going green. And while the two paths are not mutually exclusive—hybrid solar-diesel emergency generators, for example—federal and state governments have spent hundreds of billions of dollars pushing for "smart" and green grids instead of resilient and restorable ones.

Now is the time to build an extreme grid in Puerto Rico. Given the scale of the disaster, federal funding is essential, but will ignite predictable political squabbles. There is a way of approaching the problem that could benefit both Puerto Ricans and people living on exposed grids everywhere—that is, practically everyone.

With proper directives and incentives, private businesses could meet the engineering challenge more quickly, cost-effectively and creatively than government bureaucracies. Fears about privatizing infrastructure are irrelevant.

Who'd want to own Prepa now anyway? And why rebuild a system so that it is guaranteed to break next time?

Prepa should be auctioned off with the promise of federal matching funds equal to the cost of rebuilding a standard grid. But the new owner should be required to pay to make Puerto Rico's grid superresilient. A hardened grid could also become a laboratory for exploring next-generation "extreme" tech.

Given the devastation that future storms are guaranteed to bring, private and government entities across the Caribbean are nervous about rebuilding. A determination to build resilient electric grids would go a long way toward restoring confidence in the viability of those island communities.

Mr. Mills is a senior fellow at the Manhattan Institute and faculty fellow at Northwestern University's McCormick School of Engineering.

BOOKSHELF | By Jayson Stark

You Can't Win Them All

The Big Chair

By Ned Colletti
(Putnam, 440 pages, \$28)

When you cover baseball, as I have for more than 30 years, it's hard not to be amazed by all the stuff that winds up on the plate of the modern general manager. Trades. Signings. Firings. Juggling multiple cellphones with both hands. Sometimes, these guys even find time to sleep a few hours. But you know what they almost never do? Write books.

That's what makes Ned Colletti's fascinating autobiography, "The Big Chair" (co-written with Joseph A. Reaves), such an important contribution to 21st-century baseball literature. This isn't "Moneyball," in which author Michael Lewis told the story of the 2002 Oakland A's through the eyes of an embedded outsider. Mr. Colletti's book might be even more ground-

breaking in some ways: It's a nearly unprecedented opportunity to see what running a baseball franchise looks like through the eyeballs of an actual general manager, a man making one momentous decision after another. "The Big Chair isn't a recliner," Mr.

Colletti writes in a sentence typical of the book's jaunty style. "It's a hot seat that never relents. You're strapped in 24/7 waiting for the next jolt of electricity."

Ned Colletti spent nine seasons (2006-14) as the general manager of the Los Angeles Dodgers, during what he describes—in a passage the residents of Brooklyn might want to debate—as the most "tumultuous" period in the life of one of sports' most storied franchises. Mr. Colletti endured an owner who went chapter 11, two stunning Clayton Kershaw postseason meltdowns and the human soap opera known as Manny Ramirez, and he survived to write about it.

But his saga doesn't begin, or end, with those years. Mr. Colletti kicked off his career as a sportswriter in suburban Chicago and later worked as a hockey writer in Philadelphia. Early on, as he describes the first trade he ever made—"an empty Pepsi bottle for a pretzel" as a kid in Chicago—it becomes obvious he has a gift for entertaining storytelling.

As a young executive for the Chicago Cubs in 1992, for instance, Mr. Colletti was already asking a question that has haunted Cubs fans for a quarter-century: How could that team allow a Hall of Fame pitcher named Greg Maddux to leave those ivy-covered walls behind? As Mr. Colletti lays out the play-by-play of the bungled free-agent negotiations that pushed a future legend into the arms of the Atlanta Braves, he bares his frustrations over the stubborn, rigid stance taken by Cubs ownership. Then Mr. Colletti tells how, in April 1993, during Mr. Maddux's first trip back to Chicago as a Brave, he heard a knock on his office door. In walked a man who shared those frustrations—Greg Maddux himself—to ask: "Can you tell me what happened? I can't believe I'm not here anymore."

A blockbuster Dodgers-Red Sox trade took shape in hours, after Colletti got a phone call: 'Hey, would you have any interest in Manny?'

That question—"what happened?"—is one Mr. Colletti answers often in this book. How did the free-spirited Manny Ramirez end up as a Dodger, with his own "Mannywood" section of seats, in 2008? It took a frenetic three-team trade, completed seconds before the July trading deadline. And it was initiated, Mr. Colletti writes, with a surprise phone call only a few hours earlier from Theo Epstein, then the GM in Boston, which began: "Hey, would you have any interest in Manny?"

What happened in August 2012, when the Dodgers and Red Sox shocked the baseball universe again, with a mammoth nine-player trade? The Dodgers emerged with Adrian Gonzalez, Josh Beckett, Carl Crawford and \$250 million in new contract obligations. Mr. Colletti walks us through those tense negotiations, right down to the surreal debate with his own ownership over whether the \$12 million in salary he wanted the Red Sox to chip in fit the definition of "a lot of money."

And, finally, what happened when Mr. Colletti learned—through the newspapers, naturally—that the reason his big-city franchise had a lower payroll than the Minnesota Twins was that his owners, Frank and Jamie McCourt, were spending millions on private jets, mansions around the world, \$5,000-a-night hotel rooms and even a personal "healer" in Massachusetts? It "wasn't right," Mr. Colletti writes, that he was "running a team with my hands tied" while the McCourts siphoned off \$108 million from the Dodgers.

That isn't the only look at the unorthodox way Frank McCourt did business before filing for bankruptcy, then auctioning off his team. In order to get hired for the GM job at all, Mr. Colletti had to endure 24 grueling hours of interviews over three days, culminating with a marathon session in which the owner refused to break for lunch or dinner, just to see how his future general manager would react. The process was "invigorating, challenging, and draining," Mr. Colletti writes. "I felt like I was in a heavyweight fight."

The book weaves through one crisis after another, including screaming matches between manager Don Mattingly and outfielder Yasiel Puig and the time David Wells refused to pitch after having a bonus clause voided. There are also late-night adventures with one-of-a-kind characters like broadcaster Harry Caray or coach Don Zimmer. And then there was a dinner with Frank Sinatra, which led former Dodgers manager Tom Lasorda to toss Mr. Colletti out of his Dodger Stadium booth: He revealed that Sinatra told him he was a Giants fan.

These are stories modern general managers rarely tell, except in late-night gatherings at their favorite bars with people they know and trust. So to read them here, told in such colorful detail, makes you feel as if Ned Colletti has just invited you to plop down on the next bar stool. In nine seasons, and five trips to the playoffs, as GM of the Dodgers, Mr. Colletti's teams never won a World Series. But when it came time to write the book about his life and times, he built himself a winner.

Mr. Stark covered baseball for ESPN for 17 years and was previously a baseball writer for the Philadelphia Inquirer.

Coming in BOOKS this weekend

Ron Chernow's 'Grant' • Anne Applebaum's 'Red Famine'

• Jonathan Eig's 'Ali' • Mark Helprin's 'Paris in the Present Tense' • George Martin before the Beatles • Xiaolu Guo's life in and out of China • Seeing numbers • & much more

OPINION

REVIEW & OUTLOOK

President Cordray Strikes Again

President Trump hasn't fired Consumer Financial Protection Bureau (CFPB) director Richard Cordray despite ample cause. Yet the economic costs continue to compound—now with the bureau's payday-loan rule that seeks to put the industry out of business.

The CFPB on Thursday finalized its rule regulating the payday market. These short-term loans are typically for less than \$500 and carry fees of \$15 per \$100 borrowed. Many low-income Americans use them to pay for emergencies or bills that are due between paychecks.

Payday lending has been regulated by the states, and 15 impose restrictions that in effect ban the business. House Democrats in 2009 proposed sweeping legislation to regulate the industry that never got traction. Dodd-Frank directs the CFPB to supervise pay-day lenders but doesn't include express rule-making authority. But Mr. Cordray has demonstrated time and again that he doesn't see the law as a limit on his discretion.

The new rule requires lenders to conduct a "full-payment" test to ensure that borrowers can repay the loans and fees within two weeks while meeting other major financial obligations. Short-term loans that customers can roll over are capped at three, and lenders are barred from debiting customer checking accounts after two unsuccessful attempts at collection.

These restrictions may seem well-intended, but they in effect allow loans only to unprofitable customers with good credit and prevent lenders from taking recourse against borrowers who don't pay their bills. As a result, many Americans will lose access to an important source of emergency cash.

Mr. Cordray is outraged that "lenders actually prefer customers who will re-borrow repeatedly rather than simply repaying the loan when it comes due." Yet this is how credit cards make money too.

He bids to kill payday lending after Trump refuses to fire him.

While he portrays borrowers as unwary victims, most understand their options. A 2009 study by George Washington University found that about half of borrowers surveyed had considered other credit alternatives, and more than 80% lacked funds in their bank accounts to cover expenses. Payday loans can prevent borrowers from incurring more expensive overdraft fees.

A New York Federal Reserve study in February 2008 examined how households in two states fared after they banned payday loans. Compared with households in states where payday lending is allowed, the study found that Georgia and North Carolina households had "bounced more checks, complained more to the Federal Trade Commission about lenders and debt collectors, and filed for Chapter 7 bankruptcy protection at a higher rate." The researchers concluded that payday credit is preferable to alternatives such as bounced-check protection from banks or loans from pawnshops.

The final rule doesn't cover longer term loans that were included in its proposal because reviewing all of the public comments could have required several more months. Mr. Cordray appears to have truncated the regulatory process in anticipation of leaving to run for Governor of Ohio, though we hear he may now have second thoughts.

Mr. Trump may be loath to make Mr. Cordray a progressive martyr by firing him. But his reluctance has allowed the director to do significant economic harm with the pay-day rule and ban on arbitration class-action waivers, which Senate Republicans are unlikely to overturn under the Congressional Review Act.

The recent rule-makings give the President more cause to dismiss the director, and a D.C. Circuit Court of Appeals panel has held that he can be removed at will. Mr. Cordray has appealed the panel's ruling to the full circuit. If Mr. Cordray doesn't now leave on his own, will the President have the will to fire him?

Pacific Trade Advances Without the U.S.

The Trans-Pacific Partnership trade pact is regaining momentum despite the Trump Administration's January decision to withdraw. Representatives of the remaining 11 TPP members met last month in Japan to push for ratification as early as November in the hope that Washington will rejoin. But even without the U.S., members stand to make significant gains.

A January study by Tokyo's National Graduate Institute for Policy Studies makes the economic case for the smaller pact. Vietnam, originally expecting a 30% increase in exports under TPP by 2030, would still get a bump in textiles and apparel, as trade in those products is expected to grow \$3 billion among the 11 member states. Malaysia would see a 20% increase in GDP due to reductions in nontariff barriers. Brunei would diversify its oil-dependent economy into biotech and agribusiness. New Zealand, Australia and Canada would actually enjoy bigger GDP boosts if the U.S. stays on the TPP sidelines. Their beef producers would secure preferential access to Japan's market and take market share from American ranchers.

That shows how the Trump Administration has set back U.S. exporters by withdrawing from TPP.

TPP is moving ahead in ways that will cost American exporters.

The U.S. is now seeking to renegotiate the North American Free Trade Agreement to obtain market-opening provisions that are part of the TPP.

But Mexico and Canada don't want to make concessions that were given in return for the broader benefits of TPP.

Keeping TPP alive hasn't been easy. The lack of a U.S. market carrot led members to backtrack on some commitments. Vietnam, the only nonmarket economy in the pact, wants to freeze provisions on labor standards and intellectual property. But one positive surprise has been Japan's leadership in the new negotiations. Tokyo is pushing members to reduce the number of provisions they want suspended to single digits by November.

Leaders seem to recognize that TPP is even more important in the Trump era. The common goal of the 11 nations is to convince the U.S. that TPP is essential to its influence in Asia. While Mr. Trump is unlikely to have a free-trade epiphany, the deal offers benefits to American exporters that the U.S. will struggle to secure on a bilateral basis. If the 11 remaining members hold out for a U.S. return, it's possible that rational American self-interest will prevail over protectionist bluster.

Tax Reform Down Payment

Tax reform is the do-or-die moment for the Republican Congress, and on Thursday the House made crucial progress by passing a budget resolution. This is a prerequisite for unlocking the Senate procedure that allows a bill to pass with 51 votes, which will be needed if Democrats won't cooperate.

The House budget passed 219-206, with no Democratic support and 18 GOP defections. The Republican nos included the usual suspects such as Reps. Justin Amash and Thomas Massie, who like to oppose everything. The House budget also requires deficit-neutral tax reform, which was the price of some conservatives who want to tell the folks back home they voted for a "balanced" budget. Everyone knows that won't happen, but Democrats don't have a monopoly on political cynicism.

In short, the House passed a dummy budget to set up negotiations with the Senate, where the real action is. Senators Pat Toomey and Bob Corker have worked out a deal that would leave room for \$1.5 trillion in tax cuts over 10 years. The revenue hole would be filled by faster economic growth. This breathing room means Senate Republicans aren't hostage to revenue estimates from the Congressional Budget Office (CBO) and the Joint Committee on Taxation, which consistently underestimate the feedback effects of tax cuts on capital and labor.

This does not mean the deficit will increase by \$1.5 trillion. CBO's slow-growth gnomes assume that the economy will grow at a limp 1.9% on average over the next 10 years—a rate even slower than the 2% of the Obama years. CBO says this will turn up about \$43 trillion in revenue. Yet a return to 3% growth—the historic average—would produce at least \$2.5 trillion more revenue over 10 years.

What's more, the \$1.5 trillion deal is closer to \$1 trillion because the budget will be scored un-

Without a House-Senate budget deal, reform has no chance.

der a "current law" baseline, which assumes that popular tax breaks such as bonus depreciation will expire as scheduled and the lost revenue will flow to Treasury. The reality is that Congress invariably extends the carve-outs. We prefer a "current policy" baseline that better reflects political reality and counts the breaks as permanent, but that creates procedural headaches under Senate rules.

The Toomey-Corker deal is a worthy compromise, and the Senate Budget Committee approved the measure on Thursday. The hope is that the budget will hit the Senate floor next week—if Majority Leader Mitch McConnell can wrangle votes from the Republicans who saved ObamaCare.

Case in point is Senator Rand Paul, who behind the scenes has been threatening to vote against the budget and has trashed the GOP tax framework in public. The question is whether Republican Senators like Mr. Paul and Senator John McCain will once more put parochial interests over policy improvements. The plan is that if the budget clears the Senate, the House will then pass the Senate version.

None of this prevents cooperation with Democrats on tax reform, and the Trump Administration has courted the likes of North Dakota's Heidi Heitkamp and West Virginia's Joe Manchin. Yet the pressure from the left to avoid any association with Donald J. Trump is so intense that no Democrat is likely to cross over to lend the 51st vote for a Republican tax bill. Only if the GOP shows it has the votes to pass it will some Democrats running for re-election in 2018 perhaps sign on.

Yet such talk is hypothetical if both chambers don't agree on a budget outline. If Republicans can't manage that, they might as well hand Democrats the keys to Congress 15 months early and retire.

Regarding your editorial "The Gun Control Mirage" (Oct. 5) and Daniel Henninger's "Gun Control After Las Vegas" (Wonder Land, Oct. 5): Under federal law, gun stores are required to report multiple handgun purchases to the Bureau of Alcohol, Tobacco, Firearms and Explosives but not multiple rifle purchases. The lack of notification for multiple rifle purchases creates a loophole where people can stockpile assault weapons with little federal detection.

Between October 2016 and the day he checked into the hotel, Stephen Paddock bought 33 guns, the majority of them rifles.

PETER TOBIA
Philadelphia

invite close inspection of some 50 years of Democratic rule. Liberals want a discussion right after a tragedy before all the facts come out. Fine, let's start with where most American gun homicides are committed: cities long under progressive Democratic control.

KEN NELSON
Chicago

It's easier to own, operate and sell guns than cars in the U.S. Both can and have been used to kill people. There are a lot of laws on keeping and maintaining a car, such as proof of insurance, passing a license test and renewing that license, registration, titles required for sale, etc. If guns were under similar laws, it might not stop all killers, but I bet it would stop some and certainly hinder others.

THERESA FOSTER
Paris

The NRA and others quote the Second Amendment to justify their right to bear arms including assault-style weapons. Maybe the amendment needs to be amended.

MARK A. KLAPPERICH
Dacula, S.C.

The two necessary ingredients for mass shootings are a psychotic personality and easy access to guns. It is impractical to detect and cure people with mental disorders, so the only effective approach to eliminate or minimize mass shootings is to restrict access to guns. Compare the U.S. with other countries in the developed world. The very high incidence of mass shootings and gun violence in this country isn't because Americans are more psychotic or violent than others but because the U.S. is awash with guns. This has nothing to do with the Second Amendment but everything to do with keeping us safe. When will we wake up to this reality?

JEHUDA GREENER
Rochester, N.Y.

The Democrats approach a crisis as a horrible thing to waste. It doesn't matter that the prescriptions they offer wouldn't solve the problem, their vitriol galvanizes their followers to angrily just "do something." The media protect those on their side like Hillary Clinton (of course, she is protected by armed members of the Secret Service) who suggests that because of this tragedy we eliminate silencers, and who essentially calls those who don't agree with her deplorables.

The Las Vegas incident is a tragedy, but if 58 shooting deaths is intolerable, what about the 493 shooting deaths so far this year in Chicago? Chicago has extremely restrictive antigun laws. How many murders are committed with legally purchased guns there?

Looking at Chicago's problem would

VINCENT M. DiSANDRO SR.
Hillsborough, N.C.

I'd like to see the Democrats step up and propose something they think would prevent mass shootings in the future. Very few will be willing to do so because they realize that their constituents wouldn't back them, and deep down they know that no law would prevent a lunatic from doing this again.

DAN McLAUGHLIN
Berkley, Mass.

Why would a Stephen Paddock obey some new law when he is prepared to ignore existing laws? Murder is illegal.

Caribbeans Didn't Hurt OAS on Venezuela

Benjamin N. Gedan proposes denying the rights of 14 Caribbean states in the Organization of American States by limiting them to a single collective vote because they have "paralyzed the OAS" which "failed to address the crisis in Venezuela" ("For Venezuela's Sake, Dismantle the OAS,"

op-ed, Sept. 26). In condemning Caribbean countries for thwarting human rights and democratic institutions, Mr. Gedan fails to say that the Caribbean has an outstanding record in the hemisphere for religious and racial tolerance, freedom of expression and political liberty. By claiming that "Caribbean governments, in return for Venezuelan assistance, have held the OAS hostage," Mr. Gedan infers that they are for sale. But he sees no contradiction in stating that "no amount of American aid balanced the scales." If the Caribbean is for sale, why would the Venezuelan bolívar possess greater allure than the U.S. dollar?

The Caribbean states did not deprive the OAS of a constructive role in Venezuela. The region has promoted dialogue by the protagonists, recognizing that no sustainable solution can be imposed from outside. Other states sought to bend the organization's rules to suit their bilateral purposes.

Luis Almagro, the "crusading secretary-general," as Mr. Gedan describes him, denied the OAS a mediating role by siding openly with opposition parties. Caribbean countries uphold the rules of the OAS because as powerless nations they rely on those rules for their protection. Bending or discarding them opens small countries to abuse for convenient reasons. That is why they will not support intervention in any state—strictly forbidden by the OAS charters but clearly desired by Mr. Gedan. And they will never surrender their rights.

SIR RONALD SANDERS
Ambassador of Antigua and Barbuda to the U.S. and the OAS
Washington

op-ed, Sept. 26). In condemning Caribbean countries for thwarting human rights and democratic institutions, Mr. Gedan fails to say that the Caribbean has an outstanding record in the hemisphere for religious and racial tolerance, freedom of expression and political liberty. By claiming that "Caribbean governments, in return for Venezuelan assistance, have held the OAS hostage," Mr. Gedan infers that they are for sale. But he sees no contradiction in stating that "no amount of American aid balanced the scales." If the Caribbean is for sale, why would the Venezuelan bolívar possess greater allure than the U.S. dollar?

The Caribbean states did not deprive the OAS of a constructive role in Venezuela. The region has promoted dialogue by the protagonists, recognizing that no sustainable solution can be imposed from outside. Other states sought to bend the organization's rules to suit their bilateral purposes.

Luis Almagro, the "crusading secretary-general," as Mr. Gedan describes him, denied the OAS a mediating role by siding openly with opposition parties. Caribbean countries uphold the rules of the OAS because as powerless nations they rely on those rules for their protection. Bending or discarding them opens small countries to abuse for convenient reasons. That is why they will not support intervention in any state—strictly forbidden by the OAS charters but clearly desired by Mr. Gedan. And they will never surrender their rights.

SIR RONALD SANDERS
Ambassador of Antigua and Barbuda to the U.S. and the OAS
Washington

Pepper ... And Salt

THE WALL STREET JOURNAL



If you start to get nervous, just remember they're not actually paying attention.

The Big Question in the Wane of Reign in Spain

In "The Strain in Spain Could Cause a World of Pain" (op-ed, Sept. 28), Tunku Varadarajan omits the most important issue in a potential Catalonian separation from Spain. If there is separation, in what league will Barcelona play? What will happen to El Clásico?

C. BRILL
Philadelphia

Letters intended for publication should be addressed to: The Editor, 1211 Avenue of the Americas, New York, NY 10036, or emailed to wsj.ltrs@wsj.com. Please include your city and state. All letters are subject to editing, and unpublished letters can be neither acknowledged nor returned.

OPINION

Why America Needs Tax Reform

By Glenn Hubbard

President Trump has wisely pivoted to tax reform. Success would boost economic growth toward 3% a year, and millions of Americans would see their incomes rise. But discussion of reform's growth benefits is getting short shrift relative to critics who fail to grasp economic changes.

I left the Treasury Department almost 25 years ago with "broaden the base, lower the rates" emblazoned on my office blackboard. That was the hallmark of the Tax Reform Act of 1986, which lowered marginal rates

Trump needs to stress the growth payoff and rebut falsehoods from critics at the Tax Policy Center.

on corporate and household income while broadening the tax base. The basic message remains sound, though its implementation is tough, as the authors of Mr. Trump's ambitious tax framework are discovering.

"Broaden the base, lower the rates" is a statement about means, not ends. The principal goal of tax reform is to promote economic well-being—investment, productivity and wages—and debate should center on improvement in well-being. Instead, some critics are weighing in with little realization of the economic shifts since the 1986 reform, as well as with unfair claims about budget and distributional consequences of reform.

The Trump framework acknowledges three important economic shifts. First, global competition for

corporate capital has intensified. The U.S. leaves itself disadvantaged with one of the highest corporate tax rates in the world, more than 10 percentage points higher than the median among members of the Organization for Economic Cooperation and Development. The heavier burden discourages companies from investing, hiring and even maintaining their headquarters in the U.S.

Second, much of the burden of the corporate tax is borne not by owners of capital (the professional wisdom in 1986), but by workers, as wages are held back by tax-induced underinvestment and insufficient productivity growth.

Third, business activity in the noncorporate sector has grown in size and importance, and higher marginal tax rates have raised the tax burden on those businesses' investment and hiring. Ignoring noncorporate business in tax reform makes little sense, as advocates of business-level tax reform have long emphasized.

But the Trump plan also faces key challenges that have dogged reform efforts since 1986, namely assuring that cuts in marginal rates do not exacerbate structural budget deficits and addressing critics' charges that lower marginal rates on business income are a "tax cut for the rich," paid for by soaking homeowners or residents of high-tax states.

Start with the budget. Another post-1986 lesson is that serious business tax reform with significant cuts in tax rates is difficult without a new revenue source. Globally, tax reforms have used higher tax rates on consumption to enable lower tax rates on corporate capital. The House Republicans' "Better Way" plan used a border adjustment tax consistent with consumption taxation to fund rate cuts. The Trump



SHAWN THEW/POOL/GTY IMAGES

President Trump talks about tax reform, Sept. 29.

framework would reduce corporate preferences, but would rely as well on limits on individual deductions, including elimination of the state and local tax deduction. Getting to revenue neutrality for the overall plan will likely require a combination of higher-than-proposed tax rates—including a surtax on very high incomes—and proper accounting for gains in tax revenue from higher economic activity and incomes.

This accounting is important for lawmakers to see—not only to estimate more accurately the revenue cost of tax changes but to assess the plan's overall economic effects. An analysis of the House GOP Better Way plan by Alan Auerbach of the University of California, Berkeley and Laurence Kotlikoff of Boston University, for example, concluded that wages would increase by 8% as a result of that tax reform. Other experts estimated that the 2005 plan offered by President Bush's Advisory Panel on Tax Reform would

raise GDP by 5% over several years. These effects are large, while criticism from the Tax Policy Center oddly assumes no growth whatsoever—and why enact tax reform at all in that case? As with the other plans, the Trump framework offers economic gains from lower business tax rates, a competitive territorial tax system for multinational companies, and more-favorable treatment of business investment in plant and equipment.

Now to distribution. The "tax cut for the rich" claim reflects at least three errors. The first and most basic is to ignore the effect of reform on wages and incomes. Conventional distributional analysis of tax changes pays little attention to gains in income. The second arises from failing to consider the share of the U.S. corporate tax burden borne by labor—60%, according to my own research. The third comes from critics filling in gaps in the framework with questionable assumptions. The Trump plan does not specify the surtax on

high-income individuals, a complete description of how deductions would be limited, or the income levels at which tax brackets would kick in. As with attacks on Mitt Romney's 2012 tax-reform plan, this lack of detail allows critics—notably the Tax Policy Center, then and now—to argue that the tax plan cannot be distributionally neutral. Such a charge was false with the Romney plan, as economists Martin Feldstein and Harvey Rosen observed at the time. It is surely irrelevant for the Trump plan until the level of a surtax and limits on deductions are set and until the treatment of accumulated capital gains at death if the estate tax is repealed is determined.

Defenders of special-interest provisions will argue that they are worse off from tax reform. The National Association of Realtors commissioned a study to show that eliminating the deductibility of state and local taxes would reduce housing prices and make homeowners worse off. But their study assumed no effects on growth or wages from tax reform. And households will demand local public services efficiently when they pay the full cost of those services, rather than have it offset by a reduction in their federal taxes.

It is time to cut through this fog of criticism. At this stage, the tax-reform debate should not be reduced to a fight over particular provisions. The central question should be: Does real tax reform with enhanced and broader prosperity trump the current structurally weaker economy with a broken tax code? The answer is yes.

Mr. Hubbard, dean of Columbia Business School, was chairman of the U.S. Council of Economic Advisors under President George W. Bush.

Decertifying the Iran Deal Wouldn't Have to Kill It

By Dennis Ross

President Trump has never made a secret of his opposition to the Iran nuclear deal, which he called "an embarrassment" in his speech to the United Nations General Assembly last month. Yet so far the Trump administration has certified the deal twice. "If it was up to me," Mr. Trump said in July, "I would have had them noncompliant 180 days ago." It is, of course, up to him—and given his recent comments, one expects he will refuse to certify by the next deadline, Oct. 15.

That wouldn't necessarily spell the end of the deal. Certification is not part of the Joint Comprehensive Plan of Action, the agreement between Iran and the "5+1" nations (the five permanent members of the U.N. Security Council, plus Germany). Instead, certification is a requirement of a U.S. law, the Iran Nuclear Agreement Review Act of 2015. Every 90 days, the president must certify that Iran is neither in material breach of the JCPOA nor engaged in activities that could advance its nuclear-weapons program.

On the other hand, refusing to certify would create pressure in Congress to reimpose the sanctions on Iran that were waived as part of

the deal. If lawmakers did so, the U.S. would no longer be fulfilling its side of the JCPOA.

The deal's fate also depends on what explanation the administration gives when declining to certify. Simply declaring Iran "noncompliant," in Mr. Trump's words, presents a basic problem. The International Atomic Energy Agency, the body responsible for monitoring whether Iran is living up to the JCPOA, has said Tehran is meeting its obligations. Even Secretary of State Rex Tillerson acknowledged, on Sept. 20, that Iran is in "technical compliance."

