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What's News

Business & Finance

SoftBank is nearing a deal to take a major stake in Uber, but only if it can persuade shareholders to sell stock at a deep discount. **A1**
◆ Google parent Alphabet has held talks to invest about \$1 billion in Uber rival Lyft. **B1**

◆ Equifax customers who purchased fraud protection were among those who had credit-card data information stolen in the data breach. **B1**

◆ Verizon said it plans to cut \$10 billion in spending from its operations over the next four years. **B1**

◆ United Technologies' deal for Rockwell Collins could face scrutiny from antitrust regulators. **B2**

◆ Wireless carriers are offering less generous deals on new iPhones as prices of the Apple devices rise. **B4**

◆ Google ex-employees filed a class-action suit against the tech giant, alleging bias against women. **B4**

◆ The Dow set its third record of the week, rising 45.30 points to 22203.48, as other indexes edged down. **B11**

◆ U.S. consumer prices rebounded in August, a move that could nudge the Fed closer to raising rates. **A3**

◆ The Bank of England signaled it is preparing to raise rates to restrain accelerating inflation. **A6**

◆ A California firm evaded \$1.5 billion in tariffs by illegally importing Chinese aluminum, the U.S. alleged. **B3**

◆ Fox's deal to consolidate ownership of Sky will be referred for review by the U.K. competition authority. **B6**

World-Wide

◆ Republican lawmakers signaled they wouldn't be pressured into enacting an immigration framework reached between Trump and top Democrats. **A1**

◆ North Korea fired a missile over Japan early Friday local time in the latest provocative action by Pyongyang. No damage or injuries were reported. **A1**

◆ A shortage of insurance adjusters in Florida in the wake of Hurricane Irma is frustrating residents and could delay rebuilding. **A1**

◆ Florida's economy is feeling the toll from Irma, with agriculture and tourism taking big hits. **A2**

◆ Russia began one of its largest war games since the Cold War, moving tanks to the Belarus border under NATO's watchful eye. **A6**

◆ An Islamic State convoy reached eastern Syria after the U.S.-led coalition ceased airstrikes on the militants at Russia's request. **A7**

◆ Islamic State gunmen stormed a restaurant in southern Iraq, killing more than 50 people. **A7**

◆ The U.S. extended sanctions relief to Iran under the 2015 nuclear accord but levied new punitive measures on Tehran. **A7**

◆ Tax plans from the House and Senate are likely to diverge on many issues, underscoring a challenge that Republicans face. **A4**

◆ A Senate panel cleared four of Trump's judicial picks after questions over a nominee's religious beliefs. **A4**

CONTENTS Opinion A13-15
Business News B3-6 Sports A12
Crossword A11 Streetwise B1
Head on Street B12 Technology B4
Mansion M1-12 U.S. News A2-4
Markets B11-12 Weather A11
Life & Arts A10-11 World News A6-8

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For Refugees Fleeing Myanmar, a Treacherous Journey Turns Tragic



A FATHER'S GRIEF: Nasir Ahmed, a Rohingya refugee, holds his son, who died as a boat capsized a few yards away from shore in Bangladesh on Thursday. Myanmar has faced global condemnation for violence that has driven ethnic Rohingya Muslims to leave the country. **A8**

Uber Wrestles With Softbank Offer

By GREG BENINGER
AND PHRED DVORAK

SoftBank Group Corp. is nearing an ambitious deal to take a substantial stake in Uber Technologies Inc.—but only if the Japanese technology investor can persuade shareholders to sell enough stock at a steep discount.

After weeks of deliberation, Uber's board in recent days has been hashing out its response to a potential investment led by SoftBank that could total as much as \$10 billion, according to people familiar with the matter.

If successful, that would be among the largest-ever single investments in a private venture-backed startup.

It would also give SoftBank, whose Chief Executive

Masayoshi Son has predicted that companies like Uber will transform the world, major stakes in nearly all the world's top ride-hailing firms.

Funding is rushing into ride-hailing companies as the market matures, and multiple winners could emerge. Google parent Alphabet Inc. has recently held talks to invest about \$1 billion in Uber rival Lyft Inc., according to people familiar with the matter. SoftBank has also recently held informal talks with Lyft over a possible investment, but the discussions never advanced, according to people familiar with the matter.

With Uber, SoftBank and its \$93 billion tech-focused Vision Fund are proposing to buy 17% to 22% of the company through a combination of a di-

Ride-Hailing Fund Talks

Google parent Alphabet has held talks to invest about \$1 billion in Lyft. **B1**

rect investment in the company and a tender offer for shares owned by employees and other investors, according to people familiar with the matter. But the tender offer would represent a discount of 30% or more from Uber's last valuation of almost \$70 billion, the people said.

Existing Uber shareholders have expressed concern that the process could devalue the company as it heads toward an initial public offering in as few

as 18 months.