Mr. Tillerson's words suggest that any decertification will be justified on the second point: whether Iran is taking "any action that could significantly advance its nuclear weapons program." The administration would likely offer two explanations for why it cannot certify on this point: First, the IAEA has no access to Iranian military facilities. Second, Iran is continuing to develop ballistic missiles, which seems to make sense only as a way to deliver nuclear warheads.

Neither argument is likely to persuade the other members of the 5+1. They will say the onus is on the U.S. to identify suspect sites and make a case that access to them is needed—

which the administration has apparently not done. On the second point, although ballistic missiles are a danger that needs to be addressed, they are not part of the JCPOA. Nor, for that matter, is Iran's behavior in the region, which is unquestionably destabilizing.

That is why the administration needs to explain the distinction it is drawing: It must emphasize that it is not pulling out of the JCPOA and is not asking Congress to restore the sanctions that were waived under

If Trump takes this step, he should explain the distinction he is making—and why it matters.

the deal. But it should say that the U.S. is not going to acquiesce in Iran's dangerous behavior and is, therefore, decertifying to put the world on notice that at some point in the next six to 12 months the U.S. will walk away from the deal if the JCPOA's sunset provisions, Iran's testing of ballistic missiles, and its regional misbehavior are not addressed.

All other members of the 5+1 remain committed to the JCPOA. But France's President Emmanuel Macron is calling for a supplemental agreement to maintain the deal's limits on Iran's enrichment and reprocessing capacity after they expire in 2030. That suggests the administration has leverage at least with U.S. allies—and it was their boycott of Iranian oil that put the economic squeeze on the Islamic Republic in the first place.

European leaders surely do not want the U.S. to walk away from the JCPOA. But their room to maneuver is politically limited, given Mr. Trump's unpopularity in their countries. Responding to the White House on Iran will prove difficult for them unless Mr. Trump changes his tone and emphasizes that the U.S. is working with the Europeans and will not precipitously leave the deal.

The British, French and Germans would take these words more seriously if the president named a credible envoy to work out common positions with them. Meanwhile, the Iranians would not be idle bystanders. They would portray themselves as living up to the deal and the Trump administration as threatening it. They would try to divide the 5+1 so as to isolate the U.S., not Iran. They would, as President Hassan Rouhani

indicated at the U.N., play on fears that they would renew their nuclear program if the U.S. jettisoned the deal. At the same time, they would insist that any "supplemental" arrangements require additional concessions from the U.S., including Iranian access to the American financial system and the ability to conduct transactions in U.S. dollars.

America need not, and should not, give in to Iranian demands. But the Trump administration should be under no illusions that the Europeans will simply accept its terms. European desires to keep the U.S. in the JCPOA create an opening, but the White House needs to keep in mind both the potential and the limits of its leverage should it decertify the deal. Providing the Europeans a detailed rationale would be essential. Making clear there is a window for preserving the deal, and that U.S. officials mean what they say about working with allies, could ensure that decertification begins a process for dealing with the vulnerabilities of the JCPOA and does not pre-empt that process.

Mr. Ross has held senior national security positions in several presidential administrations and is counselor at the Washington Institute.

In Pittsburgh, Go to the Airport Without Getting on a Plane

By Bob Greene

There is a "Twilight Zone," traveling-decades-back-in-time aspect to the decision by Pittsburgh International Airport last month to allow people without airline tickets to pass through security. Mondays through Fridays between 9 a.m. and 5 p.m., anyone can report to a special desk and request a complimentary day pass.

Pass-holders have to go through the same screening process as ticketed passengers do; if you're on a no-fly list, you don't get in. But once through security, you can meet loved ones at the gate when they

arrive, linger to watch planes take off and land through the terminal windows, kiss your spouse or child goodbye, or simply walk around the concourses and shop or dine in the airport restaurants.

The Pittsburgh airport—underused since US Airways dropped it as a hub in 2004—is sprawling and spiffy, with a mall-like feel. Its CEO, Christina Cassotis, told me that people in the community had been asking if they ever again could take in the many marvels of a modern airport the way people did in the 1950s and 1960s. So she recommended this change to security, which no other American airport has dared to try.

Before the early 1970s, airline terminals were welcoming and wide open. There were no metal detectors. Unticketed visitors could walk right in and wander about at will. People hadn't learned to distrust others in the airport who might wish to harm them.

Airports also were some of the more impressive structures in any city, and people liked to show up,

ticket or not. There were outdoor observation decks within yards of the departing and arriving planes, so that families, free of charge, could stand out in the weather and take it all in.

At Hartsfield International Airport in Atlanta, in the years before 9/11, I met a man from an impoverished neighborhood who would take his young son on weekends to ride the trams to the gates, as something fun they could do together at no cost. You should have seen the wonder in that child's eyes.

Airport meals were not necessarily rushed. At Chicago's O'Hare

International Airport in the 1960s, there was a restaurant called the Seven Continents on the second level of the passenger rotunda. It offered white-tablecloth dining for anyone, traveling or not; you could just drive to O'Hare and stroll

through the terminal unimpeded. Dinner could take two hours or longer. The waiters, clad in tuxedos, served dishes such as *Medallion de Ris de Veau Florentine and Steak Diane Marchand de Vin*. Outside the windows, planes landed from all over the world.

Especially after Sept. 11, 2001, terminals became locked-down and tense, as the flying experience turned unrelentingly grim. In a

country where big corporations salivate over the chance to slap their names and logos onto everything from ballparks to performing-arts centers to racing cars, why do you think no one wants to buy the naming rights to a major airport? Because companies don't wish to be associated with frustration and anger.

The initial turnout in Pittsburgh, Ms. Cassotis told me, has been modest, as word of the new program spreads. Around 150 ticketless people a day have been showing up. Meanwhile, the Association of Professional Flight Attendants has complained that, in these troubled flying times, Pittsburgh's invitation to come on in and look around is "a terrible precedent and an ill-conceived decision."

Maybe the real story is not what has happened to our airports, but what on earth has happened to us.

Mr. Greene is completing a new novel, "Yesterday Came Suddenly," about an America with no internet.

Notable & Quotable: Was Dr. Seuss Racist?

From "Dear Mrs. Trump," an open letter by Liz Phipps Soeiro, the librarian at Cambridge Elementary School in Massachusetts, who rejected the first lady's gift of 10 Dr. Seuss books:

Another fact that many people are unaware of is that Dr. Seuss's illustrations are steeped in racist

propaganda, caricatures, and harmful stereotypes. Open one of his books (*If I Ran a Zoo* or *And to Think That I Saw It On Mulberry Street*, for example), and you'll see the racist mockery in his art. Grace Hwang Lynch's School Library Journal article, "Is the Cat in the Hat Black? The Hidden Racism of Children's Literature, and the Need for Diverse Books," further explores and shines a spotlight on the systemic racism and oppression in education and literature.



CHICAGO IDEAS WEEK

THE IDEAS FESTIVAL FOR EVERYONE

ChicagoIdeasWeek
 @chicagoideas
 chicagoideas
#Chicagoideas

IDEAS CHANGE THE WORLD

150 events. 200 speakers.
30,000 attendees.

OCTOBER 16-22

Just \$15 per ticket.
For more information,
visit Chicagoideas.com.

PROUD SPONSORS



BUSINESS & FINANCE

© 2017 Dow Jones & Company. All Rights Reserved.

* * * * *

THE WALL STREET JOURNAL.

Friday, October 6, 2017 | B1

S&P 2552.07 ▲ 0.56% S&P FIN ▲ 0.99% S&PIT ▲ 1.06% DJ TRANS ▼ 0.13% WSJ \$IDX ▲ 0.42% LIBOR 3M 1.349 NIKKEI (Midday) 20679.18 ▲ 0.25% See more at WSJMarkets.com

Fringe Clips Rank High on YouTube

News searches yield spurious reports; site acts to promote more reliable content

By JACK NICAS

YouTube this week surfaced videos peddling misinformation, hateful messages and conspiracy theories to users tracking major news events—prompting the site to change its search results to promote more authoritative sources.

For example, the fifth result when searching “Las Vegas shooting” on YouTube late

Tuesday yielded a video titled “Proof Las Vegas Shooting Was a FALSE FLAG attack—Shooter on 4th Floor.” The video said there were multiple shooters in Sunday’s mass shooting, a claim dismissed by law enforcement. Posted by a channel called the End Times News Report, it amassed more than 1.1 million views in about 27 hours.

The fourth result when searching “NFL anthem protest” on Wednesday was a video that claimed Anheuser-Busch InBev NV was considering pulling its sponsorship of the National Football League over national anthem protests—and urged viewers to

push the company to do so. The claim had been widely debunked days before.

In response to criticism on social media of some search results this week, a person familiar with YouTube said the company is accelerating the rollout of planned changes to its search engine. On Wednesday night, the video service began promoting more authoritative sources in search results, especially pertaining to major news events, the person said. YouTube doesn’t disclose how it determines which sources are authoritative.

YouTube, a unit of Alphabet Inc.’s Google, has long been full of fringe content. But

as the world’s largest video site and a growing rival to television, with more than 1.5 billion monthly users, YouTube’s feeding of such spurious content shows how the site can contribute to the spread of misinformation. Google also faced criticism this week after the “top news” section of its search results misidentified the Las Vegas shooter by featuring a thread from a fringe message board.

Many large brands pulled spending on YouTube earlier this year after news reports revealed their ads were running before hateful and extremist videos. As a result, the site removed many videos and

pull ads from others. There didn’t appear to be ads on the fringe news videos this week.

Controversial content has been on the site for years, and is highly ranked in search results. The second result for a search for “9/11” on Wednesday was a nearly 10-year-old video that presents conspiracy theories about the Sept. 11 terrorist attacks; it has been viewed 42.5 million times.

The high search ranking of the End Times News Report video claiming there was a second shooter in Las Vegas

Please see FRINGE page B4

◆ Facebook cut references to Russia in an April report.... B4

Uber Steers Steadier Course

By GREG BENINGER

Uber Technologies Inc.’s leadership is starting to achieve something hard to imagine during recent months of scandal and boardroom infighting: stability.

A shift that started with the hiring of Dara Khosrowshahi as chief executive more than six weeks ago yielded board decisions this week that pave the way for sweeping changes in how the company is run.

Uber’s board on Tuesday decided to expand its membership to 17 from 11—in part to make room for a consortium of new investors—and grant all shareholders equal voting power. The moves allowed the ride-hailing firm to make peace with venture firm Benchmark Capital, which indicated it would drop its lawsuit against co-founder and former CEO Travis Kalanick.

People close to Benchmark, which holds a roughly 13% Uber stake and a board seat,

14%

Minimum stake in Uber sought by a consortium of investors

said they were satisfied the new voting structure—known as one share, one vote—would sufficiently diminish Mr. Kalanick’s clout. Under the old structure, shares held by the former CEO, along with Benchmark and other early investors, had 10-to-1 voting power.

The venture firm also indicated it may participate in a planned auction to sell some of its stake to new investors if the changes are implemented—a softening of its previous stance, according to people familiar with the matter.

Uber said the new measures would “strengthen [the board’s] independence and ensure equality among all shareholders.” Bill Gurley, a Benchmark partner and former Uber board member, called it “a good day for Uber, a good day for Uber’s employees, and a good day for Uber’s new CEO.”

Mr. Kalanick, too, struck a positive tone. “The board came together collaboratively,” he said in a statement.

Tuesday’s decisions, which were unanimous, were all the more notable because just days earlier the board and some investors were still fighting over the direction of the company—with a small group threatening to sue if the new voting structure took hold.

Please see UBER page B2

INSIDE



BEEF INDUSTRY TRIES TO WOO MILLENNIALS

MARKETING, B5



LAWMAKERS GRILL EX-CHIEF AT EQUIFAX

FINANCE, B10

For Finra, Portfolio Just Can’t Keep Up

By DAVE MICHAELS

WASHINGTON—The Financial Industry Regulatory Authority is more than just a Wall Street regulator.

Rare among regulators and little known to many industry participants, Finra is also an investor and one whose subpar returns are compounding its members’ financial challenges, say some of the brokerages that pay its fees.

From its inception in 2004 through the end of 2016, Finra’s \$1.6 billion investment portfolio has brought in \$440 million less than what a balanced mix of global stocks and U.S. bonds would have yielded, according to Wall Street Journal calculations. Some brokerages are starting to question how it uses the stockpile.

“It would be prudent for them to take a second look at where that money is going,” said Wendy Lanton, chief compliance officer for Lantern Investments Inc. of Melville, N.Y., a firm that employs 44 brokers.

Despite Finra’s decision to initially pursue strategies associated with large endowments, such as investing in hedge funds, the portfolio has lagged far behind the market. It has returned 3.4% annually, versus 6% for the half-stock, half-bond portfolio, according to the Journal’s analysis of figures disclosed in Finra’s annual reports.

The returns have real ramifications for the brokerage industry. In years when Finra’s fee revenue exceeds forecasts and investment gains are strong, the regulator can rebate fees paid by firms it regulates. It hasn’t done that since 2014.

Instead, since implementing its portfolio Finra has raised some fees it charges its 3,800-member brokerage firms to support its \$1 billion budget, partly because its revenue has come under pressure as smaller firms fail or merge. Finra membership is down from 4,600 in 2010.

After losing \$576 million in the 2008 downturn, triple its worst-case estimates, Finra piled much of its portfolio into bonds, missing much of the subsequent stock-market rally.

“It’s pretty drastic under-performance that would typically result in a change of who their consultants or underlying managers are,” said Brad Alford, founder of Alpha Capital Management, an Atlanta firm that helps clients identify investment advisers. “They are underperforming a fairly conservative benchmark.”

Over the past 10 years, Finra’s portfolio netted an average annualized return of 1.9%, according to Journal calculations. That compares with a 5.7% return for endowments with assets over \$1 billion, according to the National Association of College and University Business Officers. Finra discloses returns on a calendar

Please see FINRA page B2

Boeing Expands Its Drone, Pilotless Aircraft Business



AURORA FLIGHT SCIENCES

Boeing Co. on Thursday said it plans to acquire Aurora Flight Sciences Corp., a maker of aerial drones and pilotless flying systems, a move the company said could pave the way for fleets of small flying taxis.

Virginia-based Aurora specializes in autonomous systems that allow military and commercial aircraft to be flown remotely, including technology that automates many functions, and has been working with

Uber Technologies Inc. on a new vehicle that would take off and land like a helicopter.

Flying taxi-style concepts have attracted interest and funding from technology and aerospace companies, though face hurdles including regulations that would allow fleets to operate alongside commercial airliners and other air traffic as well as batteries to keep them aloft for several hours.

The purchase of Aurora would expand Boeing’s reach in the new field of electric-powered aircraft.

Boeing’s venture-capital arm also this year invested in Zunum Aero, a Washington state-based

startup that on Thursday unveiled its plan for an electric-hybrid regional passenger jet.

“These types of technology are helping pilots today and are a stepping stone to pilotless aircraft,” said John Langford, Aurora’s founder and chief executive, in a live-streamed interview.

Greg Hyslop, Boeing’s chief technology officer, said the work on autonomous systems also had potential benefits for a host of other industries looking to leverage the potential of “machine learning,” where computers improve from experience.

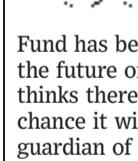
The proposed Aurora deal marks Boeing’s second acquisition in less than a year involving autonomous systems following last December’s purchase of Liquid Robotics Inc., which makes ships and undersea vehicles, and adds to a portfolio that includes aerial drone maker Insitu.

Terms for the proposed purchase of Aurora weren’t disclosed. The firm has more than 550 staff and will be run as an independent unit in Boeing’s engineering and technology business.

—Doug Cameron

STREETWISE | By James Mackintosh

IMF Sees Broad, Digital Future for SDRs



Forget bitcoin, think IMFcoin. The head of the International Monetary Fund has been musing about the future of money and thinks there is a decent chance it will come from the guardian of the world’s monetary system.

Christine Lagarde, IMF managing director, held up the organization’s special drawing rights as having a possible digital future at a Bank of England forum last week and put what she said was a “question mark” over whether SDRs could replace existing international currencies.

“It’s not a far-fetched hypothetical,” she said, and the IMF needs to be ready.

The SDR is a long way from the digital disruption that cypherpunks hope cryptocurrency can deliver.

Dreamed up in the 1960s, SDRs are a kind of artificial currency whose value depends on other currencies.

Dollars are a part of it, but so are euros, sterling, renminbi and yen. An SDR is a bit like a currency mutual fund for central banks.

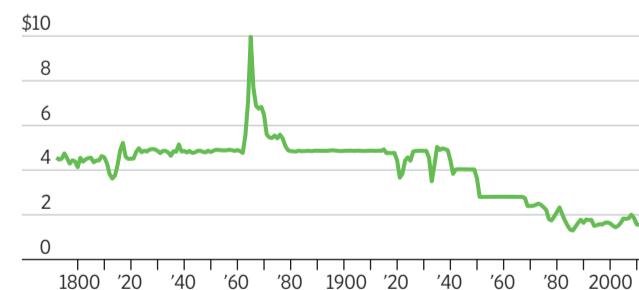
For decades it has been an afterthought in the global financial system, but the IMF has spent the past year thinking about how to give SDRs a broader international role.

So could some sort of

Reserve Judgment

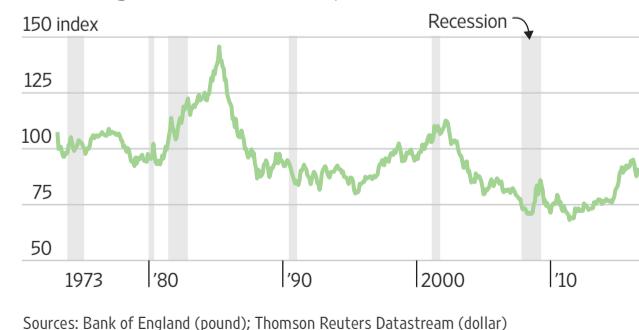
Global currency reserves moved from sterling and gold in the 19th century to the dollar. Sterling fell as it lost reserve status after 1914.

How many dollars one British pound buys



The dollar’s reserve status means it often strengthens in a recession.

Trade-weighted U.S. dollar vs. major currencies



Sources: Bank of England (pound); Thomson Reuters Datastream (dollar)

THE WALL STREET JOURNAL

crypto-SDR eventually replace the dollar as the world’s money?

The idea has heavyweight support from those who want to diminish the dollar’s status, notably in China. People’s Bank of China Gov. Zhou Xiaochuan called in 2009 for wider use of the IMF’s money

to “gradually replace existing reserve currencies with the SDR,” one reason for the latest review.

The reasons are well-rehearsed, and not digital. China—and other emerging markets—would like to diversify their risk away from dollars. They also worry about

the inherent problem of using national money for global reserves. When the U.S. faces a conflict between domestic and international needs, it is likely to favor its voters over the world economy.

So what would digital SDRs add? When monetary economists are drawing up dream scenarios, they often come up with something similar to the “bancor” presented by John Maynard Keynes at the 1944 Bretton Woods conference. International trade would be conducted in bancors with rules about the size of overdrafts allowed, preventing imbalances from getting too big.

SDRs or IMFcoins would allow a much wider group to use the currency, supplanting the dollar in international trade and reducing both the big currency swings that can destabilize countries and the dangers of large current-account deficits.

Instead of representing a basket of currencies, the digital SDR would be a currency of its own, albeit one only used for international transactions.

A more limited alternative would try to speed global growth. At the moment, countries hold big piles of dollars as a form of insurance against a balance-of-payments crisis, damping growth and distorting the world economy. If the IMF was empowered to act

Please see STREET page B2

MARKETING, B5



LAWMAKERS GRILL EX-CHIEF AT EQUIFAX

FINANCE, B10

INDEX TO BUSINESSES

These indexes cite notable references to most parent companies and businesspeople in today's edition. Articles on regional page inserts aren't cited in these indexes.

A	
Advance America	B10
AEA Investors	B3
Alpha Capital Management	B1
Alphabet	B1, B4
Anheuser-Busch InBev	B1, B2
Apple	B3
Aurora Flight Sciences	B1
B	
Banca Monte dei Paschi di Siena	B12
Banco de Sabadell	B10
Bank of America	B10
Bechmark Capital	B1
Blue Apron Holdings	B11
Boeing	B1
C	
CaixaBank	B10
Constellation Brands	B2
Continental Resources	A8
D	
Dragoneer Investment Group	B2
E	
eBay	B11
Equifax	B10
Evoqua Water Technologies	B3
F	
Facebook	B4

G	
Fincantieri	B2
Fininvest	B3
ForeScout Technologies	B11
H	
Goldman Sachs Group	B11
Google	B1, B4
GoPro	B12
I	
HighVista Strategies	B2
Honeywell International	B3
Hulu	B3
J	
Invesco	A8
K	
Johnson & Johnson	B2
L	
Kaspersky Lab	A1, A4
King & Spalding	B10
M	
Lantern Investments	B1
LG Electronics	A5
Lyft	B2
N - P	
Naval Group	B2
Netflix	B3, B12
Q	
Zunum Aero	B1

BUSINESS & FINANCE

Shipbuilding Alliance to Target Asia



LOIC VENANCE/AF/GETTY IMAGES

A shipbuilding alliance between Italy and France to create an Airbus-style manufacturing coalition should help the European companies grab a bigger share of the competitive Asia defense market, the head of

French naval contractor **Naval Group** said.

Naval Group and Italian shipbuilder **Fincantieri** SpA said last week they would team up to pursue large foreign deals that could form the basis for a Eu-

rope-wide shipbuilding approach.

The tie-up is important to fend off a rising number of foreign rivals in Asia, Naval Group Chairman Hervé Guillou said.

French President Emmanuel Macron and Italian Prime Minis-

ter Paolo Gentiloni gave support last month to a Fincantieri-Naval Group alliance to end a dispute over the Italian company's attempted takeover of France's STX shipyard.

—Rob Taylor

INDEX TO PEOPLE

A	
Alford, Brad	B1
B	
Bolloré, Vincent	B3
Brennan, Brian	B11
Burns, Ursula	B2
C	
Clarke, Robert	A8
Cohen, Doug	B11
Condon, Nancy	B2
Cordray, Richard	B10
D	
Dove, Tim	A8
F	
Fettig, Jeff	A5
Fulmer, Jamie	B10
G	
Glasser, David	B5

H	
Guardiola, Jaume	B10
Guillou, Hervé	B2
R	
Hamm, Harold	A8
Harrison, Alisa	B5
Haworth, Rob	B12
Holt, Kevin	A8
S	
Kalanick, Travis	B1
Khosrowshahi, Dara	B1
T	
Lagarde, Christine	B1
Lanton, Wendy	B1
W	
Musk, Elon	B3
O	
Ocampo, José Antonio	B2
O'Neill, Bill	B12

P	
Paddock, Stephen	B4
R	
Papa, Mark	A8
Pursell, David	A8
Puyfontaine, Arnaud de	B3
S	
Rhimes, Shonda	B3
Rickards, Jim	B2
T	
Sandler, Adam	B3
Smith, Richard	B10
W	
Tahari, Elie	M2
Thain, John	B2
Y	
Waaralina, Niko	M6
Weinstein, Bob	B5
Weinstein, Harvey	B5

STREET

Continued from the prior page more like a global central bank, whisking up new SDRs on its own blockchain in a crisis, it would reduce the need for countries to hold reserves.

José Antonio Ocampo, a Colombian central bank board member also on the IMF's expert group considering the future of the SDR, thinks annual SDR issuance could be worth \$200 billion to \$300 billion a year.

"Countries would not have to accumulate reserves, [which] generate a general contractionary effect on the global economy," he said.

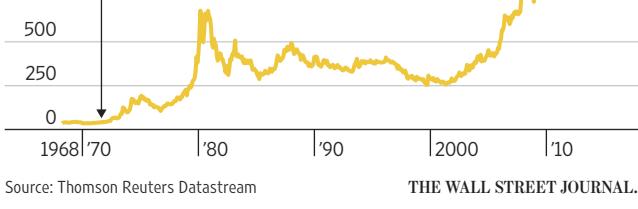
The prospect of giving the IMF the ability to execute global helicopter drops of money worries believers in strong currencies.

Jim Rickards, an author and former general counsel for failed hedge fund Long-Term Capital Management, thinks SDRs will be issued to reflate the system in the next crisis, hurting the dollar's reserve status. "It's all converging on a world where the dollar will just be a local currency like the Mexican peso," he said. He is a long-standing advocate of using gold to back money to limit the supply.

The real opposition to an IMFcoin is likely to come not from fans of gold, but from defenders of the dollar's central role in the global system. Sterling once held the role of global reserve currency and spent decades in decline once it was abandoned in favor of the dollar, reducing demand for pounds.

No Cross of Gold

Since President Nixon broke the dollar's gold link, gold has soared.



Source: Thomson Reuters Datastream

THE WALL STREET JOURNAL

FINRA

Continued from the prior page
dar year basis, while colleges and universities report performance over a fiscal year that runs from July to June.

Finra officials say they seek greater diversification than a simple basket of stocks and bonds. "We pursued a much more conservative approach than a 50-50 benchmark," said Nancy Condon, a Finra spokeswoman.

Constellation Brands Inc., the U.S. distributor of Corona and Modelo, reported a 13% jump in beer sales in the summer months. The gains come as market leaders Budweiser and Bud Light are hemorrhaging volume and even craft beer—which until two years ago was growing in the double digits—is experiencing a shakeout.

Summer sales were boosted by a limited-edition canned ver-

How the Fund Performed

Finra's fund lags behind a 50/50 blend of half global stocks and half U.S. bonds.



Finra further adjusted its asset allocation last year, pulling \$35 million from **High-Vista Strategies** LLC, a private fund manager founded by former Harvard University professor André Perold that practices endowment-style investing. The move will reduce fees that Finra pays to High-Vista and will boost portfolio liquidity, according to Finra's 2016 annual report. Finra officials say they are pleased with the performance of HighVista, which didn't return calls seeking comment.

At first, that meant embracing alternative strategies such as investing in hedge funds.

Finra officials say they spend about 3% of the portfolio each year to pay operating costs.

Nasdaq Sale Led To Large Payout

Finra's actively managed portfolio dates to a windfall that it reaped over several years starting in 2001 after its predecessor, the National Association of Securities Dealers, sold its interest in the Nasdaq Stock Market.

The portfolio is unusual for regulators, which normally invest cash in short-term securities.

Finra decided in November 2003 to mimic the investment strategies of university endowments, such as those at Harvard and Yale. It didn't widely publicize the decision, which was opposed by some smaller brokerages that wanted Finra to distribute the Nasdaq payout to member firms.

At first, that meant embracing alternative strategies such as investing in hedge funds.

Finra officials say they spend about 3% of the portfolio each year to pay operating costs.

—Dave Michaels

Uber's board expansion would give two seats to a consortium—including **SoftBank Group** Inc. and **Dragoneer Investment Group**—that is angling for a 14% or larger stake in the company. The investors plan to buy between \$1 billion and \$1.25 billion in shares directly from Uber and build their stake through an auction by existing stakeholders at a valuation of around \$50 billion, according to people familiar with the matter.

Benchmark had been telling shareholders it wasn't inclined to sell to the SoftBank consortium unless the governance changes were implemented, potentially imperiling the investment group's goal of achieving a sizable stake. The firm also said Uber is worth at least \$100 billion, meaning it could be short-changing itself if it were sold before an IPO.

Benchmark may now consider selling some of its stake, valued around \$8.4 billion, a person familiar with the matter said. And because the venture firm has the right to maintain the size of its stake

when new shares are issued, it could even end up being a buyer if the price is right during the tender offer, this person said.

Uber and its new CEO still face challenges, not the least of which is the pending disruption of service in London, where regulators have said they would revoke the company's license to operate in the coming weeks. Mr. Khosrowshahi traveled on Tuesday to the U.K. capital, where he pleaded Uber's case during an appeals process that could run weeks.

Uber also still has to find an independent chairman, and to fill top roles, notably those for chiefs of finance, marketing and operations. And it is facing at least three federal probes of its operations, including for a program to glean information about its competitor Lyft Inc.

Later this month, Uber plans to close its Quebec operation in protest of rules there over driver training. It is working to reach a compromise with regulators.

UBER

Continued from the prior page
And Mr. Kalanick seemed to drive a new wedge between him and fellow directors with the surprise appointment last Friday of two board members. The unilateral action drew condemnation from Mr. Khosrowshahi, who called it "disappointing" and "highly unusual."

But board members and investors said privately they were pleased with the caliber and independence of the directors, former Xerox Corp. CEO Ursula Burns and former CIT Group Inc. CEO John Thain, quelling fears Mr. Kalanick would appoint allies.

Mr. Kalanick had said the appointments were necessary, as directors considered a more onerous set of proposals seemingly aimed at him. The 41-year-old entrepreneur earned a couple of victories on Tuesday. A prior proposal set out that

BUSINESS NEWS

SpaceX Aims To Launch At Fast Pace

Liftoffs are planned for every two weeks; tempo, nevertheless, reflects lesser goals

BY ANDY PASZTOR

Elon Musk's SpaceX aims for one rocket launch roughly every two weeks on average through the end of 2018, exceeding the schedule of any other space company or government around the globe.

The heady tempo underscores Mr. Musk's strategy of relying on reusability and other efficiencies to cut costs and ultimately dominate the space-transportation market.

For years, leaders of **Space Exploration Technologies Corp.**, as the company is formally called, have held out semi-monthly launches as a cherished goal.

But the latest numbers, unveiled at a space symposium last week in Australia, suggest Mr. Musk has put aside for now more ambitious goals for launching swarms of SpaceX satellites and ramping up operation of its heavy-lift rocket.

According to Mr. Musk's latest projections, SpaceX by the end of December aims to blast off seven more rockets on top

of the 13 already successfully launched this year, followed by 30 more next year. "If SpaceX does do something like" that in 2018, Mr. Musk told the conference in Adelaide, it will account for "approximately half of all orbital launches that occur on Earth."

SpaceX began 15 years ago with a handful of employees located in a warehouse district near a Southern California strip mall. Now with roughly 5,000 employees, it is hailed as a space pioneer that has transformed the launch business and landed approximately \$10 billion in contracts in the process.

Despite SpaceX's accelerating launches, the latest projections fall short of targets appearing in internal documents prepared about two years ago. The documents, reviewed by The Wall Street Journal, cited 27 launches for this year and 44 for 2018. The documents projected that SpaceX would be launching once a week by 2019.

Much of the paring of launch goals appears to stem from significant delays getting SpaceX's planned internet-via-satellite business and Falcon Heavy booster off the ground.

A SpaceX spokesman didn't have any comment. In the past, the company has stressed that



A SpaceX Falcon 9 landing at Cape Canaveral, Fla., last month after lifting a spaceplane into orbit.

internal documents provide a snapshot in time and that projections are routinely revised as business conditions change.

Mr. Musk, who founded the company and serves as chairman and chief designer, is renowned for setting highly ambitious goals as a way to spur on employees.

The internal documents projected four Falcon Heavy launches for this year, including a Pentagon mission, and five in 2018. The rocket, powered by 27 engines, is four years late and is now slated to

have its maiden test flight in the next three months.

The documents also envisioned more than a dozen launches through the end of 2018 dedicated to the early phase of a SpaceX satellite fleet. So far, the company hasn't reported lofting a single prototype or demonstration payload, and it hasn't publicly laid out manufacturing or detailed operating plans.

The internal documents projected that revenue from the nascent satellite-internet business would dwarf the com-

pany's rocket segment in just a few years. At the time, SpaceX envisioned satellite operations garnering more than 40 million subscribers and bringing in more than \$30 billion in revenue by 2025.

Last week, Mr. Musk outlined the 2017 and 2018 launch targets as part of a broader presentation of SpaceX's revised plans to build the most powerful rocket ever and use it to launch giant, reusable spacecraft to Mars within a decade. He didn't discuss the proposed satellite venture.

Netflix Raises Prices as Content Tab Balloons

BY AUSTEN HUFFORD

Netflix Inc. is raising prices for its streaming-video services in the U.S., betting that subscribers will tolerate higher monthly fees and help fuel the company's big investments in TV and movie programming.

As of Thursday, Netflix's price for new subscribers went up by \$1 to \$10.99 a month for its standard plan, which allows two concurrent streams. The premium plan allowing four concurrent streams went up \$2 to \$13.99 a month. The basic plan will continue to cost \$7.99.

The price increases will be rolled out to Netflix's roughly 50 million current U.S. customers in coming months.

Netflix, whose roster of shows includes "The Crown" and "Stranger Things," is spending huge amounts on content. It expects a budget of some \$7 billion next year as it battles other streaming players and high-end cable channels for supremacy in the new era of television.

Rival **Hulu** took home best-drama honors at this year's Emmy Awards for "The Handmaid's Tale"—becoming the first streaming service to win the coveted prize. **Amazon.com** is ratcheting up its own spending to lure talent and create original shows. New players are on the horizon.



Scene from Netflix's 'Stranger Things.' The monthly price for new standard-plan subscribers rose \$1.

zon, with Apple Inc. looking to spend roughly \$1 billion to procure and produce original content over the next year.

That high-octane business model puts pressure on Netflix to continue to add subscribers, and periodically raise their prices—especially if the streaming giant hopes to increase what until now have been relatively small profit margins.

"From time to time, Netflix plans and pricing are adjusted as we add more exclusive TV shows and movies, introduce

new product features and improve the overall Netflix experience," the company said Thursday.

Subscriber growth in the U.S. has slowed, while overseas Netflix has rapidly expanded into new markets. Its global user base now stands at 104 million.

Investors have been bullish on Netflix, betting it has room to raise prices without alienating the company's user base. Netflix shares rose 5.4% Thursday to a record \$194.39. On social media, user feed-

back to the price increase was mixed. Some self-identified subscribers vowed to cancel the service, while others said it would still be much less costly than traditional cable-television offerings.

The last price increase Netflix announced was in the fall of 2015, when the standard plan also went up by \$1 a month. That increase also temporarily grandfathered in current subscribers and was rolled out to the user base over time. The company acknowledged that press cover-

age of the price increase on existing customers led to higher service cancellations in the spring of 2016.

Netflix has been relentless in pursuing content deals and paying top dollar if necessary. In August, the company recruited television producer Shonda Rhimes, adding to a stable of creators for the platform that includes the likes of David Letterman, the Coen brothers and Adam Sandler.

◆ Heard on the Street: Netflix needs a bigger box office... B12

Study Finds Highest-Paid CEOs Aren't Always Best

BY THEO FRANCIS

Large U.S. companies have for years sought to tie executive pay to financial and stock-market results, but a new study suggests their efforts aren't working over the long term.

The study, from investment research firm MSCI Inc., compared 10 years of stock-market returns at 423 U.S. companies to the compensation their CEOs received over that period.

It found highly paid CEOs among the worst performers and vice versa, even counting market gains on their equity compensation.

"There wasn't really any pattern that seemed to link back to the way the pay worked out," said Ric Marshall, executive director of environmental, social and governance research at MSCI.

The study is the latest addition to a fierce debate among executive-pay professionals and researchers about how well companies tie pay to performance.

Many companies include significant stock awards in CEO packages that grow or shrink based on how the companies fare, and the awards often aren't available for several years.

Advocates say the awards, by their nature, mean executives have interests similar to other shareholders, while critics say they can still encourage short-term thinking while leaving even mediocre performers with outsize paydays.

The study compared the companies' total stock-market returns from 2006 through 2015—assuming dividends were reinvested into shares of the company's stock—to the total amount they paid their CEOs during those years.

The companies on average employed more than one CEO over the 10-year period, so the analysis reflects overall performance, rather than that of individual CEOs.

Their performance was measured against similar companies in the same economic sectors.

Vivendi's Paris Offices Raided

By NICK KOSTOV

PARIS—Police raided the Paris headquarters of **Vivendi SA**, the French media company controlled by business tycoon Vincent Bolloré, in connection with an investigation into alleged market abuse by the French firm when it bought a stake in Italy's **Mediaset SpA** last year.

The raid, confirmed by a Vivendi spokesman on Thursday, is the latest development in a long-running wrangle that has pitted Mr. Bolloré against the family of former Italian Prime Minister Silvio Berlusconi whose holding company **Fininvest** owns 41% of Mediaset.

Milan prosecutors are investigating Vivendi after it accumulated Mediaset shares on the open market in December, eventually spending €1.26 billion (\$1.48 billion) for an almost 30% stake. Fininvest has accused Vivendi of first undermining investor confidence in Mediaset before buying up its stock on the cheap.

Vivendi's spokesman declined to comment about the

nature of the documents that were seized. Vivendi "acquired its stake in Mediaset totally legally and transparently and remains absolutely confident in the conclusion of this disagreement," the company said. Mediaset declined to comment.

The standoff has pitted two of Europe's biggest media players against each other.

The high-stakes corporate standoff has pitted two of Europe's biggest and best-known media players against each other. Some analysts say the outcome could go some way to determining the future of both companies.

Vivendi and Mediaset weren't always at loggerheads.

In April 2016, Vivendi agreed to buy a small stake in Mediaset and acquire its premium pay-TV unit in return for Me-

diaset taking a small stake in Vivendi. Shortly afterward, the two sides fell out publicly over the performance of the Mediaset business, with Vivendi pulling out of the deal, a decision that sent Mediaset's share price tumbling.

Then, in December, Mr. Bolloré disclosed that Vivendi had after all acquired a 3% stake in Mediaset, a prelude to building up a large shareholding in the company.

Mediaset accused Vivendi of attempting a hostile takeover, and lodged a criminal complaint in Milan against the French company for market manipulation. Vivendi described the lawsuit as "unfounded and abusive."

Despite the criminal complaint, people familiar with the matter have repeatedly said that both sides still want a friendly deal.

"There are many reasons why it's a win-win situation for both companies to resolve this conflict," Vivendi Chief Executive Arnaud de Puyfontaine told The Wall Street Journal this year.

Honeywell Pursues Purchase Of Evoqua

BY DANA MATTIOLI
AND THOMAS GRYTA

Honeywell International Inc. is pursuing an acquisition of water-filtration company **Evoqua Water Technologies**, which is laying the groundwork for an initial public offering, according to people familiar with the matter.

Evoqua, owned by private-equity firm **AEA Investors LP**, has been running a dual-track process, simultaneously preparing for an IPO while running a takeover auction, the people said.

Even though Evoqua filed publicly for the IPO this week, bidders including Honeywell remain interested in possibly buying the company, some of the people said.

Evoqua is worth around \$3 billion, including debt, one of the people said.

\$3B

Value of Evoqua Water Technologies, including debt

It is likely to become clear this month whether Evoqua goes public or is sold, this person said.

Evoqua helps municipalities and industrial customers with wastewater treatment. The company has a hand in treating more than 70% of U.S. municipal wastewater capacity, according to its website.

AEA purchased Siemens Water Technologies from Siemens AG for around \$870 million in 2014 and changed the unit's name to Evoqua.

Honeywell, based in Morris Plains, N.J., is an industrial giant with a market capitalization of over \$100 billion that makes an array of products including jet engines and rubber boots. It also provides building technology, industrial-automation products and water-processing systems.

A deal would be the first major move by Honeywell Chief Executive Darius Adamczyk, who took the reins in April.

Shortly after he came into the job, activist investor Third Point LLC made a public push for Honeywell to spin off its aerospace unit. The company has been working with advisers on a review of its portfolio, the results of which are expected soon.

While Honeywell executives have indicated the company is likely to make moves to narrow its focus, Mr. Adamczyk has said he is open to acquisitions in the range of \$3 billion or less.

"This is not just about subtraction, it's also about addition and we've been a very acquisitive company for a long time and we're going to continue to be that," he said in an interview last month.

In March, General Electric Co. agreed to sell its water business to France's Suez SA and one of Canada's largest pension funds for \$3.4 billion. That divestiture was the sole condition from the Justice Department for approval of GE's combination with Baker Hughes Inc.



ADVERTISEMENT

Legal Notices

To advertise: 800-366-3975 or WSJ.com/classifieds

CLASS ACTIONS

SUMMARY NOTICE OF CLASS ACTION SETTLEMENTS

If you entered into an FX Instrument or FX Exchange-Traded Instrument between January 1, 2003 and December 15, 2015, you may be affected by pending class action settlements.

"FX Instrument" means foreign exchange ("FX") spot transactions, forwards, swaps, futures, options, and any other FX instrument or FX transaction the trading or settlement value of which is related in any way to foreign exchange rates. "FX Exchange-Traded Instruments" means any and all FX Instruments that were listed for trading through an exchange, including, but not limited to, FX futures and options on FX futures.

This Notice is to alert you to proposed Settlements reached with the following "Settling Defendants":

- Bank of America Corporation, Bank of America, N.A., and Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Bank of America");
- The Bank of Tokyo-Mitsubishi UFJ, Ltd. ("BTMU");
- Barclays Bank PLC and Barclays Capital Inc. ("Barclays");
- BNP Paribas Group, BNP Paribas North America Inc., BNP Paribas Securities Corp., and BNP Prime Brokerage, Inc. ("BNP Paribas");
- Citigroup Inc., Citibank, N.A., Citicorp, and Citigroup Global Markets Inc. ("Citigroup");
- Deutsche Bank AG and Deutsche Bank Securities Inc. ("Deutsche Bank");
- The Goldman Sachs Group, Inc. and Goldman, Sachs & Co. ("Goldman Sachs");
- HSBC Holdings PLC, HSBC Bank PLC, HSBC North America Holdings Inc., HSBC Bank USA, N.A., and HSBC Securities (USA) Inc. ("HSBC");
- JPMorgan Chase & Co. and JPMorgan Chase Bank, N.A. ("JPMorgan");
- Morgan Stanley, Morgan Stanley & Co., LLC, and Morgan Stanley & Co., International PLC ("Morgan Stanley");
- RBC Capital Markets LLC ("RBC");
- The Royal Bank of Scotland Group PLC, The Royal Bank of Scotland PLC, and RBS Securities Inc. ("RBS");
- Société Générale ("Soc Gen");
- Standard Chartered Bank ("Standard Chartered"); and
- UBS AG, UBS Group AG, and UBS Securities LLC ("UBS").

Settling Defendants have settled a lawsuit alleging that Settling Defendants conspired to fix and manipulate prices in the FX market in violation of Sections 1 and 3 of the Sherman Antitrust Act, 15 U.S.C. §§1, 3, and in violation of the Commodity Exchange Act, 7 U.S.C. §§1, *et seq.*

Settling Defendants deny that the material allegations made against them in this Action have merit. In total, Settling Defendants have paid \$2,310,275,000 into a Settlement Fund. The litigation is continuing against Credit Suisse Group AG, Credit Suisse AG, and Credit Suisse Securities (USA) LLC ("Credit Suisse" or "Non-Settling Defendant," and collectively with Settling Defendants, "Defendants"). Non-Settling Defendant denies all allegations of wrongdoing.

The Court has appointed the lawyers listed below to represent the Settlement Classes in this Action:

Christopher M. Burke Michael D. Hausfeld
Scott-Scott, Attorneys at Hausfeld LLP
Law, LLP 1700 K Street, NW, Suite 650
707 Broadway, Suite 1000 Washington, DC 20006
San Diego, CA 92101 Telephone: 202-540-7200
Telephone: 619-233-4565 mhausfeld@hausfeld.com
churke@scott-scott.com

Who is a member of the Settlement Classes?

The Court preliminarily approved two proposed Settlement Classes in this case.

Subject to certain exceptions, the proposed "Direct Settlement Class" consists of all Persons who, between January 1, 2003 and December 15, 2015, entered into one or more FX Instruments directly with a Defendant, a direct or indirect parent, subsidiary, or division of a Defendant, a Released Party, or co-conspirator where such Persons were either domiciled in the United States or its territories or, if domiciled outside the United States or its territories, transacted FX Instruments in the United States or its territories.

For more information, call toll-free 1-888-582-2289 (if calling from outside the United States or Canada, call 1-330-333-7253) or visit www.FXAntitrustSettlement.com.

**** Please do not call the Court or the Clerk of the Court for information about the settlements. ****

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN MATEO

In re AVALANCHE BIOTECHNOLOGIES, INC.
SHAREHOLDER LITIGATION

) Lead Case No. CIV/536488
) CLASS ACTION
) Assigned for All Purposes to Hon. Marie S. Weiner
) DEPT: 2
) DATE ACTION FILED: 12/07/15
)

This Document Relates To:
ALL ACTIONS.

SUMMARY NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION

TO: ALL PERSONS THAT PURCHASED OR OTHERWISE ACQUIRED AVALANCHE BIOTECHNOLOGIES, INC. ("AVALANCHE" OR THE "COMPANY") COMMON STOCK BETWEEN JULY 30, 2014 AND JUNE 15, 2015 (INCLUSIVE) ("CLASS PERIOD"), INCLUDING THOSE PERSONS THAT PURCHASED OR OTHERWISE ACQUIRED THE COMPANY'S COMMON STOCK PURSUANT OR TRACEABLE TO THE COMPANY'S REGISTRATION STATEMENT AND PROSPECTUS FOR THE COMPANY'S IPO AND THOSE PERSONS THAT PURCHASED OR OTHERWISE ACQUIRED THE COMPANY'S COMMON STOCK PURSUANT OR TRACEABLE TO THE COMPANY'S REGISTRATION STATEMENT AND PROSPECTUS FOR THE COMPANY'S SPO ("CLASS" OR "CLASS MEMBERS")

THIS NOTICE WAS AUTHORIZED BY THE COURT. IT IS NOT A LAWYER SOLICITATION. PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.

YOU ARE HEREBY NOTIFIED that a hearing will be held on January 19, 2018, at 9:00 a.m., before the Honorable Marie S. Weiner at the Superior Court of California, County of San Mateo, Department 2, Courtroom 2E, 400 County Center, Redwood City, CA 94063, to determine whether: (1) the proposed Settlement (the "Settlement") of the above-captioned action (the "Action") as well as a federal action styled *In re Avalanche Biotechnologies Securities Litigation*, Master File No. 15-cv-03185, which was filed in the United States District Court for the Northern District of California ("Federal Court Action") as set forth in the Stipulation and Agreement of Settlement ("Stipulation") for \$13,000,000 in cash should be approved by the Court as fair, reasonable and adequate; (2) the Final Judgment as provided under the Stipulation should be entered; (3) to award Plaintiffs' Counsel attorneys' fees and expenses out of the Settlement Fund (as defined in the Notice of Proposed Settlement of Class Action ("Notice"), which is discussed below); (4) to pay Plaintiffs' the time and expenses they incurred in representing the Class out of the Settlement Fund; and (5) the Plan of Allocation should be approved by the Court as fair, reasonable and adequate.

This Action and the Federal Court Action are securities class actions brought on behalf of those Persons who purchased or acquired the common stock of Avalanche during the Class Period, against Avalanche, certain of its key executives, directors and underwriters of Avalanche's IPO and SPO (collectively, "Defendants"), for, among other things, allegedly misstating and omitting material facts from the Registration Statements filed with the U.S. Securities and Exchange Commission in connection with the IPO and SPO concerning, among other things, the then-existing data about Avalanche's lead product, AVA-101, which was in development to treat patients with wet age-related macular degeneration. Plaintiffs allege that these purportedly false and misleading statements inflated the price of the Company's stock, resulting in damage to Class Members when the truth was revealed. Defendants deny all of Plaintiffs' allegations.

IF YOU PURCHASED OR ACQUIRED AVALANCHE COMMON STOCK BETWEEN JULY 30, 2014 THROUGH AND INCLUDING JUNE 15, 2015, YOUR RIGHTS MAY BE AFFECTED BY THE SETTLEMENT OF THIS ACTION AND THE FEDERAL COURT ACTION.

To share in the distribution of the Settlement Fund, you must establish your rights by submitting a Proof of Claim and Release form ("Proof of Claim") by mail (**postmarked no later than December 27, 2017**) or electronically (**no later than December 27, 2017**). Your failure to submit your Proof of Claim by December 27, 2017, will subject your claim to rejection and preclude your receiving any of the recovery in connection with the Settlement of this Action and the Federal Court Action. If you are a member of the Class and do not request exclusion therefrom, you will be bound by the Settlement and any judgment and release entered in the Action, including, but not limited to, the Final Judgment, whether or not you submit a Proof of Claim.

If you have not received a copy of the Notice, which more completely describes the Settlement and your rights thereunder (including your right to object to the Settlement), and a Proof of Claim, you may obtain these documents, as well as a copy of the Stipulation (which, among other things, contains definitions for the defined terms used in this Summary Notice) and other settlement documents, online at www.AvalancheSecuritiesLitigationSettlement.com, or by writing to:

Avalanche Securities Litigation Settlement
Claims Administrator
c/o Gilardi & Co, LLC
PO. Box 404025
Louisville, KY 40233-4025

Inquiries should NOT be directed to Defendants, the Court, or the Clerk of the Court.
Inquiries, other than requests for the Notice or for a Proof of Claim, may be made to Plaintiffs' Counsel:

ROBBINS GELLER RUDMAN & DOWD LLP
James I. Jacquette, Esq.
655 West Broadway, Suite 1900
San Diego, CA 92101
Telephone: 800-449-4900

FARUQI & FARUQI LLP
Richard W. Gonnello, Esq.
685 Third Avenue, 26th Floor
New York, NY 10017
Telephone: 212-983-9330

IF YOU DESIRE TO BE EXCLUDED FROM THE CLASS, YOU MUST SUBMIT A REQUEST FOR EXCLUSION SUCH THAT IT IS POSTMARKED BY NOVEMBER 27, 2017, IN THE MANNER AND FORM EXPLAINED IN THE NOTICE. ALL MEMBERS OF THE CLASS WHO HAVE NOT REQUESTED EXCLUSION FROM THE CLASS WILL BE BOUND BY THE SETTLEMENT EVEN IF THEY DO NOT SUBMIT A TIMELY PROOF OF CLAIM.

IF YOU ARE A CLASS MEMBER, YOU HAVE THE RIGHT TO OBJECT TO THE SETTLEMENT, THE PLAN OF ALLOCATION, THE PAYMENT TO PLAINTIFFS FOR THEIR TIME AND EXPENSES. ANY OBJECTIONS MUST BE FILED WITH THE COURT AND SENT TO PLAINTIFFS' COUNSEL BY NOVEMBER 27, 2017, IN THE MANNER AND FORM EXPLAINED IN THE NOTICE.

DATED: September 7, 2017

The Stipulation can be viewed and/or obtained at www.AvalancheSecuritiesLitigationSettlement.com.

THE WALL STREET JOURNAL.
LEGAL NOTICES

ADVERTISE TODAY

(800) 366-3975 | sales.legalnotices@wsj.comFor more information visit: wsj.com/classifieds

TECHNOLOGY

WSJ.com/Tech

Facebook Cut Russia From Report on Election

By ROBERT McMILLAN
AND SHANE HARRIS

Facebook disclosed that Russian entities spent \$150,000 to run 5,200 potentially divisive ads on its platform, after declaring during the summer that it had found no such activity. The information on those advertisements was uncovered after the April report, a Facebook spokesman said.

"At the time that we published the white paper we were not in a position to know for sure who was behind the activity that we described and we did not feel comfortable making a definitive attribution," the spokesman said.

The drafting of the report sparked internal debate over how much information to disclose about Russian mischief on Facebook and its efforts to affect U.S. public opinion during the 2016 presidential contest, according to these people. Some at Facebook pushed to not include a mention of Russia in the report because the company's understanding of Russian activity was too speculative, according to one of the people.

Ultimately, the 13-page report, published on April 27 and titled "Information Operations and Facebook," was shortened by several pages by Facebook's legal and policy teams from an earlier draft and didn't mention Russia at all, the people said.

Rather, it concluded that "malicious actors" engaged in influence campaigns during the U.S. presidential election but said it couldn't determine who was responsible. The extent of Facebook's understanding at the time of Russian influence is unclear.

It wasn't until a Sept. 6 Facebook newsroom blog post that the company publicly identified Russia as a source of such efforts.

The debated inclusion of Russia in the April report raises new questions about when Facebook became aware of Russian manipulation of its platform during the election. In the blog post last month,

Facebook, under fire for playing down the role of influence campaigns during last year's election, in recent weeks provided information about the Russia-backed accounts to con-

gressional investigators. Those investigations, which probe U.S. intelligence agencies' findings of alleged Russian interference in the U.S. democratic process, have also ensnared Twitter Inc. and Alphabet Inc.'s Google. Facebook said it plans to participate in public hearings on Nov. 1 held by the House and Senate intelligence committees. Google and Twitter have said they will take part in the Senate hearing, and they declined to comment on the House hearing.

Russia has denied that it interfered in the election.

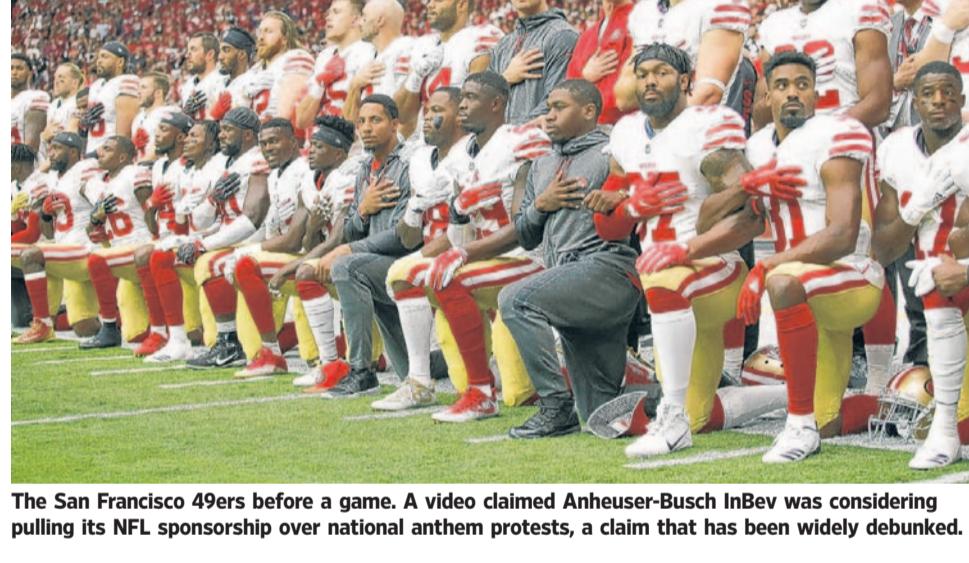
Facebook has been walking a fine line, looking to balance user privacy and its tendency to avoid responsibility for the content that appears on its site with growing evidence that its platform was misused during the election.

Those who were in favor of being more transparent felt Facebook should have included more details, including information about Russia's role in the report, some of the people familiar with the matter said. "They were happy that they were able to release anything at all, but they are still fighting to get more information out," said one of the people.

The report only said that Facebook's data did "not contradict" the conclusions of a Director of National Intelligence report from January, which stated that there was Russian meddling during the presidential election.

"This is the first time that a major internet company is trying to grapple with the possibility that its platform was used by a foreign government to influence a U.S. election," said Nate Persily, a Stanford professor who studies election law. "There is no playbook for this. They know that they made mistakes."

—Georgia Wells contributed to this article.



The San Francisco 49ers before a game. A video claimed Anheuser-Busch InBev was considering pulling its NFL sponsorship over national anthem protests, a claim that has been widely debunked.

FRINGE

Continued from the prior page helped it gain 371,000 views over four hours late Tuesday. On Wednesday, YouTube removed the video.

Jake Morphonios, who runs the End Times News Report along with a damaged-inventory-liquidation business in Kernersville, N.C., said the video eventually reached 2.5 million views. "It was a hot topic, of course, and was going to get some views anyway, but it really did get caught in [YouTube's] algorithm and went viral from there," he said. "Clearly it got into featured videos or something."

The 43-year-old said he has posted about 800 videos and typically gets about 5,000 views each.

Mr. Morphonios said YouTube gave his account its first penalty strike for the video. YouTube terminates accounts that get three strikes within three months.