As part of the deal, SoftBank is planning to directly invest at least \$1 billion, which would be priced to reflect Uber's current valuation of about \$68 billion, people familiar with the matter said. Such a move could placate existing investors concerned the auction process would devalue the company.

SoftBank also is seeking two board seats, these people said, adding to Uber's nine sitting directors. Negotiations could conclude as early as next week, according to one person familiar with the matter. Uber and SoftBank declined to comment.

The possibility of yielding so much control to SoftBank—an aggressive investor

Please see UBER page A8

GOP Pushes Back on 'Dream' Migrants

Trump says he is close to striking a deal on young immigrants as fellow Republicans balk

By LAURA MECKLER
AND KRISTINA PETERSON

WASHINGTON—Top congressional Republicans signaled Thursday that they wouldn't be pressured into enacting an immigration framework reached between President Donald Trump and top Democrats, as conservatives reacted with alarm to news of a fledgling deal to protect young people brought to the U.S. illegally as children.

Mr. Trump, who ran for president on a hard-line immigration platform, jolted many of his own supporters by agreeing with Democrats to pair legal status for the group often called "Dreamers" with enhanced border security measures. The president agreed that the package would omit funding for his promised border wall, and said nothing about including other enforcement measures aimed at finding and deporting people living illegally in the U.S.

It was the second time in a week that Mr. Trump bypassed his party and dealt directly with Democrats. That left GOP congressional leaders excluded, but also relieved them of some of the political burden of delivering on immigration, which has long divided their party, GOP aides said.

The framework was crafted at a White House dinner Wednesday with Senate Minority Leader Chuck Schumer (D).

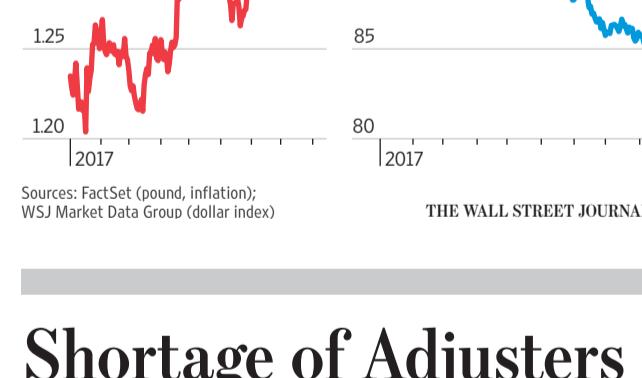
Please see TRUMP page A4

◆ House, Senate tax plans likely to deviate..... A4

◆ Remix: Clinton, Trump and Sanders back at it..... A4

Signs of Inflation Sway Currencies

U.S. consumer prices picked up in August, the government said Thursday, and the Bank of England signaled it is preparing to raise rates, sending the pound higher. The dollar also briefly rose. **A3, A6**



North Korea Fires New Missile In Defiance of U.N. Sanctions

North Korea fired a missile over northern Japan early Friday local time for the second time in a month, defying rising international efforts to force it to abandon course.

By Alastair Gale in Tokyo and Kwanwoo Jun in Seoul

In a rare move, South Korea responded to the launch by immediately conducting a simulated strike of the North Korean launch site, an air base near Pyongyang. In Japan, alerts were sent to smartphones of people living in areas where the missile was projected to pass over soon after the launch was detected. No damage or injuries were reported.

The latest missile launch

marked Pyongyang's latest provocation after the United Nations Security Council on Monday unanimously adopted new sanctions against the country.

The Security Council will hold an emergency meeting on Friday at the request of the U.S. and Japan. A new violation by the North, in response to the adoption of the fresh sanctions, was anticipated, some diplomats said, raising the stakes for finding a diplomatic solution.

Japanese Prime Minister Shinzo Abe called for the new sanctions to be fully enforced.

"We need to make North Korea understand that there is no bright future for them if they pursue this course further," he said.

In Washington, President Donald Trump was briefed on the launch by John Kelly, his chief of staff, said White House spokeswoman Sarah Huckabee Sanders.

The latest missile passed over the northern Japanese island of Hokkaido and landed in the Pacific Ocean shortly after 7 a.m. Japan time, a similar path to another missile launched on Aug. 29. It traveled around 2,300 miles, according to South Korea's joint chiefs of staff, further than the roughly 1,700 miles traveled by the previous missile, highlighting the country's progress in developing nuclear weapons that can threaten the U.S.

North Korea has twice tested intercontinental-range

Please see KOREA page A6

Shortage of Adjusters Is Florida's Next Storm

By LESLIE SCISM
AND NICOLE FRIEDMAN

After Hurricane Irma, Florida residents are lacking in many necessities. One of the more frustrating is a scarcity of insurance adjusters, which is threatening to anger policyholders and potentially delay the state's rebuilding efforts.