He said he aims to offer viewers information on news events that mainstream news sources won't. "It's my opinion, it's my analysis, and everyone's got an opinion, and I can understand that maybe they don't want me to be considered the equivalent of The Wall Street Journal or the New York Times or something like that," he said. "But still, I'm not presenting myself as mainstream media. I'm just a guy with a computer offering

an opinion. And to be punished for that is, well, it's draconian."

YouTube said it has previously made changes to try to promote authoritative sources for breaking-news events by featuring their videos on its home page and by giving them top spots in search results and labeling them "Top News." The company added that its site is designed to present diverse perspectives.

"When it comes to news, we have thousands of news publishers that present a variety of viewpoints," the company said in an email.

YouTube employs algorithms that determine how clips are ranked in search results and which videos to serve up to users in its prominent "Up next" column adjacent to its video player. The algorithms take into account factors such as a user's history and a video's popularity, but YouTube doesn't reveal exactly how it works. The company has said it designed the algorithms to get users to watch more YouTube videos—a key factor in a surge in YouTube viewerhip in recent years.

People now watch more than 1 billion hours of YouTube videos a day.

When a user watches a dubious video, YouTube typically suggests similar videos, a practice that can confirm users' existing biases. But The Wall Street Journal found cases this week in which YouTube suggested conspiracy-theory and highly politicized

videos next to mainstream news sources, suggesting the site was also pushing fringe content to users who haven't shown an interest in it.

For instance, alongside a CBS News video of an interview with the brother of Las Vegas shooter Stephen Paddock, YouTube recommended a video titled "Stephen Paddock Las Vegas Gunman Was Set Up By The Illuminati CIA Occult?" Similarly, next to a Fox News video about mothers criticizing the NFL anthem protests, YouTube suggested a video titled "SHOCKING Discovery! Brother of Shooter Don't Add Up INSIDE JOB."

The Journal conducted all of its searches on YouTube in private browsers with tracking turned off to prevent previous history from influencing the search results or recommendations.

The person familiar with YouTube said the company recognizes there are problems with its "Up next" algorithm and it is examining changes to promote more authoritative results.

YouTube has been working on the changes to its search results for months but decided to implement them ahead of schedule, although they still need work, this person said. Searches for "Las Vegas shooting" late Wednesday returned nearly all mainstream news sources, but searches for "NFL anthem protest" and "9/11" still yielded misleading videos.

BUSINESS NEWS



A rancher herds cattle south of Houston. The industry is keeping ad expenditures down by buying space from Facebook and Instagram, and investing in search marketing.

Casino Operators In Talks On Merger

BY DANA CIMILLUCA AND DANA MATTIOLI

Penn National Gaming Inc. has been in merger discussions with rival casino operator **Pinnacle Entertainment** Inc., according to people familiar with the matter.

The companies and their advisers have engaged in on-again, off-again discussions about a deal, the people said. So far they have been unable to agree on terms, but Penn National is still interested in buying Pinnacle, some of the people said.

No deal between the regional casino companies is imminent, and there might not be one at all.

Companies across the casino industry have for years been on the prowl for combinations that can provide diversification, boost their footprints and improve margins.

Should there be a tie-up between Penn National and Pinnacle, it would create a substantial player in the industry. Pinnacle had a market value of about \$1.3 billion Thursday morning after a recent run-up in its stock, while Penn National was valued at about \$2.1 billion.

Taking into account their significant debt burdens, the companies have a combined enterprise value of about \$12 billion. Penn National shares rose 5% Thursday, while Pinnacle shares advanced 8.4%.

Penn National, of Wyoming, Pa., as of March operated 27 facilities in the U.S. and Canada, including the Tropicana Las Vegas, as well as a number of racetracks, according to its website.

Pinnacle, based in Las Vegas, owns and operates 16 casino properties including the Meadows Casino in Washington, Pa., and several called Ameristar, according to its website.

Nostalgic Beef Slogan Makes Cut

'It's What's for Dinner' is revived and aimed at millennial parents in online-only campaign

BY ALEXANDRA BRUELL

Beef is back for dinner. The U.S. beef industry is resurrecting its 25-year-old tagline, "Beef. It's What's for Dinner," in a marketing campaign aimed at millennials who have childhood memories of the slogan and want to know more about their food.

The social-media campaign from the National Cattlemen's Beef Association combines nostalgic elements, such as the tagline and narration that alludes to the "Old MacDonald Had a Farm" nursery rhyme, with a more modern story line about how beef farmers and ranchers are using technology.

In the online-only ad, created by WPP-owned agency VML, a rancher uses a drone and an app to keep track of his herd. "Ranch tools sure have

changed," the narrator says, as the camera sweeps across a cattle ranch.

The association revived the campaign to appeal to young consumers—especially millennial parents—who want to know the origins of their food, while playing homage to the beef brand, said Alisa Harrison, senior vice president of global marketing and research at the Beef Association.

"We had an iconic brand with 25 years' worth of equity," she said.

The "What's for Dinner" campaign slogan was introduced in 1992 and became famous when most millennials were young children. The TV and radio commercials were known for actor Robert Mitchum's voice-over, an orchestra playing upbeat music, and recommendations for recipes such as Szechuan beef, with estimated cooking times.

Beef consumption in the U.S. declined 15% in the decade through 2015, according to the U.S. Agriculture Department, amid a sharp rise in

prices, health concerns about eating red meat, and the availability of convenient chicken products such as skinless, boneless chicken breasts.

But that trend has started to shift, and the Agriculture Department projects that a rise in beef production during the next decade will lower prices and drive up demand.

As with many brands, the Beef Association is grappling with how it can appeal to younger consumers in a more fragmented media landscape while doing so with fewer financial resources. Many industries have zeroed in on the large audience of millennials—generally those born between the early 1980s and early 2000s—with mixed success.

When the "What's for Dinner" tagline first aired, the association had a marketing budget of \$80 million to \$90 million a year, Ms. Harrison said. Today that figure, including research and advertising, is closer to \$30 million.

The marketing budget is tied to the number of cows

sold, which is down, according to the association. More meat is now being produced from fewer animals because of "improved genetics and nutrition," said an association spokesman.

Beef farmers and ranchers are now contributing less to the overall marketing effort because one dollar for every

cow sold goes to the Beef Checkoff, which handles marketing, research, promotion and education programs for the industry.

Cattle inventory has declined almost 10% in the past 20 years, according to the association. Beef dollar sales so far this year have risen 1.6%, compared with the same period a year earlier, while volume sales have increased 3.3%.

To communicate a more compelling message on a smaller budget, the association consolidated information that lived on eight separate websites into one new website. Rather than an expensive television campaign, the group bought ad space from Facebook and Instagram, and invested in search marketing.

Over the years, the group has used "Beef. It's What's for Dinner" on some marketing materials "in the background," Ms. Harrison said, but not prominently. "We needed to use our strength and make sure that the brand was front and center across all marketing programs," she said.

The association also refocused its messaging after conducting research showing that millennials wanted to know more about their food. The new website will feature information about how to prepare and store different cuts of beef, such as hanger and skirt steak, which have become more popular in recent years.

Film Mogul Takes Leave Amid Scandal

BY ERICH SCHWARTZEL

calling attention to Mr. Weinstein's sexual harassment.

In a response to the Times piece, Mr. Weinstein said he was working with therapists to "conquer my demons."

"I plan to take a leave of absence from my company and to deal with this issue head on," he said in a statement.

Lisa Bloom, a lawyer for Mr. Weinstein, provided the statement to The Wall Street Journal.

The report immediately reverberated around Hollywood, where Mr. Weinstein remains hugely influential despite the fact that his **Weinstein** Co. studio releases fewer films than major studios. Mr. Weinstein became the rare Hollywood pro-

ducer who was also a household name in the 1990s, when his Miramax studio was a perennial Oscar contender thanks to movies like "Pulp Fiction," "The Crying Game" and "Shakespeare in Love." Veterans of his companies have gone on to executive roles at studios across Hollywood, and A-list stars and directors still jockey for roles with his prestige productions.

The New York Times article also recounted instances in which Mr. Weinstein touched women, asked them for massages or invited them to watch him shower, and quoted an employee report saying, "There is a toxic environment for women at this company."

The report comes amid a box-office drought at his studio. The studio hasn't released a movie that grossed more than \$100 million at the domestic box office since "Lee Daniels' The Butler," which came out in August 2013, although its release "Lion" was nominated for best picture at the 2017 Academy Awards.

Miramax was bought by Walt Disney Co. in 1993. Mr. Weinstein and his brother, Bob, left Disney in 2005 to form Weinstein Co. Senior leadership that will remain during Mr. Weinstein's absence includes Bob Weinstein and President and Chief Operating Officer David Glasser.

Mutual Funds | WSJ.com/fundresearch

Explanatory Notes

Data provided by LIPPER

Top 250 mutual-funds listings for Nasdaq-published share classes with net assets of at least \$500 million each. NAV is net asset value. Percentage performance figures are total returns, assuming reinvestment of all distributions and after subtracting annual expenses. Figures don't reflect sales charges ("loads") or redemption fees. NET CHG is change in NAV from previous trading day. YTD%RET is year-to-date return. 3-YR%RET is trailing three-year return annualized.

e-Ex-distribution. f-Previous day's quotation. g-Footnotes x and s apply. j-Footnotes e and s apply. k-Recalculated by Lipper, using updated data. p-Distribution costs apply, 12b-1 r-Redemption charge may apply. s-Stock split or dividend. t-Footnotes p and r apply. v-Footnotes x and e apply. x-Ex-distribution. y-Footnote x, e and s apply. NA-Not available due to incomplete price, performance or cost data. NE-Not released by Lipper; data under review. NN-Fund not tracked. NS-Fund didn't exist at start of period.

Thursday, October 5, 2017

Fund	NAV	Net YTD Chg % Ret	Fund	NAV	Net YTD Chg % Ret	Fund	NAV	Net YTD Chg % Ret	Fund	NAV	Net YTD Chg % Ret		
American Century Inv	43.79 +0.29 25.5		IntSmCo	21.25 -0.08 23.8	ContraK	123.04 +1.05 25.9	InstlCapG	38.25 +0.33 30.8	WellmAdml	73.21 +0.19 10.6			
Ultra	55.80 -0.14 26.3		Cpncr	23.20 -0.09 22.7	Divntl	10.29 +0.02 22.4	InstlStk	19.04 -0.02 24.5	WtthrsAdml	78.71 +0.26 14.6			
American Funds CI A	31.33 +0.17 16.7		US CoreEq	21.82 +0.09 14.6	McCapVal	15.86 +0.03 12.3	InstlEq	15.25 -0.01 19.0	VANGUARD FDS				
AmcPap	41.02 +0.13 13.0		US CoreEq	20.79 +0.08 13.0	GroCo	177.53 +1.04 29.8	McCapGro	91.20 +0.24 21.2	Divdgro	26.28 +0.11 13.9			
AMutHAp	62.79 +0.08 11.6		US Small	36.55 +0.09 15.3	GroCwK	177.47 +1.04 29.9	InstlCap	31.18 +0.11 7.2	HlthCare r	216.80 +0.11 20.6			
BalA p	27.20 +0.07 11.3		US SmCpVal	39.21 +0.15 5.3	InvGrB	7.94 -0.01 3.5	Horiz	54.88 +0.10 26.7	InstlFrd	22.35 +0.03 11.0			
BondA p	12.96 -0.02 3.3		US TgdVal	25.24 +0.07 16.0	InvGrBd	51.31 -0.01 3.9	InstlEq	9.51 -0.01 35.1	InstlFrd	22.60 +0.04 12.4			
CapIBdA	56.31 -0.02 26.9		US SmVla	38.85 +0.09 12.3	LowPwr	52.12 -0.04 13.8	OversF S r	11.19 -0.02 23.4	InstlFrd	23.05 +0.04 13.6			
CapWGrA	51.42 +0.27 16.8		DoubleD & Co	Balanced	109.64 +0.32 9.6	Maglin	103.61 +0.76 20.1	R2020	23.05 +0.04 12.9	InstlFrd	22.77 +0.05 14.7		
EpacA p	50.58 -0.14 26.3		GblStock	14.10 +0.03 18.4	OTC	105.56 +0.93 9.4	R2025	17.76 +0.04 14.6	InstlFrd	23.12 +0.05 15.9			
FdfDivA	62.42 +0.27 26.9		Income	13.83 -0.01 4.0	Puritn	23.37 +0.10 14.4	R2030	26.13 +0.06 16.5	InstlFrd	23.26 +0.06 16.5			
GwthA p	50.24 +0.34 19.5		Edgewood	20.18 +0.12 13.3	TF	10.69 -0.01 3.5	R2040	19.09 +0.05 17.2	InstlFrd	38.75 +0.04 22.0			
HI TrA p	10.49 -0.15 13.9		InstlBndl	10.69 -0.01 3.5	Divntl	10.67 -0.01 2.7	Divdgnd	11.38 +0.07 15.4	InstlFrd	33.16 +0.04 13.6			
ICAA p	40.79 +0.15 13.9		DoubleD & Co	10.69 -0.01 3.5	TotRetBdl	10.67 -0.01 3.0	InstlEq	19.98 -0.03 20.7	InstlFrd	20.35 +0.04 14.7			
InCoA p	23.36 +0.04 10.2		DoubleD & Co	10.69 -0.01 3.5	Divntl	10.04 -0.01 3.0	Edlndst	19.15 +0.10 15.4	InstlFrd	35.03 +0.09 16.0			
NEcoA p	46.32 +0.20 28.8		DoubleD & Co	10.69 -0.01 3.5	TotRetBdl	10.67 -0.01 3.0	Edlndst	19.98 -0.03 20.7	InstlFrd	27.00 +0.03 11.6			
NwRldBd	65.31 -0.02 26.9		Edgewood	10.69 -0.01 3.5	Divntl	10.04 -0.01 3.0	Edlndst	20.04 +0.05 17.3	InstlFrd	35.03 +0.09 16.0			
SmCpA p	56.07 +0.03 21.9		InstlBndl	10.69 -0.01 3.5	TotRetBdl	10.67 -0.01 3.0	Edlndst	20.97 +0.05 17.3	InstlFrd	35.03 +0.09 16.0			
TxExA p	12.99 -0.01 4.4		InstlBndl	10.69 -0.01 3.5	TotRetBdl	10.67 -0.01 3.0	Edlndst	21.89 +0.05 17.3	InstlFrd	35.03 +0.09 16.0			
WshA p	45.06 +0.18 14.2		InstlBndl	10.69 -0.01 3.5	TotRetBdl	10.67 -0.01 3.0	Edlndst	22.82 +0.05 17.3	InstlFrd	35.03 +0.09 16.0			
BairdFund	10.90 -0.01 3.7		InstlBndl	10.69 -0.01 3.5	TotRetBdl	10.67 -0.01 3.0	Edlndst	23.75 +0.05 17.3	InstlFrd	35.03 +0.09 16.0			
CorBndl	11.25 -0.01 4.1		InstlBndl	10.69 -0.01 3.5	TotRetBdl	10.67 -0.01 3.0	Edlndst	24.70 +0.05 17.3	InstlFrd	35.03 +0.09 16.0			
BlackRock Funds A	50.00		InstlBndl	10.69 -0.01 3.5	TotRetBdl	10.67 -0.0							

THE WALL STREET JOURNAL.

CEO Council

World-Class CEOs in the Rarest of Company. Each Other.

The Wall Street Journal CEO Council is an exclusive membership for Chief Executive Officers from the world's largest and most influential companies collaborating on the most pressing issues in global business today.

Dennis Abboud Readerlink LLC	John Forsyth Wellmark, Inc.	Jim Lico Fortive	Serge Pun SPA Myanmar
Nicholas Akins American Electric Power	Eric Foss Aramark Corporation	Robert Livingston Dover Corporation	Joel Quadracci Quad/Graphics
Keith Allman Masco Corporation	Simon Freakley AlixPartners	James Loree Stanley Black & Decker	Thomas Quinlan LSC Communications, Inc.
Mukesh Ambani Reliance Industries Limited	Adena Friedman Nasdaq, Inc.	Peter Lowy Westfield Corporation	Karan Rai ASGARD Partners
Carl Armato Novant Health, Inc.	Jack Fusco Cheniere Energy, Inc.	Rob Lynch VSP Global	D. Rajkumar Bharat Petroleum Corp Ltd.
Johan Aurik AT Kearney, Inc.	Ignacio Galan Iberdrola SA	Elie Maalouf IHG	Nitin Rakesh Mphasis Ltd.
Ziv Aviram Mobileye	Mark Ganz Cambia Health Solutions	William Mansfield MUFG Securities Americas, Inc.	Punit Renjen Deloitte
Mitch Barns Nielsen	Robert Garrett Hackensack Meridian Health	Kathryn Marinello Hertz Global Holdings	Gina Rinehart Hancock Prospecting Group
John Barrett Western & Southern Financial Group	Thomas Gaynor Markel Corp.	Gracia Martore TEGNA, Inc.	Girish Rishi JDA Software
Dominic Barton McKinsey & Company	Eli Gelman Amdocs Limited	Timothy Mayopoulos Fannie Mae	Chuck Robbins Cisco Systems, Inc.
Patrick Bass thyssenkrupp North America, Inc.	Patrick Gelsinger VMware, Inc.	John McAvoy Con Edison, Inc.	Ginni Rometty IBM
Inga Beale Lloyd's of London	Mike George QVC	Terry McCallister WGL Holdings, Inc. and Washington Gas	John Rosanvallon Dassault Falcon Jet
Brendan Bechtel Bechtel Corporation	Eric Gernath SUEZ	Bill McDermott SAP SE	Panu Routila Konecranes Plc
Todd Becker Green Plains, Inc.	Seifi Ghasemi Air Products & Chemicals, Inc.	Karl McDonnell Strayer Education, Inc.	Gisbert Rühl Klöckner & Co SE
Swan Gin Beh Singapore Economic Development Board	Susan Gilchrist Brunswick Group	Tom McGee ICSC	Tim Ryan PwC
Marc Benioff Salesforce	Daniel Glaser Marsh & McLennan Companies	Michael McKelvy Gilbane, Inc.	Faiza Saeed Cravath, Swaine & Moore LLP
Aneel Bhusri Workday, Inc.	Alex Gorsky Johnson & Johnson	Richard McKeyney Unum Group	David Seaton Fluor Corporation
Richard Bielen Protective Life Corporation	CP Gurnani Tech Mahindra Limited	Thomas McInerney Genworth Financial, Inc.	Jahja Setiaatmadja PT Bank Central Asia Tbk
Ståle Bjørnstad Cxense	Jim Hagedorn The Scotts Miracle-Gro Company	Manoj Menda RMZ Corp.	Charles Shaver Axalta Coatings Systems
Benjamin Breier Kindred Healthcare, Inc.	John Haley Willis Towers Watson Plc	Fernando Mercé Nestlé Waters, North America	Takumi Shibata Nikko Asset Management
Heather Bresch Mylan	Tom Hayes Tyson Foods, Inc.	Larry Merlo CVS Health	Keith Skeoch Standard Life
Vincent Brun Vacheron Constantin	Gregory Hayes United Technologies Corporation	Shunichi Miyanaga Mitsubishi Heavy Industries Ltd.	Frederick Smith FedEx Corporation
Michael Burke AECOM Technology Corporation	Edward Heffernan Alliance Data Systems, Inc.	Matthew Moynahan Forcepoint	Gerry Smith Office Depot, Inc.
Gregory Cappelli Apollo Education Group, Inc.	David Holmberg Highmark Health	Deanna Mulligan The Guardian Life Insurance Company of America	Martin Sorrell WPP plc
Terrence Cavanaugh Erie Insurance Group	Lisa Hook Neustar, Inc.	Oscar Munoz United Airlines	KR Sridhar Bloom Energy
Anil Chakravarthy Informatica	David Hunt PGIM	Rupert Murdoch 21st Century Fox and News Corp	Paula Steiner Health Care Service Corporation
Andrew Collins Sentient Jet	Barbara Jenkins Orange County Public Schools	Eileen Murray Bridgewater Associates	Arthur Steinmetz OppenheimerFunds, Inc.
Steven Collis AmerisourceBergen Corporation	Jo Ann Jenkins AARP	Albert Nahmad Watsco, Inc.	Todd Stevens California Resources Corporation
Steven Corwin NewYork-Presbyterian Hospital	Alan Joyce Qantas Airways Ltd.	Pierre Nanterme Accenture	Motokuni Takaoka airweave
Francisco D'Souza Cognizant Technology Solutions	Rana Kapoor Yes Bank Limited	Christopher Nassetta Hilton	Anthony Tersigni Ascension
Bal Das BGD Holdings LLC	Alex Karp Palantir Technologies	C.L. Max Nikias University of Southern California	Robert Thomson News Corp
J. Roberto Delgado Transnational Diversified Group Incorporated	Michael Kasbar World Fuel Services Corporation	Ray Nolte SkyBridge Capital LLC	Alan Trefler Pegasystems, Inc.
Michael J. DeMarco Mack-Cali Realty Corporation	Bradley Katsuyama IEX Group, Inc.	Indra Nooyi PepsiCo, Inc.	Paul Tufano AmeriHealth Caritas Family of Companies
Douglas DeVos Amway Corp.	Margaret Keane Synchrony Financial	Gary Norcross FIS	NV Tyagarajan Genpact Limited
Craig Donohue The Options Clearing Corporation	Declan Kelly Teneo Holdings	John Noseworthy Mayo Clinic	Tien Tzuo Zuora
Michael Dowling Northwell Health	Kevin Kennedy Avaya, Inc.	Patrick Pacionis Choice Hotels	Jing Ulrich JP Morgan Chase & Co
Gina Drosos Signet Jewelers	Brian Kessler Tenneco, Inc.	James Park Fitbit Group Health	C Vijayakumar HCL Technologies Limited
Amy Schabacker Dufrane HR Certification Institute	Christopher Klein Fortune Brands Home & Security, Inc.	Paul Perreault CSL Behring	Jeffrey Walker CIMC Capital
Richard Edelman Edelman	Daniel Knotts R.R. Donnelley & Sons	Stefano Pessina Walgreens Boot Alliance, Inc.	Timothy Wallace Trinity Industries, Inc.
Bilal Eksi Turkish Airlines	Henry Kravis KKR & Co LP	Yitzhak Peterburg Teva Pharmaceutical Industries Ltd.	Mark Weinberger EY
Hikmet Ersek The Western Union Company	Sarah Krevans Sutter Health	Douglas Peterson S&P Global	Dion Weisler HP, Inc.
Jacques Esculier WABCO Holdings, Inc.	Vinod Kumar Tata Communications Ltd.	Charles Phillips Infor	Elliot Weissbluth HighTower
Thomas Farrell Dominion Energy	Mary Laschinger Veritiv Corporation	Nicholas Pinchuk Snap-on Incorporated	Jim Whitehurst Red Hat
Michael Farrell ResMed Corporation	Donald Layton Freddie Mac	Richard Plepler Home Box Office, Inc.	Mark Wrighton Washington University in St. Louis
Bradley Feldmann Cubic Corporation	Claude LeBlanc Ambac Financial Group	Anne Pramaggiore ComEd	Yuanqing Yang Lenovo
John Ferriola Nucor Corporation	Rich Lesser The Boston Consulting Group	Anthony Pratt Visy Industries	Harold Yoh Day & Zimmermann
Dan Florness Fastenal Company	William Lewis Dow Jones & Company	Lawrence Prior CSRA, Inc.	Xianming Zhao ZTE Corp.

U.S. Meeting | November 13–14, 2017 | Washington, D.C.

Asia Meeting | May 15, 2018 | Tokyo

Membership is by invitation. Learn more at CEOCouncil.wsj.com

THE WALL STREET JOURNAL.
Read ambitiously

MARKETS DIGEST

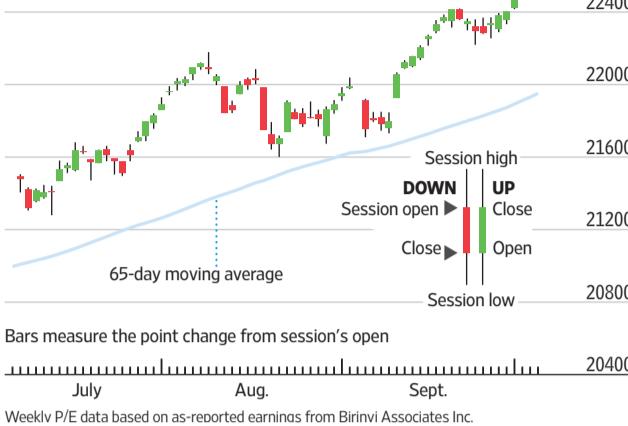
EQUITIES

Dow Jones Industrial Average

22775.39 ▲113.75, or 0.50%
High, low, open and close for each trading day of the past three months.

Trailing P/E ratio 20.86 20.25
P/E estimate * 18.89 17.66
Dividend yield 2.24 2.60
All-time high 22775.39, 10/05/17

Current divisor 0.14523396877348



Bars measure the point change from session's open

July Aug. Sept. 20400

Weekly P/E data based on as-reported earnings from Birinvi Associates Inc.

S&P 500 Index

2552.07 ▲14.33, or 0.56%
High, low, open and close for each trading day of the past three months.

Trailing P/E ratio 24.22 24.45
P/E estimate * 19.19 18.52
Dividend yield 1.98 2.13
All-time high: 2552.07, 10/05/17



65-day moving average

July Aug. Sept. 2380

Nasdaq Composite Index

6585.36 ▲50.73, or 0.78%
High, low, open and close for each trading day of the past three months.

Trailing P/E ratio *25.69 24.32
P/E estimate * 21.32 20.18
Dividend yield 1.10 1.20
All-time high: 6585.36, 10/05/17



65-day moving average

July Aug. Sept. 6000

Major U.S. Stock-Market Indexes

	Latest		52-Week		YTD		% chg	
	High	Low	Close	Net chg	% chg	High	Low	3-yr. ann.
Dow Jones								
Industrial Average	22777.04	22655.14	22775.39	113.75	▲0.50	22775.39	17888.28	24.7 15.2 10.2
Transportation Avg	9912.86	9860.60	9909.42	-12.42	-0.13	9973.80	7967.02	21.9 9.6 5.3
Utility Average	732.81	727.98	731.62	-0.03	-0.004	754.80	625.44	13.8 10.9 9.6
Total Stock Market	26500.96	26385.85	26496.16	138.08	▲0.52	26496.16	21514.15	18.4 13.8 9.1
Barron's 400	687.63	684.68	686.46	1.65	▲0.24	686.46	521.59	24.3 14.1 10.0

Nasdaq Stock Market

Nasdaq Composite	6587.21	6547.65	6585.36	50.73	▲0.78	6585.36	5046.37	24.1 22.3 13.7
Nasdaq 100	6059.21	6014.77	6057.14	58.31	▲0.97	6057.14	4660.46	24.3 24.5 14.6

Standard & Poor's

500 Index	2552.51	2540.02	2552.07	14.33	▲0.56	2552.07	2085.18	18.1 14.0 9.1
MidCap 400	1823.16	1815.46	1819.96	5.75	▲0.32	1819.96	1476.68	17.9 9.6 10.1
SmallCap 600	919.31	915.31	916.74	1.88	▲0.21	918.72	703.64	21.4 9.4 12.9

Other Indexes

Russell 2000	1514.94	1508.34	1512.09	4.32	▲0.29	1512.09	1156.89	21.3 11.4 11.0
NYSE Composite	12351.14	12303.05	12338.93	34.26	▲0.28	12338.93	10289.35	15.6 11.6 5.1
Value Line	546.66	544.26	545.78	1.52	▲0.28	545.78	455.65	13.1 7.8 4.6
NYSE Arca Biotech	4317.00	4272.88	4304.77	7.83	▲0.18	4304.77	2834.14	31.8 40.0 11.6
NYSE Arca Pharma	552.96	549.70	552.27	0.15	▲0.03	552.27	463.78	7.9 14.7 1.3
KBW Bank	100.83	98.94	100.59	1.36	▲0.17	100.59	70.90	37.9 9.6 11.9
PHLX® Gold/Silver	86.88	85.80	86.06	-0.45	-0.52	96.72	73.03	5.7 9.1 3.1
PHLX® Oil Service	140.81	139.15	140.25	1.30	▲0.94	192.66	117.79	-15.8 -23.7 -18.0
PHLX® Semiconductor	1189.56	1179.53	1186.07	0.83	▲0.07	1186.07	802.88	41.4 30.8 23.9
CBOE Volatility	9.62	9.13	9.19	-0.44	-4.57	22.51	9.19	-28.4 -34.5 -14.2

\$Philadelphia Stock Exchange

Sources: SIX Financial Information; WSJ Market Data Group

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6:30 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 5,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
Aegon ADR	AEG	8,416.2	5.55	0.03	0.54	5.57	5.52
SPDR S&P 500	SPY	6,853.4	254.56	-0.10	-0.04	254.75	253.20
Cnsmr Staples Sel Sector	XLP	6,440.9	54.35	...	unch.	54.39	54.31
Vipshop Holdings ADR	VIPS	5,554.9	8.51	-0.02	-0.23	8.53	8.51

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
ENSCO PLC	ESV	4,627.1	5.85	0.02	0.34	5.93	5.82
Van Eck Vectors Gold Miner	GDX	4,019.7	23.27	0.05	0.22		

COMMODITIES

WSJ.com/commodities

Futures Contracts

Metal & Petroleum Futures

	Contract Open	High	Low	Settle	Chg	Open interest
Copper-High (CMX)-25,000 lbs.; \$ per lb.	2.9505	3.0295	2.9505	3.0315	0.0870	1,880
Oct	2.9655	3.0500	2.9540	3.0465	0.0875	175,183
Gold (CMX)-100 troy oz.; \$ per troy oz.	127.70	127.70	126.60	126.90	-3.80	434
Dec	127.750	1281.60	1268.50	1273.20	-3.60	411,557
Feb'18	1282.00	1285.50	1273.40	1277.30	-3.60	56,174
April	1284.90	1288.70	1278.20	1281.30	-3.50	10,190
June	1289.50	1293.00	1281.00	1285.20	-3.50	10,849
Dec	1300.50	1304.50	1293.90	1297.00	-3.50	10,857
Palladium (NYM)-50 troy oz.; \$ per troy oz.	923.20	942.60	920.65	936.50	16.85	29,227
March'18	917.85	937.35	917.85	931.85	17.15	1,244
Platinum (NYM)-50 troy oz.; \$ per troy oz.	910.00	914.10	910.00	914.20	3.60	92
Oct	910.00	914.10	910.00	914.20	3.60	92
Jan'18	917.50	921.00	912.10	918.00	3.20	67,885
Silver (CMX)-5,000 troy oz.; \$ per troy oz.	16.650	16.710	16.620	16.582	0.019	556
Dec	16.620	16.770	16.590	16.638	0.014	144,695
Crude Oil, Light Sweet (NYM)-1,000 bbls.; \$ per bbl.	49.88	51.22	49.85	50.79	0.81	511,107
Dec	50.20	51.53	50.19	51.15	0.83	354,740
Jan'18	50.49	51.78	50.47	51.44	0.84	236,341
March	50.84	52.01	50.80	51.77	0.85	205,877
June	50.89	51.99	50.89	51.82	0.83	200,692
Dec	50.60	51.49	50.57	51.40	0.76	257,720
NY Harbor ULSLD (NYM)-42,000 gal.; \$ per gal.	1.7745	1.8127	1.7683	1.7863	0.024	118,854
Dec	1.7699	1.8081	1.7648	1.7827	0.019	89,147
Gasoline-NY RBOB (NYM)-42,000 gal.; \$ per gal.	1.5815	1.6328	1.5764	1.6114	0.039	135,404
Dec	1.5682	1.6139	1.5624	1.5966	0.0281	85,787
Natural Gas (NYM)-10,000 MMBtu; \$ per MMBtu.	2.934	2.995	2.894	2.923	-0.017	340,400
Dec	3.125	3.167	3.076	3.103	-0.019	134,473
Jan'18	3.248	3.283	3.200	3.230	-0.017	157,699
Feb	3.250	3.283	3.206	3.235	-0.013	86,753
March	3.202	3.235	3.164	3.193	-0.008	130,907
April	2.940	2.957	2.925	2.939	0.006	127,545

Contract

Open High hilo Low Settle Chg Open interest

Agriculture Futures

Corn (CBT)-5,000 bu.; cents per bu.	Open	High	hilo	Low	Settle	Chg	Open interest
Dec	348.25	351.25	347.50	349.50	1.25	811,347	
March'18	361.00	364.25	360.25	362.50	1.25	261,210	
Oats (CBT)-5,000 bu.; cents per bu.	246.75	248.50	245.75	247.25	1.00	4,585	
Dec	250.25	253.00	250.25	251.25	1.00	1,258	
Soybeans (CBT)-5,000 bu.; cents per bu.	952.85	971.00	957.75	968.25	10.00	328,024	
Jan'18	968.75	981.50	968.50	979.00	10.25	132,576	
Soybean Meal (CBT)-100 tons; \$ per ton.	306.90	313.00	306.90	312.90	6.00	1,328	
Dec	311.00	318.50	310.90	316.90	5.90	172,986	
Soybean Oil (CBT)-60,000 lbs.; cents per lb.	33.11	33.17	32.76	32.77	-0.22	771	
Dec	33.21	33.45	32.92	33.00	-0.23	187,484	
Rough Rice (CBT)-2,000 cwt.; \$ per cwt.	120.50	120.70	119.50	119.50	-11.50	8,111	
Jan'18	123.00	125.00	121.50	122.50	11.00	1,893	
Wheat (CBT)-5,000 bu.; cents per bu.	443.25	444.00	438.00	440.75	-1.25	249,456	
March'18	461.25	462.50	457.00	459.50	-1.00	91,006	
Wheat (KC)-5,000 bu.; cents per bu.	436.75	438.00	432.00	434.25	-1.75	136,073	
March'18	454.00	455.25	449.50	452.00	-1.75	76,236	
Wheat (MPLS)-5,000 bu.; cents per bu.	610.50	618.25	607.25	615.50	5.50	36,662	
March'18	625.75	631.50	620.50	629.00	5.50	23,911	
Cattle-Feeder (CME)-50,000 lbs.; cents per lb.	152.550	153.625	152.350	153.575	1.475	9,567	
Oct	152.550	153.625	152.350	153.575	1.475	9,567	
Nov	153.825	155.100	153.675	154.850	1.350	22,338	
Cattle-Live (CME)-40,000 lbs.; cents per lb.	109.150	110.250	108.925	110.150	1.075	28,820	
Dec	115.000	116.200	114.650	116.050	1.125	149,925	
Hogs-Lean (CME)-40,000 lbs.; cents per lb.	60.675	61.750	60.625	60.925	.600	19,481	
Oct	62.100	63.125	61.725	62.800	.900	120,401	
Lumber (CME)-110,000 bd. ft.; per 1,000 bd. ft.	407.80	413.70	405.70	408.90	.10	4,317	
Jan'18	396.40	400.30	395.60	398.80	.10	1,277	
Milk (CME)-200,000 lbs.; cents per lb.	101.469	101.500	101.156	101.250	-.109	28,696	

Contract

Open High hilo Low Settle Chg Open interest

Interest Rate Futures

Treasury Bonds (CBT)-\$100,000; pts 32nds of 100%	Open	High	hilo	Low	Settle	Chg	Open interest
Oct	16.65	16.80	16.64	16.75	.12	4,334	
Nov	16.54	16.60	16.44	16.50	.01	4,462	
Dec	2,084	2,092	2,055	2,084	6	123,504	
March'18	2,084	2,093	2,059	2,088	9	68,320	
Coffee (ICE-US)-37,500 lbs.; cents per lb.	125.75	127.65	124.30	127.20	2.05	113,459	
March'18	129.25	131.20	127.90	130.75	2.05	49,297	
Sugar-World (ICE-US)-112,000 lbs.; cents per lb.	14.29	14.57	14.16	14.39	.14	426,613	
May	14.36	14.63	14.28	14.49	.14	119,588	
British Pound (CME)-£62,500; \$ per £	1.3240	1.3252	1.3114	1.3115	-.0138	170,039	
Dec	1.3270	1.3278	1.3135	1.3139	-.0138	170,039	
Swiss Franc (CME)-CHF 125,000; \$ per CHF	1,0300	1,0310	1,0253	1,0262	-.0046	44,871	
March'18	1,0406	1,0415	1,0365	1,0332	-.0045	132	
Australian Dollar (CME)-AUD 100,000; \$ per AUD	.7828	.7863	.7788	.7789	-.0071	690	
Dec	.7840	.7861	.7783	.7787	-.0071	725	
Tesla (CME)-\$100,000; cents per lb.	.7851	.7859	.7780	.7783	-.0071	145,258	
Jan'18	.7814	.7855	.7781	.7781	-.0071	299	
March	.7827	.7848	.7776	.7776</			

BIGGEST 1,000 STOCKS

How to Read the Stock Tables		Footnotes:	
The following explanations apply to NYSE, NYSE Arca, NYSE MKT and Nasdaq Stock Market listed securities. Prices are composite quotations that include primary market trades as well as trades reported by Nasdaq OMX BXSM (formerly Boston), Chicago Stock Exchange, CBOE, National Stock Exchange, ISE and BATS.		I-New 52-week high. I-New 52-week low. d-Dividends lost in the most recent four quarters. FD-FIRST day of trading. D-NOT meet continued listing standards If-Late filing q-Temporary exemption from Nasdaq requirements. t-NYSE bankruptcy v-Trading halted on primary market. VJ-in bankruptcy or receivership or being reorganized under the Bankruptcy Code, or securities assumed by such companies.	
The list comprises the 1,000 largest companies based on market capitalization. Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume. Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher.			
Wall Street Journal stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices from 4 p.m. the previous day.			

Thursday, October 5, 2017

Net Stock Sym Close Chg

Stock Sym Close Chg

Net Stock Sym Close Chg

BANKING & FINANCE



Ex-Equifax chief Richard Smith, front, testified before lawmakers this week. Above, he went before a Senate committee Wednesday.

Equifax Timeline Criticized

Lawmakers question former CEO about delay in disclosing breach of its systems

Lawmakers pressed Equifax Inc.'s former chief executive on Thursday over the length of

By AnnaMaria Andriots and Christina Rexrode

time it took the credit-reporting company to inform regulators, shareholders and the public about its huge breach.

Members of the House Financial Services Committee asked Richard Smith, in his fourth congressional hearing in three days, about details surrounding the company's decision to inform the public about the breach that affected 145.5 million Americans. Some also questioned the delay between when Mr. Smith learned about the severity of the breach and when he informed the company's board.

Equifax's first public disclosure, on Sept. 7, came more than five weeks after the firm discovered suspicious activity on its systems. It came at least two weeks after the company realized the seriousness of the attack, raising concerns among some lawmakers that Equifax withheld important information from investors.

"What disturbs me perhaps more than anything is the timeline," said Rep. David Scott (D., Ga.).

The committee's chairman, Jeb Hensarling (R., Texas), asked Mr. Smith whether law enforcement told Equifax to delay notifying the public.

"We were in communication routinely throughout the process with the FBI, but they did not necessarily dictate the flow of communication to the public," Mr. Smith replied.

Mr. Smith also said that the firms Equifax hired to help with the breach investigation—cyber-investigation firm Mandiant and law firm King & Spalding—"guided" Equifax in making its announcement

when it did.

"It was a team effort," Mr. Smith said.

The focus on the timing of the disclosure followed two Senate committee hearings and one earlier House subcommittee hearing in which lawmakers probed a range of issues surrounding the hack, including how it happened, why it took more than two months for the company to notice it and how consumers could take more control of their personal financial data.

According to Mr. Smith's testimony, Equifax's security staff first discovered suspicious activity on July 29, and Mr. Smith has said he was informed about that on July 31. Equifax contacted the Federal Bureau of Investigation on Aug. 2. Mr. Smith has also said he first became aware on Aug. 15 that consumers' personal information had "likely" been stolen.

Mr. Smith said he was informed of the severity of the breach on Aug. 17. On Aug. 22, he said, he notified the lead

member of the board of directors, and on Aug. 24 and 25 the full board was informed.

"Is it normal to wait that long?" asked Rep. John Delaney (D., Md.).

Mr. Smith replied that the situation had been developing. "I thought that was an appropriate timeline," he said.

The former CEO was also asked whether Equifax's timing in notifying the public about the breach was in compliance with state notification laws. Mr. Smith said the company was "mindful" of state laws. He said the company had to get a clear understanding of what data had been compromised, something that didn't occur until around late August.

"It was very difficult to retrace the footprints of these criminals," Mr. Smith said.

He also said Equifax needed time to secure its systems before making the announcement. Mandiant, he said, had told the company to prepare for a significant increase in cyberattacks once it announced the breach.

Senate Approves Bank Regulator To Fed's Board

By RYAN TRACY

Janet Yellen.

Ms. Yellen supported the 2010 Dodd-Frank financial-overhaul law and many rules adopted as a result of it. She has recently signaled openness to discussing regulatory rollbacks.

She surprised many Dodd-Frank defenders when on Friday she joined Trump appointees in releasing American International Group Inc. from federal oversight.

Many liberals opposed Mr. Quarles, citing his decades of work on Wall Street as a lawyer and investor. "The number one thing we need from a vice chair for supervision is independence from Wall Street, a demonstrated willingness to stand up to the wishes of the big banks," Sen. Elizabeth Warren (D., Mass.) said on the Senate floor opposing his nomination. "There is not a speck of independence in Mr. Quarles' track record."

Senate Banking Committee Chairman Mike Crapo (R., Idaho) spoke in support of Mr. Quarles, praising his "extensive government and private sector experience dealing with both domestic and international financial markets."



Randal Quarles will have a big influence on regulatory review.

The vote to confirm Mr. Quarles to the Fed board was 65-32, with 14 Democrats supporting the nomination along with all Republicans and one independent. A former Treasury Department official, investor and banking lawyer, Mr. Quarles is expected to oversee the Fed's work on a broad review of banking-sector rules.

He will be the Fed's first vice chairman in charge of bank oversight. The Senate separately approved that designation by a voice vote Thursday, approving him for a role created by the 2010 Dodd-Frank financial law that had never been filled.

Mr. Quarles, who will also sit on the Fed's monetary policy committee, has been skeptical of the government's intervention in financial markets and has criticized the Fed for unpredictable policy making.

He said at a hearing in July that "with the benefit of experience and reflection, some refinements will undoubtedly be in order" to the regulatory regime adopted after the 2008 financial crisis.

He joins the central bank as officials already are reviewing some regulations, and in the vice chairman role he will have significant influence over that work.

Mr. Quarles won't be able to set the Fed's agenda on his own. For at least several months, he will have to work with Obama-era appointees, including Fed Chairwoman

tively banned in 15 states and the District of Columbia, where interest-rate caps make the business unviable.

The rule's key feature is the "full-payment test," a requirement for lenders to run a credit check on customers to assess their ability to repay, using credit-reporting systems registered by the CFPB.

The rule also caps the number of short-term loans that lenders can make in quick succession.

The "cycle of piling on new debt to pay back old debt can turn a single unaffordable loan into a long-term debt trap," Mr. Cordray told reporters on a conference call, adding that more than four out of five payday loans are reborrowed within a month. "The rule takes square aim at the practices that produce these outcomes."

The regulation will become effective 21 months after it is published on a government website, which is expected in the next few weeks.

The payday rule is likely to face legal challenges from the industry, which has complained the bureau failed to pay sufficient attention to comments sent in by hundreds of thousands of payday customers opposing the rule. The CFPB received 1.41 million comments on the rule, by far a record for the six-year-old bureau.

The rule is narrower in scope than a draft version the CFPB proposed last year.

Consumer advocates praised the new rule, saying it eliminates the most harmful lending practices. Some critics said the rule would cause lenders to shift to longer-term loans that still charge high interest rates.

The rollout of the CFPB rule on Thursday prompted the Office of the Comptroller of the Currency, the regulator of national banks, to rescind its 2013 guidance discouraging banks from making short-term consumer loans known as "deposit advance" loans.

The OCC said it was scrapping the guidance to avoid inconsistencies with the new CFPB rule.

FINANCE WATCH



Payday loans are used by an estimated 10 million to 12 million Americans. Signs in Birmingham, Ala.

tapped by President Donald Trump is likely to be seen as friendlier to the industry than Mr. Cordray.

Payday loans are used every year by an estimated 10 mil-

lion to 12 million Americans, many of whom live paycheck to paycheck.

The loans are typically a few hundred dollars and due in two weeks, or on the bor-

rower's next payday. Their annualized interest rates, often as high as 400%, have long irked regulators and consumer groups.

The loans are already effec-

ment he didn't like.

The settlement would end a dispute between the bank and Sundquist, who have fought since the recession to save their home. In a March ruling, Judge Klein called the bank "brazen" and "heartless" in its treatment of the couple.

Lawyers for the Sundquist said in earlier court papers that the settlement would enable them "to end a long personal and legal nightmare that has impacted every facet of their and their sons' lives." The bank threatened to appeal, which could have prolonged the case for years.

—Katy Stech Ferek

CATALUNIA

Banco de Sabadell Moves Headquarters

Banco de Sabadell SA, one of Catalonia's biggest banks, said Thursday that it would move its headquarters out of the restive Spanish region, as bankers said another major Catalan lender, CaixaBank SA, also was considering a relocation.

Sabadell said its board decided to move its legal base from Barcelona to Alicante, Spain, "to protect the interests of our customers, shareholders and employees."

Surges of separatist senti-

ment in other countries have long spooked banks and pushed them to either relocate or consider it. In Catalonia, such moves could prove cosmetic, with the legal headquarters leaving the region but staff and executives largely staying, analysts say.

Bankers and investors said CaixaBank also could shift its legal headquarters away from Barcelona to another part of Spain. In a statement, a CaixaBank spokesman said the bank "reiterates that the necessary decisions will be made, in a timely manner."

Shares of the two banks rose sharply on Thursday after plummeting this week after Catalu-

nia's local government staged an independence referendum on Sunday, defying courts and the Spanish government, which declared it illegal. That stoked fears that local banks may suddenly find themselves outside the eurozone and cut off from European Central Bank's emergency liquidity facilities.

Analysts said while an independent Catalonia could retain the euro as its currency, its lenders would likely need to go through other eurozone banks to tap ECB funding. If Catalan banks run into trouble they also wouldn't have a powerful central bank to help them out. Catalan banks seek to remain protected

by the Spanish government's deposit guarantee fund.

Since the Catalan government started its push toward independence, Catalan banks have tried to assuage investors' fears while not angering local clients. CaixaBank has 22% of its business in Catalonia and Banco de Sabadell has 26% there. Moving headquarters is unlikely to have a profound effect on how the banks do business. Last month, Sabadell's chief executive, Jaume Guardiola, said the decision would likely entail "a change in domicile" with no people being moved.

—Max Colchester, Jon Sindreu and Jeannette Neumann

MARKETS

OPEC Pushes Russia to Stick to Oil Plan

Moscow's signal that it wants to end its production curbs has energy cartel anxious

BY BOEN FAUCON AND SUMMER SAID

Saudi Arabia and OPEC are lobbying Russia to stay on board with their efforts to raise oil prices, amid signals that Moscow wants to end its participation in costly petroleum-production cuts.

The efforts culminated Thursday with a meeting between Saudi King Salman and Russian President Vladimir Putin, in the first-ever visit by a Saudi monarch to Moscow. Saudi and Russian officials said Mr. Putin and King Salman discussed extending Russia's participation in a coalition led by the Organization of the Petroleum Exporting Countries that has withheld almost 2% of global oil supply from the market in 2017, though no new agreement was struck.

"In the kingdom, we have to keep all options open; President Putin agreed with us on this," said Khalid al-Falih, the Saudi energy minister, on the Al Arabiya television channel.

OPEC, Russia and other allied producers will meet on Nov. 30.

Saudi Arabian officials want oil inventories to return to a five-year average and prices to reach \$60 a barrel. Brent, the international benchmark for crude prices, settled at \$57 a



Saudi Arabia's King Salman, left, and Russian President Vladimir Putin on Thursday. It was the first visit to Moscow by a Saudi monarch.

ALEXEY NIKOLSKY/AGENCE FRANCE PRESSE/GETTY IMAGES

barrel Thursday.

Venezuela and Saudi Arabia are among several OPEC nations that sent representatives to Moscow this week for Russia's largest annual energy conference.

The Moscow talks underscore how Russia—the world's largest oil producer, but not an OPEC member—is playing a pivotal role in the cartel's efforts to engineer harmony between oil supply and demand

and raise prices. Russia has long used its massive natural-gas resources as a political tool to influence its European neighbors, but until 2017 had never tried to influence the crude-oil market.

Russia was instrumental in sealing a deal that saw OPEC's 14 producers join with 10 non-OPEC producers to cut a combined 1.8 million barrels a day through March 2018.

The impact has been short

of the group's goals. OPEC estimates that the global oil glut has been reduced and prices have risen by 13% since OPEC first agreed on a cut. However, prices haven't hit \$60 a barrel, which most participants want.

Saudi Arabia and other OPEC members are looking to extend the agreement for longer into 2018.

Among the possible enticements, Saudi Arabia is set to clinch a deal with Russia to set

up a \$1 billion fund to invest in energy projects. OPEC and the Russia-led coalition will meet again on Nov. 30.

"Riyadh wants to make sure that Russia will stick around in case an extension is needed, which is most likely," a senior Saudi official said.

On Wednesday, Mr. Putin appeared to sit on the fence as he addressed an audience of oil officials and executives at Russian Energy Week.

"I do not rule this out," he said, when asked whether an extension was possible. "We will look at the situation at the end of March." The Russian president, added that any extension should last until the end of 2018.

An extension wouldn't guarantee that prices would rise, as they fell following OPEC's decision in May to extend the agreement to March 2018.

If prices rise, American shale companies could rev up output, flood the world with more crude and send the market down again.

Russian Energy Minister Alexander Novak has complained about high output from some OPEC members and has hinted that it would be better to scrap the oil-output pact when demand increases following the 2018 winter—roughly around the time OPEC's agreement expires.

OAO Rosneft, Russia's state-controlled oil company, boosted production by 1.2% to 3.82 million barrels a day in September, according to official data. A Rosneft representative said the company "fully fulfills its obligations" to reduce production as part of the agreements.

Mr. Novak's comments made the Saudi oil ministry nervous about Russia's commitment to the deal, the Saudi official said. Others within OPEC believe the Russians might be bluffing to extract concessions for an extension.

—Nathan Hodge contributed to this article.

Treasury Yield Climbs To Near 3-Month High

BY GUNJAN BANERJI

U.S. government bond prices declined, sending the 10-year Treasury yield to its highest level since July.

Treasury yields, which rise when bond prices fall, have worked their way higher in recent sessions,

CREDIT MARKETS buoyed by signs of economic growth and the Federal Reserve's outlook for inflation.

Central-bank officials have maintained that sluggish consumer price data reflect transitory factors in the economy and that pressure is building for prices to rise, which will likely lead to additional interest-rate increases.

Inflation is a primary threat to long-term government bonds because it erodes the purchasing power of their fixed payments and can cause the Fed to raise interest rates.

On Thursday, the yield on the 10-year Treasury note rose to 2.352%, its highest since July 11, from 2.332% on Wednesday. Yields advanced after new data showed that the number of Americans filing applications for unemployment benefits fell in late September. Initial jobless claims declined by 12,000 to a seasonally adjusted 260,000 in the week ended Sept. 30, the Labor Department said. That is fewer than the 270,000 new claims that economists surveyed by The Wall Street Journal had expected.

On Friday, the Labor Department releases its September jobs report.

"Payroll and inflation continue to be the two most important numbers for the market," said Brian Brennan, a portfolio manager at T. Rowe Price Group Inc. based in Baltimore. There are "not a lot of bets being placed at this point."

Auctions to Offer \$189 Billion in Debt

The Treasury Department will auction \$189 billion in securities next week, comprising \$80 billion in new debt and \$109 billion in previously sold debt. Details (all with minimum denominations of \$100):

◆ **Tuesday:** \$35 billion in four-week bills, a reopening of an issue first sold on Nov. 10, 2016, maturing Nov. 9, 2017. Cusip number: 912796KX6.

Also, \$42 billion in 13-week bills, a reopening of an issue first sold on July 13, 2017, maturing Jan. 11, 2018. Cusip number: 912796MLO.

Also, \$36 billion in 26-week bills, dated Oct. 12, 2017, maturing April 12, 2018. Cusip number: 912796PA1.

Also, \$20 billion in 52-week bills, dated Oct. 12, 2017, maturing Oct. 11, 2018. Cusip number: 912796NZ8.

Noncompetitive tenders for the 13-week and 26-week bills must be received by 11 a.m. EDT Tuesday and competitive tenders by 11:30 a.m. For the four-week and 52-week bills, noncompetitive tenders are due by noon Tuesday; competitive tenders, 1 p.m.

◆ **Wednesday:** \$24 billion in three-year notes, dated Oct. 16, 2017, maturing Oct. 15, 2020. Cusip number: 912828Z2Z.

Also, \$20 billion in nine-year, 10-month 2.25% notes, a reopening of an issue first sold on Aug. 15, 2017, maturing Aug. 15, 2027. Cusip number: 912828ZRO.

Noncompetitive tenders for the three-year notes must be received by 11 a.m. Wednesday; competitive tenders, by 11:30 a.m. For the nine-, 10-month notes, noncompetitive tenders are due by noon; competitive tenders, 1 p.m.

◆ **Thursday:** \$12 billion in 29-year, 10-month 2.75% bonds, a reopening of an issue first sold on Aug. 15, 2017, maturing Aug. 15, 2047. Cusip number: 912810RY6.

Noncompetitive tenders must be received by noon Thursday; competitive tenders, 1 p.m.



JACK TAYLOR/GETTY IMAGES

Financial, Tech Stocks Fuel Rally

BY MICHAEL WURSTHORN AND RIVA GOLD

The S&P 500 finished at another high, for its longest streak of record closes in 20 years.

Financial firms and technology companies contributed significant gains

THURSDAY'S MARKETS to the index, but the day's gains were broad. Nine of the index's 11 major sectors

rose to help the S&P 500 notch its sixth consecutive high. As stocks advanced, Wall Street's so-called fear gauge fell to its lowest reading ever.

Strong corporate earnings have supported stocks for months, and a recent run of

economic data reflecting stability and growth in the U.S. has added to stocks' momentum, analysts said. Stocks continue to hit records, even as some investors remain wary of low volatility and lofty valuations.

"We've pared back on U.S. exposure and made a tilt overseas, but not a dramatic one," said Doug Cohen, managing director of portfolio management at Athena Capital Advisors.

"The reality is this is one of the more expensive markets in the last 100 years, but equities are still the most attractive asset class."

The S&P 500 rose 14.33 points, or 0.6%, to 2552.07. The Dow Jones Industrial Average gained 113.75 points, or 0.5%, to a record 22775.39—its seventh

consecutive day of gains. The Nasdaq Composite added 50.73 points, 0.8%, to a record 6585.36 for its eighth straight day of advances.

A measure of expected stock swings, the CBOE Volatility Index, fell 4.6% to 9.19, surpassing its all-time low of 9.31 set in December 1993.

Shares of financial firms in the S&P 500 added 1% as bond yields rose. Higher yields tend to portend better profits for lenders. **Goldman Sachs Group** climbed \$5.75, or 2.4%, to \$246.06, contributing nearly 40 points to the Dow industrials' gain.

Data released Thursday showed applications for new unemployment benefits fell in late September, the latest indicator to signal a strong U.S. economy despite recent hurricanes. Earlier in the week, data showed manufacturing activity in the U.S. reached a 13-year high last month, while service-sector activity rose to its highest level since 2005.

Still, the major summer storms are expected to affect Friday's monthly employment report, the Labor Department warned last week.