Many of the state's adjusters—responsible for inspecting property damage and estimating the value of the loss—are 1,000 miles away, working on claims made after Hurricane Harvey hit Texas.

Insurers are scrambling to get more of the nation's 57,000 independent adjusters to Florida, creating a bidding war and the promise of a record payday for those who are available.

Some Florida home insurers have increased fees paid to adjusters by about 30%, insurers and adjusters say. In some cases adjusters can earn \$30,000 for evaluating a single

complex property claim.

Large companies like Liberty Mutual Insurance and Chubb Ltd. are sending armies of in-house adjusters from all over the country. Other small insurers that rely mainly on contract workers to assess claims are trying to get enough licensed people. The state also is speeding up paperwork to get more adjusters on the ground.

While insurers are well prepared to respond to natural disasters, it is unusual to have two large catastrophes within days of each other, especially in densely populated areas of the U.S. where insurance coverage is broad compared with other parts of the world.

While higher fees for adjusters often only modestly impact the cost of a claim,

Please see INSURE page A2

◆ Irma's economic toll takes shape..... A2

◆ Storm deaths present puzzle for state officials..... A2

TOMORROW



WSJ.
MAGAZINE

JARED LETO

Egads! Some Millennials Use Phones to Track Mom and Dad

* * *

Apps ward off surprise visits, reveal

secret doings; 'I see you're at Wal-Mart'

By KATHERINE BINDLEY

It was the anticipation of nagging that led Christy Spitler to spy on her parents.

The 21-year-old University of Alabama senior was home on break in Maryville, Tenn., when her parents left for a July weekend, telling her to keep the house clean.

Instead, "I left dishes out, and I would just leave my clothes on the floor," she says.

No worries—she was tracking her parents on an iPhone

app that showed their whereabouts on a map. An hour before the app suggested they would return, she vacuumed, did the dishes and mopped.

Otherwise, "I really just sat around and watched Netflix and YouTube the whole weekend."

Parents have always snooped on their children, and smartphones have given them a new way to do it. A Pew Research Center survey published last year found 16% of parents of children aged 13 to 17 used

Please see TRACK page A9

U.S. NEWS

State Tallies Irma's Economic Toll

BY ARIAN CAMPO-FLORES
AND VALERIE BAUERLEIN

Hurricane Irma left Florida days ago but the state's economy, the fourth-largest in the U.S., is feeling the hit.

Its citrus groves are littered with knocked-down fruit and felled trees. Beach hotels and restaurants are cleaning up after being shut for a week with forced evacuations. After the cancellation of hundreds of flights and numerous cruises, the state's airports and seaports are just reopening. And on the Space Coast, home to the Kennedy Space Center, officials were still assessing potential damage and disruptions to launch schedules.

In the tourism magnet of Miami Beach, where the city's roughly 22,000 hotel rooms stood virtually empty for a week, the lost revenue from that stream alone could top \$25 million, according to city and industry tourism figures.

"Irma is 'going to be a very significant financial burden on businesses,'" said Jerry Libbin, chief executive of the Miami Beach Chamber of Commerce.

To be sure, the state is still struggling with loss of life in the aftermath: Not counting the deaths of eight nursing home

patients Wednesday after Hurricane Irma knocked out power, at least 17 people in Florida died under Irma-related circumstances, the Associated Press reported Thursday.

Losses in agriculture, the state's second largest industry after tourism, are expected to be in the billions of dollars, according to the Florida Farm Bureau. In Okeechobee County in southern Florida, for instance, an informal evaluation cited by the Farm Bureau pegged the loss at \$16 million.

Overall, the total economic cost of Irma, including property damage and lost economic output, could reach \$83 billion, according to an estimate by Moody's Analytics. That compares with a toll as high as \$108 billion for Hurricane Harvey, which struck Texas last month, the firm said.

Catastrophe-modeling firm Karen Clark & Co. calculated that insured losses from Irma would be \$18 billion. The storm caused the most structural damage in the Florida Keys, while impacts on the mainland owed chiefly to fallen trees and inland flooding, the firm said.

Yet Florida's economy is in solid shape, with a booming population that reached 20.6 million last year, record num-



JOE RAEDLE/GETTY IMAGES

The exterior of the Colony Hotel on Miami Beach is seen on Tuesday, days after Hurricane Irma slammed the region.

bers of tourists and a growing health-care sector, said Sean Snaith, an economist at the University of Central Florida. The state's gross domestic product, a broad measure of goods and services produced, grew 3% last year, compared with 1.5% in the U.S., according to the Board of Economic Advisers.

"It's going to be a bit of a setback, but I don't think it's

sufficient to knock us off the trend we've been on growth-wise," he said.