The Stoxx Europe 600 rose 0.2% after snapping a nine-session winning streak on Wednesday, its longest in more than two years.

Early Friday, Japan's Nikkei 225 was up 0.3%, Hong Kong's Hang Seng Index was up 0.6% and Australia's S&P ASX 200 was up 0.7%.

Data-Center Firm Switch Prices IPO Above Range, Raises \$531 Million

BY MAUREEN FARRELL

The data-center company that powers businesses of **Amazon.com** Inc., **eBay** Inc. and other tech companies is the latest to cash in on a renewed interest among investors in technology IPOs.

Roku ended its first day of trading up 68%, the largest first-day jump this year among all U.S.-listed IPOs that raised more than \$100 million, according to Dealogic. While it is now trading below its first-day closing level, Roku's shares still trade 57% above their IPO price.

Bankers and investors said

Roku's debut added to the interest in Switch's shares, but investors were also very interested in the company for its growth potential. While Switch's profit margins are generally higher than many of its competitors, investors see the potential for the company to capitalize on its position at the epicenter of data centers for new technology companies, according to an adviser on the offering.

Switch will make its debut in a fairly welcoming market backdrop for IPOs, particularly technology-focused offerings.

Technology stocks are soaring and newly listed tech compa-

nies, or those that went public so far this year, are up 32% on average since their debuts compared with a roughly 25% average gain for overall IPOs through Wednesday's close, according to Dealogic.

The overall positive backdrop and the initial performance of Roku's shares have helped turn attention away from two notable IPO stumbles from **Snap** Inc. and **Blue Apron Holdings** Inc., which recently filed for IPOs with the Securities and Exchange Commission.

Stitch Fix Inc., a San Francisco-based e-commerce company that sends customers a personalized selection of

outfits, and email-delivery service **SendGrid** have both confidentially filed and are expected to launch their offerings in a few weeks, according to people familiar with their deals.

So far, 2017 hasn't boomed as far as tech IPOs are concerned. Ahead of Switch's pricing Thursday, just 20 tech companies had listed their shares in the U.S., raising \$7.8 billion, according to Dealogic. At this point last year, 19 companies had made their debuts, raising \$3.3 billion.

—Corrie Driebusch contributed to this article.

MARKETS

Gold Loses Luster as Global Angst Eases

BY AMRITH RAMKUMAR

Gold—once among this year's best-performing commodities—has tumbled to nearly two-month lows, hurt by waning investor anxiety and expectations for a steady pace of interest-rate increases.

The destabilizing events that gold bugs were betting on earlier this year haven't materialized. The Trump administration reached a deal last month to keep the government funded and its borrowing limit suspended until mid-December. Last week, the administration released a tax plan that many hope will boost economic growth.

While leaders of the U.S. and North Korea continue to trade barbs, many investors say tensions need to escalate and roil markets before gold prices get another push upward.

"The geopolitical risks are impactful, but they haven't yet impacted the real economic environment," said Rob Haworth, senior investment strategist at U.S. Bank Wealth Management. Investors tend to favor gold during turbulent times, betting that the metal will hold its value more effectively than other assets.

Prices of the precious metal climbed for seven of the nine weeks through early September, hitting their highest in more than a year.

But investor anxiety has since dissipated, causing the metal to fall in six of the past eight sessions and be on track for a fourth week of losses.

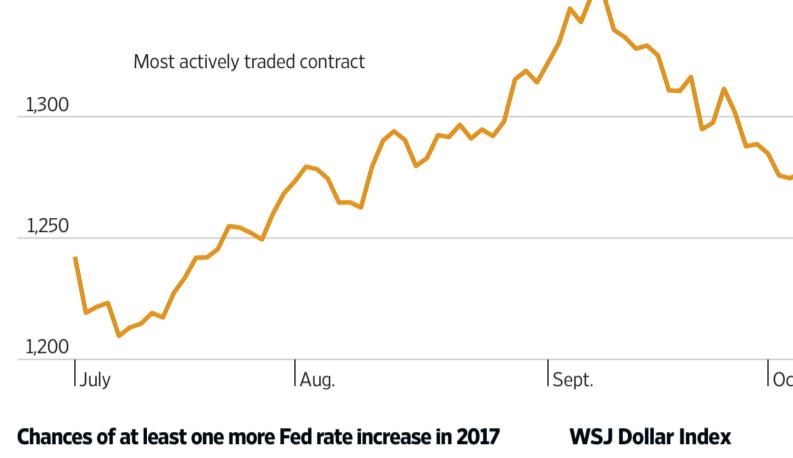
On Thursday, gold for October delivery fell 0.3%, to \$1,269.90 a troy ounce, down 5.7% from its 52-week high hit on Sept. 8. September was gold's worst month of the year, with the precious metal declining 2.6%.

A key development for the gold market has been signs from the Federal Reserve that

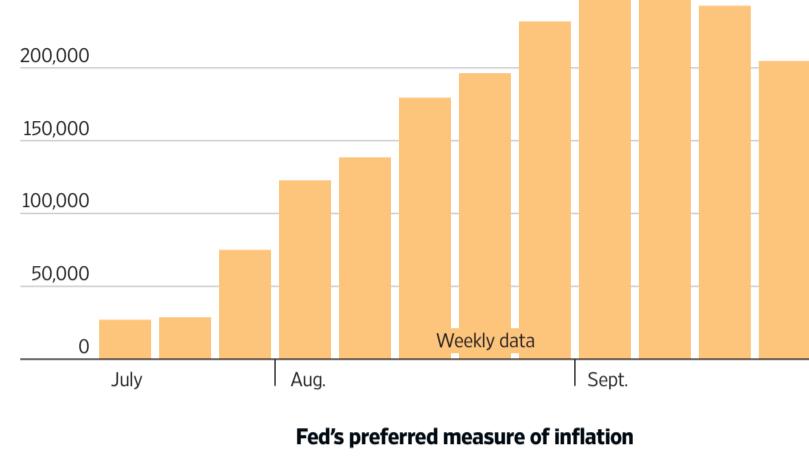
Not So Precious

Gold's rally this year has stalled as investor fears ebbed, the Federal Reserve renewed its commitment to gradually raising interest rates, and the dollar strengthened. Weak inflation, however, could slow the Fed's pace, helping prop up prices.

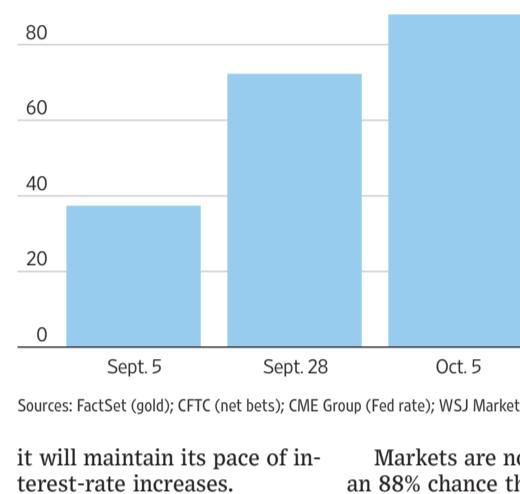
Gold prices have fallen more than 5% since hitting their highest level of the year.



Net bets on higher gold prices by speculators have dropped recently.



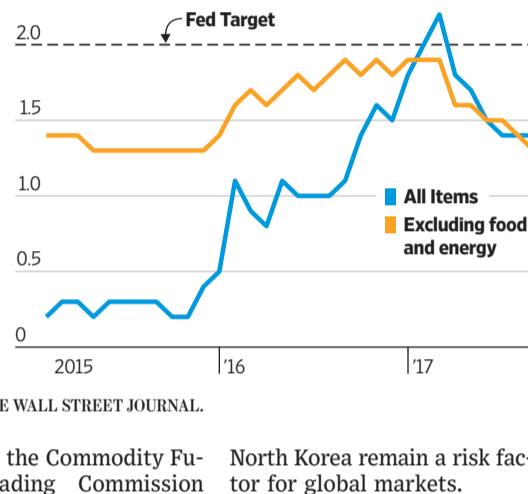
Chances of at least one more Fed rate increase in 2017



WSJ Dollar Index



Fed's preferred measure of inflation



Sources: FactSet (gold); CFTC (net bets); CME Group (Fed rate); WSJ Market Data Group (dollar index); Commerce Department (inflation)

it will maintain its pace of interest-rate increases.

The central bank reiterated plans to raise rates four times by the end of 2018.

Some investors had doubted a third increase this year amid sluggish inflation data, which had been supportive for gold prices because the metal struggles to compete with yield-bearing assets like Treasurys when borrowing costs rise.

Markets are now pricing in an 88% chance that rates rise again this year, up from 37% a month ago, according to CME Group Inc. data.

Adding to gold's troubles, the Fed's commitment to gradually raise rates has also boosted the dollar, making gold more expensive for foreign buyers as it is a dollar-denominated commodity.

The WSJ Dollar Index, which tracks the U.S. currency

against 16 others, is on track for its fourth straight week of gains since hitting multiyear lows in early September. The index closed up 0.4% on Thursday.

Meanwhile, hedge funds and other speculative investors have cut bullish positions. Net bets on higher gold prices have fallen in consecutive weeks after previously rising for nine straight weeks to their highest level of the year,

data from the Commodity Futures Trading Commission show.

"The market became overbought," said Bill O'Neill, co-founder of LOGIC Advisors. Mr. O'Neill said he advised clients to get out of gold positions two weeks ago for the short term.

Still, some investors and analysts think prices could bounce back. They say tensions between the U.S. and

North Korea remain a risk factor for global markets.

Others point to inflation, which remains well below the Fed's 2% target, meaning that central bankers could hesitate before sticking to a path of additional rate increases, buoying gold once again.

Gold is still up 10% in 2017, compared with 14% for the S&P 500. The precious metal hasn't outperformed the index since 2011.

HEARD ON THE STREET

Email: heard@wsj.com

FINANCIAL ANALYSIS & COMMENTARY

WSJ.com/Heard

Bad Timing for Monte dei Paschi

European regulators are turning up the heat on bad loans and Italy's banks will feel it most.

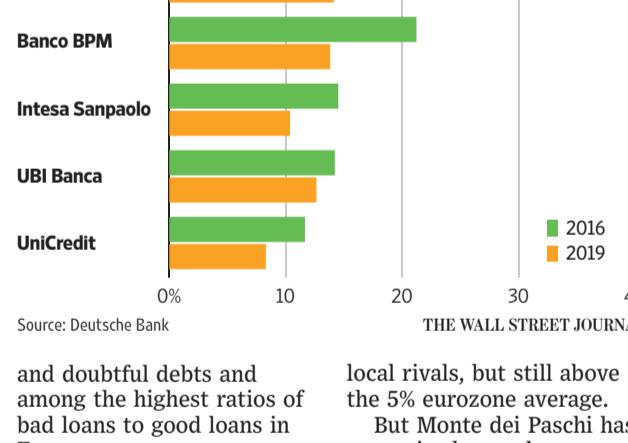
Tough timing then for Italy's oldest bank, **Banca Monte dei Paschi di Siena**, to return to the stock market this month after it was forced into a state-backed bailout process in December 2016. Trading will be bumpy for its new shareholders, half of whom were bondholders before its recapitalization and will get their first chance to sell.

The European Central Bank is cranking up pressure on eurozone lenders by imposing greater costs on new bad debts. It has pledged next year to push banks to further tackle their €1 trillion (\$1.17 trillion) existing bad-loan pile, which is restricting new lending.

Both moves should ultimately force banks to recognize more losses on bad loans and either sell them, raise capital, or both. Italy is one of its main targets because banks there still have almost €300 billion in bad

Tidying Up

Gross bad loans as a share of total loans, reported and forecast



debt, and seven years for secured debt. The treatment is harsh compared with what banks are used to, but is meant to break their habit of holding bad loans at unrealistic values and probably sell them instead. A more active market for bad loans would ultimately help all banks clean up their backlog.

This is likely to put pressure on Monte dei Paschi's share price. The bank's tangible book value per share is €9.65. But taking into account an expected second-half loss and other effects, the forecast year-end book value is about €8.23 per share, according to Deutsche Bank.

Monte dei Paschi should trade in line with smaller Italian banks like UBI Banca or Banco BPM at about half of book value, meaning the shares are worth about €3.70. That leaves plenty of upside for the longer term, which lies in Italian banking consolidation. It might look messy, but investors should hold their nerve.

—Paul J. Davies

local rivals, but still above the 5% eurozone average.

But Monte dei Paschi has recognized more losses on these loans than peers. Its loss provisions are equivalent to more than 55% of its bad loans' original values, in line with UniCredit.

From January, the ECB has said new bad loans should take 100% provisions (or be written down to zero value) within two years of going bad for unsecured

OVERHEARD

Adrenaline junkies aren't the most predictable sort but, when it comes to documenting their own feats, few are likely to be drawn to a camera designed essentially for baby steps.

Many investors seem to think otherwise. Since Google unveiled a new wearable camera called Clips at an event in San Francisco on Wednesday, GoPro has lost nearly 13% of its market value. GoPro had rallied in anticipation of last week's introduction of its own new cameras.

Investors could be forgiven some trepidation given the company's struggles, but Google's new camera isn't much of a threat.

At only a small discount to GoPro's tiny Hero Session, Clips is designed for families to grab quick candid shots around the home, not the sort of hair-raising, high-definition footage GoPros are typically used for.

When it comes to living life on the edge, Google is still at a safe distance.

Netflix Must Get a Bigger Box Office

Can Netflix raise its prices while keeping subscribers hooked in? Stranger things have happened.

Actually, "Stranger Things" did happen, and will happen again. Netflix self-produced the popular sci-fi series and launched the first season in the summer of 2016. It went on to score several Emmys and other accolades and was described by the company as a "blockbuster" in terms of viewership. The second season launches this month—conveniently about a week after many of the company's U.S. subscribers will be notified that their prices are going up.

Investors are betting they will stick around. Netflix shares jumped more than 5% Thursday following news that the company will raise the price on its standard service by 10%, while its premium tier rises by 17%. Mark Mahaney of RBC Capital estimates the price increase will boost next year's domestic streaming revenue by about \$650 million, which would be 10% above Wall Street's current projection.

Investors' \$3 billion boost of the company's market value translates into a sizable bet that Netflix will not only keep its more dedicated users despite the price bump, but keep adding more as well. That is plausible, even in a streaming market that is growing more competitive by the day.

The rub, of course, is that doing so will require Netflix to keep producing more expensive, exclusive hits like "Stranger Things" that draw in viewers but also consume the company's free cash flow and add to its growing debt load. The show must keep going on. —Dan Gallagher

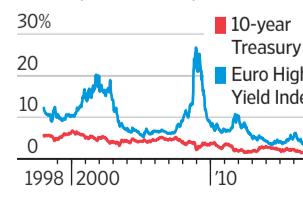
This Market 'Bubble' Isn't Everything It Appears to Be

Have financial markets lost the plot? Bubbles are supposedly everywhere, most notably in bonds. But one prominent case of financial froth has an explanation all its own. In an unprecedented development, a key European junk-bond index yields less than 10-year U.S. Treasurys, the global benchmark for risk.

The comparison between the yield on the Bank of America Merrill Lynch Euro High-Yield Index and the 10-year Treasury yield, at 2.29% Wednesday, and the Treasury yield, at 2.32%, is a tricky one: It tries to match corporate yields in one currency with government yields in another.

Unlikely Meeting

Yield on Bank of America Merrill Lynch Euro High-Yield Index and the 10-year Treasury note



Rather than note that these two numbers have converged, the more relevant comparison is the nearly 1.9-percentage-point gap between 10-year German and U.S. yields, remarkable on its

own, but attributable to the European Central Bank keeping rates negative and the U.S. Federal Reserve moving to tighten policy. That helps explain the low level of yields on many euro-denominated bonds.

A more apples-to-apples comparison would be between yield spreads over government bonds for the U.S. and European high-yield markets. The gap between the two is relatively large, with the U.S. index at 3.5 percentage points over Treasurys, versus the European index at 2.6 points over German government bonds.

The European market is dominated by companies

with ratings in the highest noninvestment-grade category. Nearly three-quarters of the euro index is rated double-B, versus 47% for the U.S. index. And for the same risk, the two markets trade in line: Double-B-rated debt on both sides of the Atlantic trades at an almost identical spread level around 2.1 percentage points above their respective government-bond yields.

Moreover, some big European high-yield bond issuers are on the cusp of investment grade by some measures. Telecom Italia is part of the high-yield index but qualifies for European Central Bank purchases because

it has an investment-grade rating from Fitch. Upgrades could cause companies to leave the high-yield universe.

Miner Anglo American made the journey in August. That trend, coupled with more issuance from lower-rated borrowers, will change the picture over time and likely reset yields higher in the European market.

A "high-yield" market that sports a yield anywhere near 2% looks misplaced. The ECB's extreme monetary policy is clearly the major force at play. But the comparison with Treasurys is an optical illusion. Bubble chasers should look elsewhere.

—Richard Barley

Jane Goodall on the childhood house she still calls home, stuffed toy chimp included **M7**



MANSION

'No one is ever satisfied where he is....Only the children know what they're looking for....'

—Antoine de Saint-Exupéry,

'The Little Prince'

HOMES | MARKETS | PEOPLE | UPKEEP | VALUES | NEIGHBORHOODS | REDOS | SALES | FIXTURES | BROKERS

© 2017 Dow Jones & Company. All Rights Reserved.

THE WALL STREET JOURNAL.

Friday, October 6, 2017 | **M1**

The Amazon CEO's Prime Properties

Jeff Bezos owns multiple homes on the coasts and a ranch with over 300,000 acres in Texas. In choosing a site for a second HQ, will he seek a location close to home?



Washington, D.C.



BUYING HISTORY With an overall net worth reportedly over \$80 billion, Jeff Bezos, top left, can put a lot of homes on his wish list. In New York, he paid roughly \$12.95 million for four apartments in a building called the Century at 25 Central Park West, above. Last year he paid \$23 million for the former Textile Museum in Washington's Kalorama neighborhood, left, and is having it renovated.

BY NANCY KEATES

AS THE WORLD WAITS to see where Amazon locates its second headquarters, one clue might lie in the rule of thumb of second-home buying: Pick a location that's not too far from home. In the case of Amazon chief Jeff Bezos, that's still a pretty wide field.

Mr. Bezos has a number of homes across the U.S. and is currently the country's 25th-largest landowner, according to the Land Report, a publication that tracks land ownership in the U.S. Properties include several homes on over 10 acres of land on the shores of Lake Washington in Medina, Wash.; two neighboring houses in Beverly Hills, Calif.; a former museum in Washington, D.C.; four linked apartments in a landmark Art

Deco tower on Manhattan's Central Park West; and over 300,000 acres in West Texas.

Amazon's wish list for what it's calling HQ2 includes a location near a metropolitan area, within 45 minutes of an international airport, a stable and business-friendly environment and an "overall high quality of life" with a diverse population and excellent institutions of higher

Please turn to page M12

HELSINKI IS HEADING HIGHER

The Finnish capital's real-estate market is on its way to a banner year, with buyers set to scoop up a record number of high-end homes; a new 35-story tower topped with luxury units; historic buildings get makeovers.



FINLAND'S FINEST Kruununhaka, a waterfront neighborhood in the heart of the Finnish capital, is known for its high-end apartments.

BY J.S. MARCUS

HELSINKI ENTREPRENEUR Mika Sulin has a prime view of his hometown's shipping lanes from the living room of his seaside villa, so he figured something was afoot as he watched sea traffic begin to increase markedly over

the past year.

Mindful of Finland's rebounding economy and buoyant residential market, he is taking the opportunity to sell his home. Mr. Sulin, 58, and his wife bought their roughly 1-acre property in 2005 for about \$880,000, then spent an additional \$646,000 on a grand upgrade. They con-

verted a three-bedroom, 1960s bungalow into their four-bedroom, two-story villa, and added an outdoor pool and waterfront pavilion with a sauna. He is listing the property for \$2.6 million.

The couple plan to relocate to a 1,100-square-foot apartment on an upper floor of a new 35-story tower now

under construction that, when completed in 2019, is set to be Finland's tallest residential building. Part of a planned waterfront complex with eight skyscrapers, the tower has average prices of \$763 a square foot, with luxury units clustered on the upper levels listed for as much as double that figure.

On the top floor, two 1,400-square-foot units are selling for \$2.35 million each. Residents will have concierge service.

Helsinki may be settling in for another long winter, but there is a new spring in the step of the Finnish capital's real-estate market.

Please turn to page M6

INSIDE



\$81.5 MILLION
Johnny Carson's
former estate lists **M2**



TRANSFORMATION
Boston mansion, now
luxury condos **M3**



HOT STUFF

Serious kitchens
for sale **M10**

MANSION

LIVING HISTORY

A Boston Grande Dame Gets a Facelift

Thanks to a Saudi sheikh, a historic mansion undergoes a \$35 million renovation

BY KATHERINE CLARKE

A SAUDI SHEIKH is testing Boston's luxury market with a \$35 million renovation of the Ames Webster mansion, a historic landmark known for its intricately detailed interior.

In the city's posh Back Bay neighborhood, the 26,000-square-foot mansion is outfitted with artistic trophies of the late-19th century. Owned in the 1880s by the family of Frederick Lothrop Ames, an art collector who was considered one of the state's wealthiest people at the time, it has murals by Orientalist French painter Jean-Joseph Benjamin Constant and stained-glass skylights by John La Farge, according to plans from the period.

The mansion is significant for its scale and finishes, said Tom High, founder of BackBay-Houses.org, a website on the history of homes in the area. "It's like an aria in a beautiful opera or a center stone in a necklace," Mr. High said.

It's also a bit of a mess. In 1971 the home was converted to office space and occupied by the development firm of Ted Raymond, a developer whose company co-owned the building with a local architect. Mr. Raymond confirmed that he and his co-owners decided to sell amid his financial struggles in 2013. He filed for bankruptcy protection soon after, records show.

Sheikh Fahad M.S. Al Athel, CEO of a holding company with interests in healthcare, technology, real estate and agriculture, bought the mansion sight unseen for \$14.5 million in 2013, according to Kahlil Hamady, the architect of the renovation.

Initially interested in converting it into as many as 18 condominium units, Mr. Al Athel— influenced in part by historic research done by Mr. Hamady and his colleague Leslie-Jon Vickory—decided to limit the scope of the project to three units. He has worked to preserve the original artistic details, Mr. Hamady said. The project is slated for completion in 2019.

The three units, which include a triplex penthouse, are coming on the market later this year starting at more than \$20 million.



CLOSE UP The home was owned in the 1880s by the family of Frederick Lothrop Ames, an art collector who was considered one of the state's wealthiest people at the time. It includes murals by Orientalist French painter Jean-Joseph Benjamin Constant, above, and stained glass skylights by John La Farge.



apiece, according to Tracy Campion of Campion & Co., the agent who will list the homes.

The architects brought in artisans to restore some of the home's historic details, including mosaic tiles in the entryway, crystal chandeliers and the murals, which are in part believed to depict Byzantine emperor Justinian I, his wife Theodora, the scholar Procopius and Antonina, wife of Justinian's famous general Belisarius. Years of smoke and gas damage were removed by a conservator from the Isabella Stewart Gardner Museum.

Art specialists also repaired and cleaned the original stained-glass skylight in the atrium, which was damaged and grimy, replacing some of the jewels, support-

ing the lead framework and ironing out cracks.

The developer replaced a parking area to the rear of the property with a garden. Parking was moved to a restored carriage house beneath the property; workers used a process called structural needling to fortify the structure with a new steel support frame.

Though named after Mr. Ames, the house was originally designed in 1871 by architecture firm Peabody and Stearns for Stephen V. R. Thayer, a wealthy Harvard University graduate. Mr. Thayer traveled to Brazil as part of an attempt to disprove Charles Darwin's theory of evolution, according to Mr. Hamady's research. Mr. Thayer died at age 24 and never got to live in the home. The brownstone was later enlarged and enhanced in 1882 for Mr. Ames and his wife, Rebecca Caroline Ames.

Heir to a railroad fortune, Mr. Ames served as vice president of the Old Colony Railroad and the Fall River Steamboat Line. He was also an art collector, with holdings that included porcelains, paintings, crystals and jades, according to a New York Times obituary in 1893.

The Ames family were entertainers and would host grand parties in the oak great hall, with the orchestra playing above in the music room, according to Mr. Hamady's research. Mr. Hamady found old photographs of Mr. Ames dressed up as a Shakespearean character at a costume party, most likely Henry VIII.

"The choreography of how you would enter the house was very theatrical," Mr. Hamady said. "Guests would come from the carriage house through a back secret stair to the mezzanine, from which they would descend into the Jacobean great hall. It was at night, so the lamps would be gas lit at the stairs, lighting up the stained glass above. This place was on fire."



RETURN ON INVESTMENT The house is being converted into three units which will start at more than \$20 million apiece.



Experience a California Closets system custom designed specifically for you and the way you live.

Visit us online or in our showroom today to arrange for a complimentary in-home design consultation.

CALIFORNIA CLOSETS®

UPPER EAST SIDE 212.517.7877
TRIBECA & BROOKLYN 646.486.3905
NASSAU & QUEENS 516.334.0077
WESTCHESTER & HUDSON VALLEY 914.592.1001
ROCKLAND 845.570.9922

californiaclosets.com

MANSION



ALICE WHITBY FOR THE WALL STREET JOURNAL (6)

FAMILY HUDDLE Charlotte and Matt Goodsall with their children Olivia, 5, and Monty, 8, and at their remodeled home in London's Barnes neighborhood.

INSIDE STORY

Leaky Roof and Loud Wallpaper—SOLD!

A dank fixer-upper was an affordable option for a London couple who braved a 14-month renovation

BY RUTH BLOOMFIELD

REAL ESTATE in London is so expensive that a fixer upper—with water running down the walls thanks to its leaking roof—was the best option for a couple with a growing family and a seven-figure budget.

With two young children, Matt and Charlotte Goodsall had outgrown their home in leafy, affluent Barnes, a neighborhood in southwest London. "We wanted what everyone wants—lateral space, a bigger garden," said Mr. Goodsall, 43. "The only way we could afford it was to do a project. Buying 'off the shelf' wasn't an option."

In 2015 they found the ideal project house. The five-bedroom property's décor was distinctly 20th century—one of its two bathrooms had a sky-blue bathtub and sink, plus loud floral wallpaper—but it was large, and had potential to be enlarged even more. Large houses in Barnes do not come cheap, even though it's 6 miles from central London,

where the couple run a hotel in Belgravia, and they paid £2.5 million, or about \$3.35 million, for the 3,360-square-foot property.

They hired architect Joe Fraher, director of Fraher Architects, and work on the 14-month project to remodel the house from damp cellar to leaky roof began in January 2016.

The dark cellar was excavated and extended and is now a storage room that may one day become a teenagers' den. The ground level has been extended, too, giving space for a sitting room, playroom and office, plus a large kitchen/living room with sliding glass doors leading to the backyard. Three skylights mean the room feels bright even on a cloudy, rainy day, and these extensions have increased the size of the property to 4,350 square feet.

"We wanted generous spaces on the ground floor and good flow of space, and not to be completely open plan," explained Mrs. Goodsall, 38. "I often find that open plan can be a bit clinical,



LOW KEY The front of the Goodsall home, above, remains unchanged. Left, the children's playroom; below, the master bedroom.



GLASS ACT Wine storage is located behind glass doors on the ground floor, above. Below, the back has a wall of windows.

cal, and we wanted something with a cozy feel."

Even though the couple thought they understood the scope of the project, they were stunned by the demolition. "It did give us a shock when we opened the door one day and there were no walls or ceilings," Mrs. Goodsall said.

There is now a master bedroom and two guest rooms on the first floor, while the floor above has three bedrooms for the children—Monty, 8, Olivia, 5, and a new addition, 7-month-old Millie. There are a total of five bathrooms.

When choosing finishes for the house, the Goodsalls opted for high-end materials, pushing the cost of the addition and renovations to about \$400 a square foot. But since London's suburban property market continues to rise, Mr. Goodsall estimates they have broken even on the work.

They opted for a deeply restrained color palette.

There are almost 50 shades of gray in evidence, as well as black and white, and some timber. Mr. Goodsall attributes this love of neutrals, in part, to their background running a hotel, pointing out that it is smarter to insert color in artwork and furnishings rather than in "things you

can't change."

They also invested heavily in interior doors by the heritage brand Crittall. The bespoke steel-framed glass doors, hugely popular in the Art Deco and postwar periods and now enjoying a resurgence, allow sight lines throughout the house and have been used everywhere from the entrance to the basement to the doors to the shower in the master bedroom.

Although the house is light on high-tech gadgetry, the Goodsalls did want a little wow factor. The temperature-controlled wine wall in the hall gives an otherwise unremarkable space a focal point.

The couple also did careful due diligence when choosing materials. They chose gray Bianca Eclipsia quartzite for their countertops, which looks superficially like marble but is less likely to stain. (To test out this claim, they took a sample and splashed it with red wine and strong tea.)

The Goodsalls sold their furniture to the buyers of their previous house, which allowed them to indulge their love of antiques mixed with modern pared-back pieces when buying new furniture. They scoured auction houses for treasures that include a Chinese cabi-

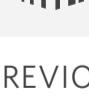
net that doubles as a TV stand. Antique French shutters—with decades of faded paintwork creating a beautiful patina—have been fitted in the master bedrooms in place of doors leading to their en suite bathroom.

"My mother was, like, 'You can't put them up, they're all rotten,' and the builders thought we were mad," recalls Mrs. Goodsall. "They asked if I wanted them repainted, but of course I didn't."

LUXURY REAL ESTATE DESERVES A LUXURY AUCTION®



OCT 28TH | REDDING, CT

 PLATINUM
LUXURY AUCTIONS

PREVIOUSLY \$5.5 MILLION.

NOW SELLING AT OR ABOVE ONLY \$1.25 MILLION!

6,400 SF ON 24 ACRES WITH 8,000 SF BARN, AWARD-WINNING POOL HOUSE AND HISTORICAL CHARM.

ONLY 1.5 HOURS FROM NYC!

OPEN HOUSE PREVIEWS HELD 12 - 4 PM DAILY, UNTIL AUCTION. CALL FOR DIRECTIONS.

800.495.7765

ConnecticutLuxuryAuction.com

CHRISTIE'S INTERNATIONAL REAL ESTATE

EXTRAORDINARY ART. EXCLUSIVE HOMES.



CANDLER, NORTH CAROLINA
1,451 acres, views of Pisgah's peak, 25 min. to Downtown Asheville. Ideal as private home or retreat center. \$25M. Reed Jackson. Web ID: 3306324
+1 704 713 3623

IvesterJackson | Blackstream International



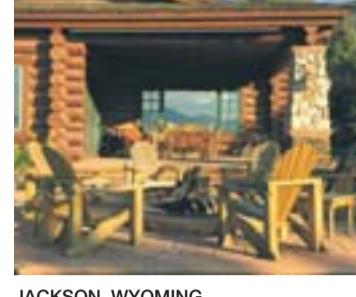
WEEKAPAUG, RHODE ISLAND
Oceanwide - Direct Oceanfront with beach. A rare offering in the exclusive coastal enclave of Weekapaug. \$12.5M. Melanie Delman. Web ID: 1166277
melanie.delman@liladelman.com

Lila Delman Real Estate +1 401 284 4820



NORTH PALM BEACH, FLORIDA
Beautiful sunset views. 4-bed, 5-bath w/ pool and dock. Prestigious private community. Golf, tennis, ocean, and Intracoastal. \$9.975M. Denice Sexton.
+1 561 662 8344

Lost Tree Realty



JACKSON, WYOMING
Desirable estate in the heart of the Nat'l Elk Refuge. Fully furnished 5-bedroom residence w/ amazing Teton views. \$8.85M. Carol Linton.
carollinton@jhrea.com

Jackson Hole Real Estate Associates



BRISTOL, RHODE ISLAND
Waterfront, English-inspired sportsman's manor on 25 idyllic acres with gated entrance. Ideal family compound. \$8.4M. Melanie Delman. Web ID: 1118198
melanie.delman@liladelman.com

Lila Delman Real Estate +1 401 248 4820



JUNIN DE LOS ANDES, ARGENTINA
"World Class" trophy sporting ranch located in Patagonia on Chimehuin River. 500 acres with stunning improvements. \$8M. Fernanda Canals +54 11 4325 4325. Richard Lewis +1 307 690 8855

Jackson Hole Real Estate Associate*ReMind Group



SAPPHIRE, NORTH CAROLINA
90 acres w/ multiple home sites located atop Cow Rock Ridge & part of Lonesome Valley development. \$6.495M. John Kent. Web ID: 3300153
+1 864 784 9918

IvesterJackson | Blackstream International



WINDERMERE, FLORIDA
Isleworth estate with amazing views of Lake Butler combined with direct golf course frontage. \$5.75M. Marie Helen Ledbetter. Web ID: O5510614
+1 407 286 4363

Regal Real Estate



CHATHAM, MASSACHUSETTS
New shingle-style 5-bed waterfront property w/ infinity pool on Crows Pond. Designed & built by Polhemus Savery Dasilva. \$5.695M. Chris Rhinesmith.
+1 508 945 1186

Pine Acres Realty



JAMESTOWN, RHODE ISLAND
Stunning seaside shingle-style New England residence on 11.3 private acres with 525 ft. of coastal frontage. \$4.275M. Cynthia Moretti. Web ID: 1165800
cynthia.moretti@liladelman.com

Lila Delman Real Estate +1 401 423 3440



BLOCK ISLAND, RHODE ISLAND
On the Bluff - A spectacular, well-designed home that captures sweeping views of the Atlantic Ocean as far as Montauk. \$4.2M. Rosemary Tobin. Web ID: 1169159
rosemary.tobin@liladelman.com

Lila Delman Real Estate +1 401 466 8777



FRANKLIN LAKES, NEW JERSEY
Approx. 13,000 sq. ft. of elegant distinction. Architectural & scenic grandeur at this spectacular European-style estate on 2.5 acres. \$3,999,999. Grażyna Ziarko.
+1 201 218 8504

Special Properties Real Estate Services



CHATHAM, MASSACHUSETTS
Family compound. Stage Harbor waterfront with guest house and studio on 2+ acres. \$3.999M. Lori Fanning Smith.
+1 508 945 1186

Pine Acres Realty



RIDGEFIELD, CONNECTICUT
Spectacular 16-acre estate, former home of playwright Eugene O'Neill. 7-bed, saltwater pool, pond, 2-stall equestrian barn. 1 hr to NYC. \$3.695M. Karla Murtaugh.
karla@karlamurtaugh.com

Neumann Real Estate +1 203 856 5534



ST. PETE BEACH, FLORIDA
Fall in love with this direct Gulf-front home that offers a 2-car garage & separate guest suite with private entrance. historicpas-sagridge.com \$3.5M. Denise Reilly.
+1 727 458 6161

Coastal Properties Group



ATLANTIC HIGHLANDS, NEW JERSEY
Seaside Splendor. Hilltop home boasts privacy, enduring luxury & unobstructed ocean views of NY skyline. High-speed ferry to NYC. \$3.349M. Barbara Kirby.
+1 732 492 4599

Gloria Nilson & Co. Real Estate



RIDGEFIELD, CONNECTICUT
Sophisticated & stylish 6-bed architectural gem. Stunning setting w/ perfect indoor/outdoor entertaining spaces. Top location, 70 min. to NYC. \$2.95M. Karla Murtaugh.
karla@karlamurtaugh.com

Neumann Real Estate +1 203 856 5534



REDDING, CONNECTICUT
20 spectacular, private bucolic acres w/ 6-bed main house, studio, separate barn w/ 2-bed apartment, pool & more. Approx. 1hr to NYC. \$2.85M. Karla Murtaugh.
karla@karlamurtaugh.com

Neumann Real Estate +1 203 856 5534



RIDGEFIELD, CONNECTICUT
One of the Village's most admired properties. Top Main St. location, 6-bed, beautifully appointed, 1.13 acres w/ pool. 70 min. to NYC. \$2.8M. Karla Murtaugh.
karla@karlamurtaugh.com

Neumann Real Estate +1 203 856 5534



DUPONT CIRCLE, WASHINGTON, D.C.
Rare, contemporary, bright, open floor-plan townhouse near Metro. 3-bed, 3.5-bath, 3,100 sq. ft. 2 parking spaces. \$2.75M. Bob Mathew. Web ID: DC9963919
+1 202 902 9828 bobm@inf.com

Long & Foster Real Estate, Inc.



RIDGEFIELD, CONNECTICUT
Spectacular 12 acres w/ 50+ mile views. 7-bed, fabulous architecture, au pair/in-law apartment + 1-bed guest cottage. 1hr to NYC. \$1.995M. Karla Murtaugh.
karla@karlamurtaugh.com

Neumann Real Estate +1 203 856 5534



INDIAN ROCKS BEACH, FLORIDA
Wide open water near Clearwater Beach. Newly built in 2011 with 12 ft. ceilings, impeccable finishes and deep water. \$1.95M. Megan Bower.
+1 727 742 2699

Coastal Properties Group



RIDGEFIELD, CONNECTICUT
Expanded & renovated open-plan, 4-bed home in spectacular parklike setting. Main floor MBRS, library, pool. 70 min. to NYC. Turnkey. \$1.695M. Karla Murtaugh.
karla@karlamurtaugh.com

Neumann Real Estate +1 203 856 5534



CHATHAM, MASSACHUSETTS
4-bed renovated home in Harding Shores with views of Nantucket Sound and steps to the beach. \$1.499M. Chris Rhinesmith.
+1 508 945 1186

Pine Acres Realty



ATLANTIC HIGHLANDS, NEW JERSEY
Magnificent city, bay, and ocean views. Close to restaurants, shopping, marinas, beaches and commuter ferry service to NYC. \$1.299M. Chris Davaris.
+1 732 887 7186

Gloria Nilson & Co. Real Estate



MILFORD, CONNECTICUT
Beautiful ranch on 0.5 acre of waterfront in Milford's most coveted location. 3-bed, 2-bath & much, much more. \$1.15M. Adriana Morrell.
+1 203 243 2423

Higgins Group Real Estate



CLEARWATER BEACH, FLORIDA
Magnificent views of the Gulf from the living areas & master suite; this unit is located along the #1 beach in the U.S. finaleon-sandkey.com. \$1.15M. D. Reilly.
+1 727 458 6161

Coastal Properties Group



MIAMI, FLORIDA
Huge 3-bed/3.5-bath penthouse w/ wrap-around balcony & stunning ocean views from every room. Kosher kitchen. \$1.09M. Andrei E. De Biaggi.
+1 305 469 0897

EWM Realty International



FRANKLIN LAKES, NEW JERSEY
This Georgian estate has unmatched value on one of the best streets in town. Private & palatial. Elevator to 3 floors. \$1.649M. Karen Haruthunian.
+1 917 848 9620

Special Properties Real Estate Services



NAPLES, FLORIDA
Spectacular private 130 ft. wide lakefront home w/ heated pool & 700 ft. outdoor entertaining area. Club access. \$1,001,500. Marlene Suarez. Web ID: 216019148
+1 239 290 0585

William Raveis Real Estate

MANSION

HELSINKI IS HEADING HIGHER

Continued from page M1

With an economy that had long lagged behind its Nordic neighbors, Finland is now in full recovery mode, with 2017 growth rate forecasts running as high as 3%. This year is on track to have the highest annual number of homes sold at or above 1 million euros in the so-called capital region, an area with a population of about 1.1 million over four municipalities, says Jukka Malila, managing director of the Central Federation of Finnish Real Estate Agencies.

Mr. Sulin lives at the eastern edge of Helsinki—which has a population of nearly 650,000—but the market for luxury homes extends in all directions along the metropolitan area's jagged coastline.

Helsinki's golden age dates back to the 19th century, when it was the Russian Empire's prosperous gateway to the West. Marked by a neoclassical splendor reminiscent of St. Petersburg, the city visually reinvented itself at the beginning of the 20th century with a distinct variation on Art Nouveau, and then remade itself again as a minimalist redoubt following the rise of Alvar Aalto, the Finnish architect and designer who helped launch Nordic modernism starting in the late 1920s.

Today, buyers are looking in hipster Kallio, a once shabby area north of the city center now known for its nightlife as well as for its rising real-estate prices. But luxury apartments are still concentrated in the heart of the city, a peninsula marked by 19th- and early-20th-century low-rise buildings. Buyers can choose from among the Art Nouveau-era refurbishments in walking distance from a new thriving restaurant scene.

Niko Waaralinnna, 41, CEO and co-owner of Raw & Land, a Helsinki production company, and his wife, an attorney, are ready to trade up. They recently sold their 720-square-foot Helsinki home—they also have a seaside vacation house—for nearly \$700,000 and are moving into a 1,600-square-foot apartment in a landmark Art Nouveau building now being converted back into residential use. They paid about \$1.2 million for the unit, which had been a corner suite of offices, and plan to spend about \$350,000 on a gut renovation. Their new apartment will be configured to have a master suite with a bedroom-size walk-in closet, and one of the two full bathrooms will have a sauna. It is a short walk from Esplanadi, an elegant park-lined boulevard.

Mr. Waaralinnna and his wife want to be in what he calls "the dead center" of the capital. Teemu Saukkonen, Mr. Waaralinnna's interior architect, says high-end Helsinki renovations can run well into seven figures. He is currently working on a \$7 million renovation of a villa dating to the late 19th century, located in Eira, at the southern tip of Helsinki's inner peninsula, char-



\$3.76 MILLION Carolina Ramstedt and Anders Planting in the home Mr. Planting bought in Helsinki's center in 2013. The couple renovated the three-bedroom triplex, but kept the existing, custom fireplace, above right. They are now selling the home, and plan to buy a smaller unit in the same building, top right.

acterized by tree-lined streets and old-money denizens.

In both Eira and nearby Ullanlinna, Helsinki's diplomatic quarter, apartment prices typically exceed \$1,100 a square foot. On Merikatu, a prestigious street that connects the two neighborhoods, a 1,500-square-foot apartment—with two bedrooms, two bathrooms, parquet floors and sea views—is on the market for \$2.7 million.

The capital region includes hundreds of islands. A few, just west of the historic center and reachable by bridge, have sought-after lavish waterfront villas. On Kaskisaari island, a 4,000-square-foot, four-bedroom villa with its own pier is on the market for \$5.8 million. Espoo, a capital-region city just west of Helsinki proper, is known for its late-20th-century villas. Espoo's Westend section, along with the island of Kulosaari, have Finland's highest concentration of high-end houses, says real-estate agent Matias von Schantz.

Professional hockey player Sean Bergenheim grew up in Westend, then spent more than a decade playing in America's National Hockey League, including for the New York Islanders and the Florida Panthers.

In 2007, Mr. Bergenheim, now 33, bought his Westend childhood home from his parents for about \$1.1 million, and recently spent several hundred thousand to upgrade it for his own family, including his wife, Vilma, 34, and their son, Tyson, 5. Now splitting their time between Gothenburg, Sweden—where Mr. Bergenheim plays in Sweden's professional hockey league—Finland and Florida, the couple has decided to move into an Art Nouveau building in the center of Helsinki. They have put the 3,500-square-

\$1.8 MILLION

Former National Hockey League player Sean Bergenheim bought and renovated his family's home in an affluent section of Espoo, near Helsinki, and made extensive renovations. He and his wife are selling the home to move into a Helsinki apartment they are renovating.



foot family home in Espoo on the market for \$1.8 million.

In Helsinki proper, not far from the Bergenehm's new building, Cisco executive Essi Kurjenmäki, 33, and her husband have just completed their own refurbishment, converting a dilapidated 1,000-square-foot attic space in a landmark Art Nouveau building into a two-bedroom, two-bathroom apartment, with a new Nordic interior from Mr. Saukkonen. The couple paid \$587,000 for the space, which didn't even come with a

working kitchen, and then another \$235,000 on the refurbishment.

Nearby, renovated Art Nouveau apartments of a similar size are priced close to a million euros.

A short walk away, Anders Planting, 62, a Helsinki property developer, and Carolina Ramstedt, a 47-year-old office manager, are ready to move from their own recently renovated home. In 2013, Mr. Planting paid \$2.29 million for the triplex attic conversion, which dates to the 1990s, then spent about \$610,000 on a makeover.

They kept some existing elements, such as a custom fireplace, but changed the layout to accommodate their family, which includes Ms. Ramstedt's daughter, Claudia, now 15, and the couple's son, Axel, 8. They turned the original kitchen into a third bedroom, created an open-plan cooking area and added six windows, giving them views of Helsinki's neoclassical cathedral. The three-bedroom, three-bathroom, 3,500-square-foot apartment sits atop an Art Nouveau building.

The list price is \$3.76 million.

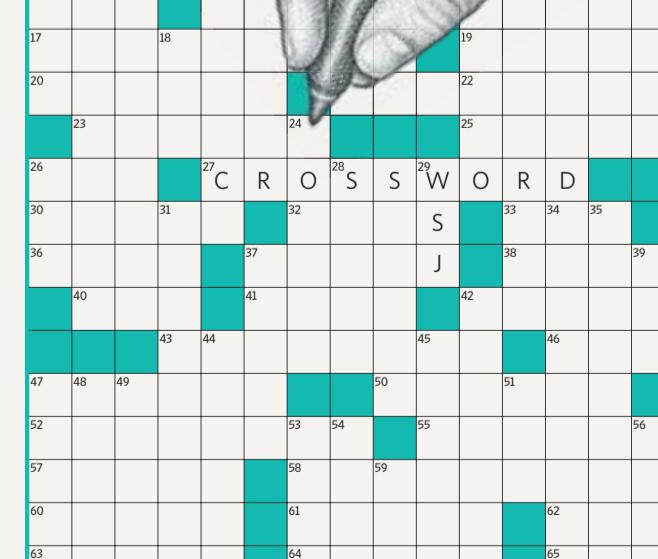
Words to the Wise

Activity that gives you the best mental workout.

27 Across, 29 Down

Boost your brainpower. Get the mental workout you need to stay sharp with the Journal's addictive daily crossword.

Play now: wsj.com/puzzles



THE WALL STREET JOURNAL.

Read ambitiously



A woman with curly hair, wearing a light-colored sweater, looks out a large window. She is holding a white mug to her lips. The room has framed pictures on the wall. In the background, a city skyline is visible through the window.

**AWAKEN TO
THE AWE OF
THE EVERYDAY.**

*A waterfront oasis
overlooking it all.*

Discover luxury condominiums from the \$600 thousands to the \$6 millions
Indulge in resort style living with over 31,655 SF of indoor and outdoor amenity space

SALES GALLERY NOW OPEN
*20-Year Tax Abatement Program**

krov.com/nine | 844.230.7459
9 Avenue at Port Imperial, West New York, NJ 07093

N I N E
ON THE HUDSON

©2017 K. Hovnanian® Homes. K. Hovnanian® is a registered trademark of Hovnanian Enterprises®, Inc. We are pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the Nation. We encourage and support an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, handicap, familial status, or national origin. All prices are base prices, subject to change and subject to availability. See Sales Consultant for full details. ©2017 K. Hovnanian® Homes, 110 Fieldcrest Avenue, 5th Floor, Edison, NJ 08837-3634. * Visit krov.com/nine for full details.

KHovnanian
AT PORT IMPERIAL
URBAN RENEWAL VI, LLC



We Deliver. Meals. Nutrition. Dignity. Hope. Love.



**GOD'S LOVE
WE DELIVER®**

#FoodIsMedicine



[godslovewedeliver](#)



[godslovenyc](#)



[godslovenyc](#)

God's Love We Deliver is the New York City metropolitan area's leading provider of nutritious, individually tailored meals to people who are too sick to shop or cook for themselves. All meals are provided free of charge, without regard to income, and we have never had a waiting list. To donate or volunteer your time, visit us at godslovewedeliver.org.

If you are in the NYC metropolitan area and would like to become a client, please email clientservices@glwd.org or call 212.294.8102.

MANSION

HOUSE CALL | JANE GOODALL

Tarzan's True Jane

The primate scholar today lives in her childhood home and still has the stuffed chimpanzee her father bought her

In 1940, when I was 6, my mother saved my life. She and her friend, along with four of us children, were staying at a bed-and-breakfast near Poole, on England's southern coast. Lunch was available at noon, and if you missed it, you didn't eat at all.

On this particular day during World War II, we were at the beach. The fastest way back was a direct trail. Despite the objections of her friend, my mother insisted we all take the path over the dunes and through the fields and woods.

Along the way, a German plane appeared and unloaded its bombs. My mother threw my younger sister and me down and lay on top of us. The bombs fell on the trail that she chose not to take. My mother always had a mystical premonition.

My family first lived in Weybridge, about an hour southwest of London. After the London Zoo's first chimp was born in 1935, my father brought home a three-foot-tall stuffed chimp named Jubilee from Hamleys toy store on Regent Street.

Jubilee was named for the zoo's baby chimp and had a music box in its tummy. The tiny box played when you squeezed it.

My father enlisted soon after Britain declared war on Germany in 1939. During the war, my parents divorced. They didn't get along even before he left.

After our bed-and-breakfast stay in '40, my mother, Vanne, moved us to Bournemouth, into my grandmother's 1872 Victorian house. We had a big garden and lots of trees. My two aunts were already living there with my grandmother.

My sister, Judy, was four years

younger than me, but we shared a birthday—April 3—so we needed only one cake. Childhood was quite austere.

Growing up, I was shy and always wanted to be outside playing. Most often I could be found sitting high in the limbs of a beech tree in our backyard. I read and did my homework up there. I loved being in nature.

I also loved "Tarzan of the Apes." I fell passionately in love with Tarzan and was jealous that he married the wrong Jane. While reading Tarzan, I began to dream about going to Africa. I'd live with wild animals and write books about them.

Everybody laughed at me and told me I was just a girl. Except my mother. She said that if I really wanted something, I had to work hard, take advantage of opportunities and never give up. I never forgot her advice.

In high school, I enjoyed learning but hated school. I wanted to be out in nature. After I graduated, my mother only had enough money for me to take secretarial courses.

While working for a documentary-film company in 1957, I received a letter from Clo, a school friend. She invited me to visit her family farm in Kenya. I spent the next five months working to save for the passage. Once there, I worked as a secretary and told new friends about my love for animals.



MONKEY BUSINESS Jane Goodall, right, in New York; above, with her toy chimp in England; below, around 1965 with then-husband, Hugo van Lawick.



CLOCKWISE FROM TOP RIGHT: CHRIS SORENSEN FOR THE WALL STREET JOURNAL; ASSOCIATED PRESS; GOODALL FAMILY

three-month fossil dig in Tanzania.

One evening, Gillian and I encountered a male lion who followed us until we climbed a gorge. Around the campfire, Leakey told me I had done everything right. It was then that he decided I was the one to study chimpanzees.

When I left Britain for Tanzania's Gombe Stream Chimpanzee Reserve in May 1960, my mother joined me for a few months. Local authorities wouldn't let me live on my own in the bush without a companion.

We lived in a tent. When my mother left after a few months, I remained for a year studying wild chimpanzees. After returning to Britain, I earned my Ph.D. and

founded the Jane Goodall Institute. Over the years, I've returned often to Tanzania to see the ongoing research.

Today, I travel often, but when I'm in England, I live at my childhood home in Bournemouth. We kept it in the family, and Judy lives there with her daughter, two grandsons and a friend.

I have my own little space there. Remarkably, everything has remained the same from when I was a child, including the beech tree I used to climb.

In my room, Jubilee still sits on my dresser. His hair has been worn thin after years of petting and moths, but his Swiss music box still works. The jingly tune is eternal.

—As told to Marc Myers

Jane Goodall, 83, is an ethologist and conservationist known for her research of wild chimpanzees in Tanzania. She is the founder of the Jane Goodall Institute and the subject of "Jane," a new documentary film directed by Brett Morgen.

834 FIFTH AVENUE

BERKSHIRE HATHAWAY HomeServices | New York Properties



834 Fifth Avenue 7/8A
\$76,000,000 • Cooperative • 7 Bedrooms • 7 Full Bathrooms, 3 Powder Rooms

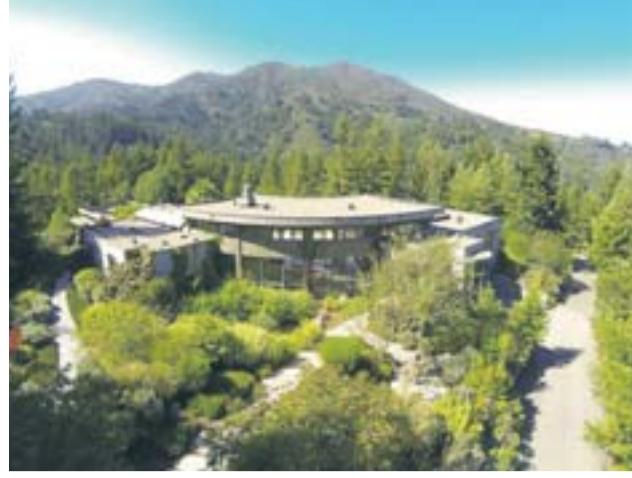
The largest unit in Fifth Avenue's premier and most pedigreed building. This spectacular duplex home has 100 feet facing Central Park across both floors. Magnificent views above the Central Park trees to the west, the Empire State Building to the south, and open eastern exposures. It is flooded with sun and light from all directions. Decorated by Henri Samuel, one of France's foremost interior designers, no expense was spared to create an architectural masterpiece. This 22-room home is truly rare with a floor plan that can never be recreated or duplicated.

A. Laurance Kaiser IV 646.677.1039 | 917.859.3602 • Craig M. Dix 646.677.1038 | 917.567.0805

212.710.1900 • contact@bhhsnyproperties.com • 590 Madison Avenue, New York, New York 10022

© 2017 BHHS Affiliates, LLC. An independently operated subsidiary of HomeServices of America, Inc., a Berkshire Hathaway affiliate, and a franchisee of BHHS Affiliates, LLC. Berkshire Hathaway HomeServices and the Berkshire Hathaway HomeServices symbol are registered service marks of HomeServices of America, Inc. Equal Housing Opportunity. Information not verified or guaranteed. If your home is currently listed with a Broker, this is not intended as a solicitation.

ADVERTISEMENT



MILL VALLEY, CALIFORNIA

On the Southern ridge of Mt. Tamalpais, sits a stunning and architecturally distinctive estate property. Situated on approx. 7.4 majestic acres with intimate views of the surrounding mountain peaks. The contemporary design features a 3BR, 3BA home expressing style and serenity. Sophisticated and gracious, with abundant light from the 17' floor to ceiling glass walls and sliding doors. Short drive or hike to downtown Mill Valley and minutes to S.F.

Offered at: \$4,995,000 homecb.com/880Edgewood

Coldwell Banker

JOSHUA DEITCH / Ralph Gimpel

phone: 415.572.5433 / 415.516.3308



KIAWAH ISLAND, SOUTH CAROLINA

With 3,000 square feet, 4 bedrooms and 4 ½ baths, the sunny, light-filled home at 421 Sea Lavender is just steps from the shore. Built in 2015, it offers a wonderful balance of indoor and outdoor living spaces caressed by sea breezes. Inside, an airy staircase rises from a spacious great room to cool coastal bedroom suites guests will love. A Kiawah Island Club Membership is available.

\$2,395,000 kiawahisland.com/real-estate

Kiawah Island Real Estate

phone: 866.312.1780 info@kiawahisland.com



WHITETAIL CLUB - MCCALL, IDAHO

The Shore Lodge Cottages at Whitetail Club. Four spectacular cottage models ranging in size from 1369–2490 sq. ft. plus 1-car & 1 cart garage. The ultimate weekend getaway. The lakefront clubhouse, the single-track mountain bike trail system, Nordic ski trails, indoor tennis & fitness center, & the championship golf course are all outside your doorstep.

Priced from \$689,000 - \$889,000 WhitetailClub.com

Whitetail Club Realty, LLC.

Joe Carter

phone: 877.634.1725

Email: jcarter@whitetailclub.com



SPRING ISLAND, SOUTH CAROLINA

This elegant Southern-style home sits on 2.99 acres on the southwest coast of Spring Island overlooking a vast Lowcountry salt marsh and the Colleton River. The 5 bedroom, 5.5 bath, 6,700+ sq. ft. home was designed by the founder of Historical Concepts, Jim Strickland, and combines the best of traditional design with superb craftsmanship to create an aesthetically pleasing and relaxed living environment.

\$3,650,000 springisland.com

Spring Island Realty

phone: 843.987.2400



NOVA SCOTIA, CANADA

Coastal Living. Traditional architecture, southwest exposure & more than 500 ft of ruggedly beautiful oceanfront. Refined yet casual; spacious, but intimate enough for two. Cascading decks, hot tub, garage with guest loft. Sweeping views, spectacular sunsets, coastal trails and a splendid rocky shoreline. ±1 hour from international airport. 45 min to Halifax.

\$1 million USD. <https://player.vimeo.com/video/235952848>

Land & Sea Real Estate

Sheila Sinnott

phone: 902.541.0060 email: sinnott@1novascotia.com



BOYNTON BEACH, FLORIDA

Simply the Best 55+ Lifestyle in Florida - Valencia Bay goes above and beyond with luxury conveniences that rival the finest resorts. In the heart of the community is an opulent clubhouse featuring a fully-equipped fitness center, onsite restaurant, grand ballroom, resort-style pools, Har-Tru tennis courts, an on-site Lifestyle Director and more – right in your own neighborhood.

From the \$500's to \$800's glhomes.com/Valencia-Bay

GL Homes

phone: 800.432.7017



CHARLESTON, SOUTH CAROLINA

Located in Mt. Pleasant's Old Village, this impressive home embodies Lowcountry living with manicured grounds, outdoor living spaces and an expertly designed interior with custom finishes. Eat-in kitchen, large living room, dining room, study and downstairs master suite. Private backyard with expansive porch, patio and lush landscaping. Close to shops, restaurants and Charleston Harbor.

\$3,250,000 www.621Pitt.com

The Cassina Group

Robertson Allen

phone: 843.442.6534 RAllen@TheCassinaGroup.com



DOWNTOWN ST. PETERSBURG FLORIDA

Live a fabulous Urban Lifestyle in vibrant downtown St. Petersburg. 3 blocks from the water, artfully designed townhomes now under construction on a private, gated lane. Totaling 2,335 sq. ft., 3 bedrooms, 3 ½ baths, 2 car garage, private elevator, and amazing rooftop terrace. Low HOA fees. Walking distance to world-class restaurants, museums, shopping, parks, marina, and Tampa Bay.

From the \$800's to \$900's www.RegentLane.com



GREAT LIFESTYLE IN NAPLES, FLORIDA

Live the lifestyle of your dreams in Naples, Florida! Gorgeous single-family residences up to 4,879 a/c sq. ft. Amazing six-acre recreation area with 13,000 sq. ft. clubhouse, resort pool, fitness, tennis, indoor sports court and much more - all included in low HOA fees. This is an incredible opportunity in a great Naples, Florida location – call today!

From the \$400's to the \$700's www.glhomes.com

GL HOMES

phone: 800.281.9239



PARK CITY/HEBER VALLEY, UTAH

Red Ledges' 2180 E Flat Top Mountain Dr offers Wasatch Mountain views from a huge heated deck, 5 en-suite BRs and the fun of a home theater, game room and sports bar. As the most successful private community in the Park City area, Red Ledges has great access to world class mountain, valley, water and trail activities 45 minutes from a major hub airport.

Exceptionally priced at \$2,895,000

Red Ledges Realty

Chris Maddox

phone: 877.733.5334 email: info@RedLedges.com



CHARLOTTESVILLE, VIRGINIA

Nestled on 25 wooded acres with stream frontage at the base of the Blue Ridge, just minutes south of the University of Virginia, this 5400 sq ft 5 bed, 4 ½ bath brick Georgian home boasts modern energy-efficient construction and full access to community amenities, including optional estate maintenance and preferred access to the on-site tasting room at Mount Ida Reserve.

\$795,000 www.TurkeyRunCville.com

The Farms of Turkey Run at Mount Ida Reserve

phone: 434.566.5562 info@TurkeyRunCville.com



GUILFORD, CONNECTICUT

Luxury Residences, CT "Project of the Year" by HBRA. 16+ acres, 1884 Mill has 2-BR loft units with garages. New construction of (3) 4-story buildings with 2-BR ranch units, underground parking, views of L.I. Sound, River, Marsh. Walk to the Historic Town Green, Shops, Restaurants, Train Station, Yacht Club and Beach. Proposed Pool/Clubhouse/Fitness Ctr.

Priced from \$719,000 www.66highst.com

Horton Group

Kenny Horton

phone: 1.203.499.8994

To Advertise Call: 800-366-3975



OSTERVILLE, MA | \$18,500,000
WEB ID: AVVD4
Magical five-acre island manor with 145' deep water dock on glittering North Bay.
Robert Paul Properties
Paul Grover — 508.364.3500

OSTERVILLE, CAPE COD, MA | \$13,900,000
WEB ID: OHZT4
Stunning waterfront estate on 5.46 acres with carriage house, pool and dock.
Robert Paul Properties
Robert Kinlin — 508.648.2739

WOODS HOLE, CAPE COD, MA | \$7,250,000
WEB ID: BUDQ4
Spectacular Gansett estate w/water view, pool, assoc beach/dock & extra building lot.
Robert Paul Properties
Robert Kinlin — 508.648.2739

OSTERVILLE, CAPE COD, MA | \$6,900,000
WEB ID: TLBB4
Magnificent waterfront residence w/in-ground pool, panoramic views and sandy beach.
Robert Paul Properties
Robert Kinlin — 508.648.2739

SANDS POINT, NY | \$5,590,000
WEB ID: EKGD4
Spectacular new const. brk & stone, 2 acres, 7 BR, 8.55 BA, pool, movie theater.
Laffey Real Estate
Janet Beroohim — 516.263.7072



CHARLOTTE, NC | \$4,995,000
WEB ID: GXQJ4
Exquisite South Charlotte 7B/8.1Ba estate w/over 8,800 square feet of living space!
Dickens Mitchener
Aubrey Grier — 704.502.4612

OSTERVILLE, CAPE COD, MA | \$4,900,000
WEB ID: LMTQ4
1.06 acre waterfront parcel w/ private sandy beach, & permits for dock & 5 bd house.
Robert Paul Properties
Robert Kinlin — 508.648.2739

BERNARDSVILLE, NJ | \$4,795,000
WEB ID: XUBT4
Updated 1927 Bville Mtn. estate w/16 rms. Pool, pavilion, cottage, barn, 4 garages.
Turpin Real Estate, Inc.
Gerry-Jo Cranmer — 908.234.9100 x220

HUNTINGTON BAY, NY | \$4,500,000
WEB ID: RYAV4
Rare opportunity to own a historic masterpiece w/ 190-ft of beach, 1 hr from NYC.
Coach Real Estate Associates, Inc.
Elizabeth Alessio — 631.664.6849

STOWE, VT | \$4,450,000
WEB ID: UTGD4
Luxurious mountain-top estate - 8,950+sf, 4BR, 7BA, stunning mountain & valley views.
Pall Spera Company Realtors LLC
Pall Spera — 561.762.8188



OSTERVILLE, CAPE COD, MA | \$3,950,000
WEB ID: ONSD4
Waterfront with 5,603sf on 3 levels, scenic water views, beach and private dock.
Robert Paul Properties
Robert Kinlin — 508.648.2739

SARASOTA, FL | \$3,600,000
WEB ID: LJTD4
The Ritz-Carlton Residences, Sarasota – The Grande offers unrivaled views & services.
Michael Saunders & Company
Julia DeCastro — 941.702.2300

MARION, MA | \$3,400,000
WEB ID: XGMZ4
Four acre waterfront home overlooking Sippican Harbor with dock. Dramatic sunsets!
Robert Paul Properties
Paul Grover — 508.364.3500

CHARLOTTE, NC | \$3,250,000
WEB ID: GQZD4
Exquisite 6 acre estate with custom home & lush grounds in gated community!
Dickens Mitchener
Victoria Mitchener — 704.517.0177

BEAUFORT, SC | \$2,995,000
WEB ID: JRBT4
Deepwater bluff on ICW overlooking downtown. New 4BD, 4+B estate, dock, Exceptional!
Lowcountry Real Estate
Edward Dukes — 843.812.5000



WASHINGTON, DC | \$2,500,000
WEB ID: UVID4
Open plan w/ city views. G'met kitchen, marble baths, outdoor patio. Outstand amenities.
Long & Foster® Real Estate, Inc.
Hoda Martorana — 202.390.1220

OYSTER BAY COVE, NY | \$2,498,000
WEB ID: CLQC4
Set on 3.9 acres with ig-pool, secluded & renovated with 7br, 7bth & 5 fireplaces.
Coach Real Estate Associates, Inc.
Mary Joan Shea — 516.457.4462

OLD WESTBURY, NY | \$2,399,000
WEB ID: LVWZ4
Magnificently Restored Manor Home, 10,000sqft, 2+acres, 8 BRs, 7.5 Bths, WheatleySD.
Laffey Real Estate
Janet Beroohim — 516.263.7072

BERNARDSVILLE, NJ | \$2,225,000
WEB ID: LEJD4
Renovated home on 11.53 AC. 4 bdrs, 5.1 baths. Park-like grounds w/pool & tennis ct.
Turpin Real Estate, Inc.
Gerry-Jo Cranmer — 908.234.9100 x220

SARASOTA, FL | \$1,799,000
WEB ID: ZJDD4
The Mark offers a walkable, luxurious urban lifestyle in downtown Sarasota.
Michael Saunders & Company
Georgia Kopoulos — 941.234.4323

luxuryportfolio.com

LUXURY PORTFOLIO
INTERNATIONAL®



DARIEN, CT | \$1,785,000
WEB ID: PESD4
Bright and spacious on 2 park-like acres. On cu-de-sac convenient for NYC commuters.
Houlihan Lawrence
Pat Redican/Sharon Rodda — 203.273.0410

VIRGINIA BEACH, VA | \$1,550,000
WEB ID: DYKB4
Incredible All brick Waterfront Home on over 1.7 acres in Brighton on the Bay!
Howard Hanna Real Estate Services
Susie Edmunds — 757.718.1970

BRISTOL, RI | \$1,550,000
WEB ID: SEPD4
Luxurious waterfront Stone Harbour residence overlooking the Bristol Harbour.
Residential Properties Ltd.
Barbara Stamp — 401.480.5574

BEAUFORT, SC | \$1,495,000
WEB ID: TBKT4
Downtown, renovated circa 1875 compound, massive porches, outdoor FP, 4BD +guest apt.
Lowcountry Real Estate
Edward Dukes — 843.812.5000

DELRAY BEACH, FL | \$1,349,999
WEB ID: HWVW4
Magnificent ocean side 3/2.5 townhouse fully renovated boasting elegant finishes.
Illustrated Properties-Luxury Collection
Kathryn Gillespie — 561.789.8007



NEW CANAAN, CT | \$1,250,000
WEB ID: NUSD4
Elegant and spacious townhouse designed by Rink DuPont, in the heart of New Canaan.
Houlihan Lawrence
Pat Redican/Sharon Rodda — 203.273.0410

DARIEN, CT | \$1,100,000
WEB ID: CGKD4
Charming 1940 center hall Colonial privately set on 1.23 acres near train and town.
Houlihan Lawrence
Pat Redican/Sharon Rodda — 203.273.0410

WOODSTOCK, NY | \$859,000
WEB ID: FRWZ4
Elegant Country Home 2 Hrs. frm NYC-1.5 mi frm Wdst Vill. Hudson Valley Catskill Mts.
Westwood Metes & Bounds Realty
Naomi Castillo-Smith — 845.389.6528

OAK ISLAND, NC | \$849,900
WEB ID: YOMD4
Custom Home, grand Intracoastal waterway views, elevator, 12x25 saltwater pool, pier.
Margaret Rudd & Associates
Kathy MacNish — 919.352.2809

Follow us on:



LUXURY HOMES FROM
Leading
REAL ESTATE COMPANIES
OF THE WORLD

MANSION

RELATIVE VALUES

HOMES FOR SALE WITH DELICIOUS KITCHENS

Three luxury residences on the market in California, Texas and Arizona that have standout kitchens

**\$40 million**

Dana Point, Calif.

Six bedrooms, 11 bathrooms

The kitchen in this ocean-view home has fixtures by Dornbacht, and LaCornue, Miele and Viking appliances, along with Calacatta marble. Glass walls overlook Dana Strands Beach. The 13,216-square-foot home has pools, hot tubs, a spa room with a sauna, a home theater and a golf simulator. Agents: Sean Stanfield, Stanfield Real Estate/HOM Sotheby's International Realty; Andrea Gilbert, Pacific Sotheby's International Realty

**\$8.75 million**

Austin, Texas

Six bedrooms, four full bathrooms, two half-baths

This 9,200-square-foot home is on about 5 acres. The chef's kitchen has Caesarstone quartz countertops, commercial appliances and eucalyptus cabinets. The home features five gas fireplaces, a custom-designed pool, a home theater, a tennis court with "vintage stadium seating," a 1-acre stocked pond, a boat house with slip and a tree house that sleeps three. Agent: Kathryn Scarborough, Engel & Völkers Austin

**\$16.95 million**

Paradise Valley, Ariz.

Six bedrooms, 13 bathrooms

The 25,851-square-foot home overlooks Camelback Mountain in the desert near Phoenix. The main kitchen (of three) has Wolf, Miele and Sub-Zero appliances, plus three sinks, three ovens, warming drawers, a wine cooler and a 20-foot serving bar with Tortuga granite. The pantry is 25 feet with a marble top. Agent: Johnathon de Young, Russ Lyon Sotheby's International Realty

—Stacey Alther

ADVERTISEMENT

Distinctive Properties & Estates

To advertise: 800-366-3975 or WSJ.com/classifieds

MINNESOTA

MINNESOTA



5,516 ± ACRES - LAKE OF THE WOODS COUNTY. Here is a farm that will fit either a growing farm operation or investors wanting diversity in agriculture geographic and enterprise. Rarely in Minnesota do we get a chance to offer **4,763 ± tillable acres** of pattern tiled land with newer grain terminal, this is a complete farming unit. The cropping possibilities are diverse from corn and soybeans to specialty grasses and edible beans.

Exceptionally priced at \$15,065,000.

1 Stop Realty, Inc.

Kirk Swenson / Wendy Forthun

phone: 507.634.7033 / www.1stop-realty.com

NORTH CAROLINA

ABSOLUTE AUCTION

TUESDAY, OCTOBER 24TH • 5:00 PM (ET)

SPECTACULAR RAVEN CLIFF MANOR
AT EXCLUSIVE CLIFFS AT WALNUT COVE
ASHEVILLE AREA (ARDEN), NC

- Beautiful mountain home with 4 bd, 4 full baths, 3 half baths
- Floor to ceiling windows throughout offering magnificent views of the surrounding beauty
- Located in the exclusive Cliffs at Walnut Cove community, with world-class golf course, spas, food, and more
- Just minutes from the excitement and beauty of downtown Asheville dining, shopping, and entertainment
- Located in the heart of the breathtaking Blue Ridge Mountains, this home has something for everyone

Visit our website for video, photos and auction details

www.auctiondetails.net | 888-660-6448

J.P. KING

Beverly-Hanks
& ASSOCIATES, REALTORS®

Jerry Craig King, Broker; J.P. King Auction Company, Inc.; Jerry Craig King, #8052; J.P. King Auction Company, Inc., #4740

RHODE ISLAND



Private Plum Beach Waterfront Estate

3+ acre waterfront estate with spectacular views on Narragansett Bay. Features 5 beds, 5 baths, private guest suite, 3 fireplaces, & tennis court. Patio overlooks lawn to beach & deep water dock. Three car garage, walk to private Plum Beach Club.

\$2,500,000

Narragansett Farm Estate

Sits on 12 acres, has pond, gardens, stone walls, mature landscaping, 4800 sq. ft. house has stone patio & attached 3-car garage. Horse barn, guest quarters, out building with workshop. Close to beaches, train and airport.

\$1,500,000

Property also available as smaller parcel. Inquire for details.

(401) 783-7777 • info@denelle.com • www.denelle.com

FLORIDA



Palm Beach

113 CLARKE AVENUE

Island Inspired In-Town residence with 5BR/6.1BA extending over main house and guest house. This spectacular ocean-block home features beautiful renovations with the greatest attention to detail and craftsmanship. Expansive outdoor spaces include two open patios, and loggia.

Exclusive - \$12,950,000

Christian Angle Real Estate

www.anglerealestate.com

OTHER PALM BEACH REAL ESTATE OPPORTUNITIES AVAILABLE

Christian J Angle at 561-629-3015

cangle@anglerealestate.com

CONNECTICUT



GREENWICH, CT

Timelessly classic turn-key Farmhouse Colonial with wrap-around porch on 1.7 acres with 9 foot ceilings & architectural detailing thru-out. The two-story paneled EH sets the stage for a warm & inviting sun-filled home with great flow. Renovated EIK has a wonderful island for casual dining opening into adj FR/ppl. FLR opens to the library/ppl & French doors access the rear porch. Nearly every room opens outdoors to verandas, balconies or deck. The finished lower level offers a playroom, exercise room, den/office & a pair suite. The deer resistant perennial gardens are fenced. Fabulous Tech garden! Convenient to station, shopping & 35 minutes to Manhattan. Offered at \$2,950,000.

Coldwell Banker Residential Brokerage

914.967.0059 | 800.896.8948

www.ColdwellBankerHomes.com

© 2017 Coldwell Banker Residential Brokerage

COLDWELL BANKER RESIDENTIAL REAL ESTATE



REAL ESTATE'S TOP ASSOCIATES ARE DEDICATED TO YOU

Coldwell Banker® is proud to congratulate the independent agents and teams in Florida who were named to the prestigious REAL Trends "The Thousand" list of the top U.S. real estate professionals. Their exceptional knowledge, skills and commitment to truly remarkable service ensure you receive the best possible real estate service, every time.



The Jills®
305.672.6300 | Miami Beach



Roger Pettingell
941.387.1840 | Longboat Key



Griffin Group
813.251.3030 | Tampa



Phil Rotondo
321.698.5893 | Melbourne

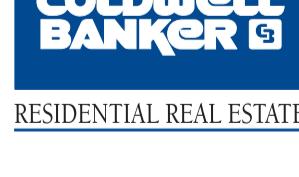


Tim Elmes Group
954.522.2803 | Fort Lauderdale



Jesse Pan
561.577.3982 | Coral Springs

For an exceptional real estate experience, contact a dedicated Coldwell Banker agent today.



ColdwellBankerHomes.com

Real estate agents affiliated with Coldwell Banker Residential Real Estate are independent contractor agents and are not employees of the Company. ©2017 Coldwell Banker Residential Real Estate. All Rights Reserved. Coldwell Banker Residential Real Estate fully supports the principles of the Fair Housing Act and the Equal Opportunity Act. Operated by a subsidiary of NRT LLC. Coldwell Banker and the Coldwell Banker Logo are registered service marks owned by Coldwell Banker Real Estate LLC.128200FL_6/17

MANSION

THE AMAZON CEO'S PRIME PROPERTIES



West Texas

Continued from page M1
education.

Here's a snapshot of Mr. Bezos's properties, along with the nearby areas vying to be Amazon's second home. Mr. Bezos declined to comment on his property holdings.

BEVERLY HILLS, CALIF.

In July, Mr. Bezos, who has four children with his wife, MacKenzie, a writer, bought a circa-1956, 4,568-square-foot, four-bedroom contemporary home with a swimming pool on half an acre for \$12.9 million.

That would be an unremarkable purchase relative to his overall \$80 billion net worth, according to Forbes, which tracks the world's wealthiest people. But the transaction created a compound for the Amazon czar.

The new house is located right next door to the 11,891-square-foot, seven-bedroom, seven-bathroom mansion he bought in 2007 for \$24.45 million, advertised at the time as having a "rolling lawn, formal garden, long gated drive, sunken tennis court, soaring beam ceilings, extraordinary tile detail, fabulous master, huge pool, sensational kitchen, separate guest-house, six-car garage, huge motor court, most prestigious north of Sunset location."

The street is legendary, once home to stars including Jimmy Stewart, Walter Matthau and Donna Reed, according to news reports. A 28,000-square-foot spec house down the road is currently for sale for \$80 million.

In December, Mr. Bezos held a big bash at his house to celebrate the release of "Manchester by the Sea," produced by Amazon Studios, an entertainment division of the company. On hand were high-profile guests like Matt Damon, Casey Affleck, Michelle Williams, Faye Dunaway and Diane Keaton.

Still, neighbors say Mr. Bezos doesn't seem to be home very often. Jane Semel, an ophthalmologist whose father's house is located between Mr. Bezos's two houses, says her family has never met Mr. Bezos. "Never hear a peep," she said in an email. She describes the neighborhood as a quiet cul-de-sac where homeowners tend to keep to themselves.

Los Angeles has already confirmed it's bidding to be the home of Amazon's HQ2. Mayor Eric Garcetti called it "an environment that nurtures growth and innovation." Amazon already owns an 85,000-square-foot production facility in Santa Monica, Calif. Irvine, in Orange County, also announced it is bidding.

WASHINGTON, D.C.

When the former Textile Museum in Washington's Kalorama neighborhood sold for \$19 million in 2015, the locals feared it might be turned into condos. That's why news that Mr. Bezos bought it as a private residence last October for \$23 million (\$1 million over its list price) was greeted with joy at a meeting of the local neighborhood advisory commission. Architect Ankie Barnes, whose firm was hired to renovate the building, said the new owner intended it to be a private home. (Because of a non-disclosure agreement, he didn't identify Mr. Bezos.) "They're a re-



NEW FRONTIER A Blue Origin test launch in 2016, top, near Van Horn, Texas, where Mr. Bezos owns the Corn Ranch. Above, Mr. Bezos in Colorado at a space symposium in April.

ally nice family and they absolutely love it," he told the commission.

The former museum—originally two historic mansions that had been connected—features Georgian-style architecture, massive wood-paneled rooms with fireplaces, marble flooring and lush gardens. The two structures measure 27,000 square feet and include 10 bedrooms and 11 bathrooms.

Work has already begun on the renovation, which is supposed to be finished by December 2018. Mr. Barnes told the commission there will be only one major change: the addition of a limestone and glass garden room on the back of the property with French doors and two curved staircases. The one-bedroom caretaker's house, which is above a garage, will be renovated, too, he said.

Neighbors include Barack and Michelle Obama, who bought an eight-bedroom, 9½-bath home for \$8.1 million in May, and Ivanka Trump and Jared Kushner, who are renting a six-bedroom home from a Chilean billionaire who bought it for \$5.5 million in late December.

Ellen Goldstein, who sits on the neighborhood advisory commission, describes the proposed renovation as "painstaking." She jokes that neighbors are hopeful the Bezos's house will include a drone pad in back where everyone can collect groceries ordered from Whole Foods.

Mr. Bezos already has a presence in Washington. He bought the Washington Post for \$250 million in 2013.

There are expected to be at least five separate bids for Amazon's HQ2 in the capitol's metro area, including Montgomery and Prince George's counties in Maryland, Virginia's Loudoun and Arlington counties, and the District itself.

WEST TEXAS

Texas is abuzz over the prospects of Amazon's new HQ2, and Dallas, Houston and Austin are all in the running. Less known is that Mr. Bezos already owns over 300,000 acres in the state, in Culberson and Hudspeth counties, east of El Paso, according to the Land Report.

The base for Blue Origin, Amazon's burgeoning space-transportation company, is the 30,000-acre Figure 2 Ranch, about 30 miles from the town of Van Horn, Texas. The seller, attorney Ronald Stasny,

says he put "millions" into renovating the gray stucco, four-bedroom, one-story, U-shaped ranch house, originally built in the 1920s. He put a spa into the bathroom, redid the kitchen, refinished the porches and updated the tile on the floors. Mr. Stasny said Mr. Bezos called him once and told him he had videotaped the interior of the house and wanted to keep all the existing furniture, bedding and artwork when he bought the home for an undisclosed amount in 2004. Mr. Stasny describes it as having deer-antler chandeliers, ceiling fans, oak furniture, and old photos and paintings of the ranch, including horses and cattle. "Everything I put in was top quality," he says. Behind the house is a barn and a bunkhouse that sleeps 12.

In 2005 Mr. Bezos told the local newspaper, the Van Horn Advocate, that he wanted his family to get the chance to live on a ranch like he did, growing up going every summer to the Lazy G, a 25,000-acre ranch in Cotulla in South Texas, where his grandfather, Lawrence Preston Gise, had retired.

Mr. Bezos bought much of his Texas property, now called Corn Ranch, using limited-liability companies with famous explorers' names like Joliet Holdings, Coronado Ventures and Cabot Enterprises—all under the name Zefram, a fictional character in the Star Trek universe, according to public records. (Mr. Bezos is said to be a lifelong fan of the series and had a cameo in the 2016 film "Star Trek Beyond.")

NEW YORK

In 1999, Mr. Bezos, under a limited-liability company called

"Jetima," bought three units at a building called the Century at 25 Central Park West in Manhattan's Lincoln Square neighborhood from then-Sony Music chief executive Tommy Mottola for \$7.65 million. In 2012 he paid \$5.3 million for an adjacent 1,725-square-foot unit, buying it from late filmmaker Otto Preminger's niece, Eve Preminger.

The 32-story Art Deco building with twin towers isn't the most glamorous structure around. It has been overshadowed by its neighbor 15 Central Park West, a newer

One person joked that neighbors are hopeful the Bezos's house will include a drone pad in back where everyone can collect groceries ordered from Whole Foods.

building where British rocker Sting listed his apartment for \$56 million in May and a four-bedroom penthouse on the 40th floor sold for \$50.55 million the same month.

At the moment, a two-bedroom, 2½-bathroom apartment that's 1,815 square feet is for sale for \$4.64 million and a two-bedroom, two-bathroom, 1,686-square-foot apartment listed since February is asking \$3.95 million.

New York City has more than two dozen proposals for possible locations for Amazon's second headquarters, according to Mayor Bill de Blasio's office. Collectively, the proposals total over 50 million

square feet of commercial space across 23 different neighborhoods in all five boroughs.

MEDINA, WASH.

Mr. Bezos's neighbors in Medina, a Seattle suburb along the coast of Lake Washington, include Bill Gates and several top Microsoft executives. There are currently 22 homes for sale, priced between \$28 million for a six-bedroom, seven-bathroom, 5,330-square-foot house on 2.3 acres along the lake, and \$1.6999 million for a nondescript 1,720-square-foot, three-bedroom, two-bathroom house built in 1952.

Mr. Bezos paid \$10 million for his 5.3-acre property in 1998 that includes two residences. One is a 20,600-square-foot, five-bedroom, four-bathroom house built in 2004 and renovated in 2012. It has a 5,460-square-foot finished basement and five fireplaces. The other is an 8,300-square-foot, five-bedroom, four-bathroom house built in 1940 and renovated in 2000.

In 2010, Mr. Bezos, under Aspen Ventures LLC, bought the property next door, a 24,000-square-foot house on 5 acres that once belonged to Peter and Sandra La Haye. Mr. La Haye, an entrepreneur, died in a plane crash in December 1999.

The Tudor-style, six-bedroom, six-bathroom mansion was listed at \$53 million in 2005, but public records don't say what the property sold for.

It's unlikely that Amazon's second headquarters would be built in Seattle. But other nearby cities vying for the headquarters are Tacoma and Everett in Washington and Portland, Ore.

Medina, Wash.



LAKE HOMES Mr. Bezos owns several homes on adjacent properties in this Seattle suburb.

Beverly Hills, Calif.



NEIGHBORS In July, Mr. Bezos bought a contemporary home for \$12.9 million next to his existing \$24.45 million home.