Tourism officials emphasized that attractions were back in business. Busch Gardens Tampa Bay, an amusement park, said it was open for visitors and all of its 12,000 animals accounted for. In Orlando, Walt Disney World opened for normal hours Wednesday, except for its water

resorts and a few hotels. The Legoland theme park reopened Thursday, and the Orlando Eye, a 40-story observation wheel, was scheduled to resume operations pending safety checks.

Carnival Cruise Line, which canceled a half-dozen voyages scheduled to depart last weekend, was resuming service. Starting Thursday, all sailings are scheduled to depart on time, the cruise operator said.

But Irma's damage wasn't as easily cleaned up for farmers who are contending with power failures, ruined crops and damaged equipment, according to the Florida Farm Bureau.

Florida Agriculture Commissioner Adam Putnam took an aerial tour of the state Wednesday and said he saw huge swaths of destruction, including sheds and buildings split apart. He estimated the crop loss in southwest Florida would exceed 70% because of flooding of root systems and downed trees.

"Agriculture took it on the chin," he said. "I was surprised by the scale of flooding."

Florida's \$800 million citrus industry, which has battled a host of challenges in recent years including disease, was especially hurt, with growers concerned that losses will reach 50% of the crop.

U.S. WATCH

CALIFORNIA

UC Berkeley Readies For Protests of Event

Police and university officials were taking rare precautions ahead of a speech planned for Thursday night by conservative commentator Ben Shapiro, in an effort to avoid violent protests seen at previous events.

The University of California, Berkeley, was set to close access to a large portion of the campus, allowing entry only to people with tickets to the talk at Zellerbach Hall.

"It's really regrettable," said Dan Mogulof, a spokesman for the university, "but we can't turn a blind eye to reality."

In February, university officials canceled the appearance of right-wing provocateur Milo Yiannopoulos after protesters swarmed campus, lighting fires and smashing windows.

Mr. Shapiro, a former Breitbart editor who now runs the Daily Wire, was invited to speak by the Berkeley College Republicans.

—Zusha Elinson

WASHINGTON, D.C.

EPA Set to Review Rules on Coal Ash

Federal regulators will reconsider Obama-era rules governing waste from coal-fired power plants, accepting a request from utility companies that were faced with possibly closing dozens of coal-ash dumps nationwide.

The U.S. Environmental Protection Agency announced the decision Thursday, putting into question rules from 2015 that one trade group estimated would cost power companies from \$23 billion to \$35 billion over 20 years. It wasn't immediately clear how far the agency's review might go, and agency officials did not respond to requests for more detail.

Coal ash is byproduct from coal-fired power plants, which scrub potential air pollutants from their emissions.

—Timothy Puko

ECONOMY

Jobless Claims in the U.S. Fell Last Week

The number of Americans applying for new unemployment benefits fell last week but remained sharply higher than two weeks earlier because of Hurricane Harvey's effects.

Initial jobless claims, a proxy for layoffs across the U.S., fell by 14,000 to a seasonally adjusted 284,000 in the week ended Sept. 9, the Labor Department reported Thursday.

—Sarah Chaney

WASHINGTON, D.C.

House Passes Bill Targeting Gangs

The House on Thursday backed legislation that would make membership in a criminal gang grounds for deportation as Republicans warned of the dangers of the violent street gang MS-13.

By comparison, the national insurers can send fleets of in-house adjusters from other states. Many big names also contract with firms that can send independent adjusters as needed when disasters occur. Chubb and American International Group Inc. said they are relying mostly on their own staff.

—

Matthew Riva FOR THE WALL STREET JOURNAL



Lee Vorcheimer and his wife, Cheryl, operate an insurance-adjustment business in Florida.

Continued from Page One
bigger worry is that damage to buildings will worsen from mold and other problems from any delays. In addition, claims that could have been resolved amicably may end up in costly litigation as homeowners get angry waiting.

"A stale claim is an expensive claim," said John Rollins, an executive with Cabrillo Coastal General Insurance Agency LLC in Gainesville, Fla., and a former chief risk officer of Citizens Property Insurance Corp., a state-run insurer of last resort in Florida. "The key in a situation like this is getting to the policyholder and getting some money in their hands so they can begin the recovery process."

Florida also says it is easing the process of how insurers appoint claims adjusters, to get them out in the field faster.

Lee Vorcheimer, a longtime adjuster in south Florida, said that "every day for the last two weeks, there have been 10 or 15 emails" from independent-adjuster firms seeking to recruit him to travel to Texas or handle claims for local insurers. He has been offered bonuses, including money for temporary housing.

Independent insurance adjusters are paid according to the size of a claim they assess for a company. For Irma claims, they are earning roughly between \$500 and \$30,000 for policyholder claims of \$1,000 to \$1 million, respectively, according to two fee schedules from private insurers reviewed by The Wall Street Journal.

Some adjusters can make \$65,000 to \$100,000 in the first month after a major hurricane, people in the industry say.

"When you have a hurricane like Harvey and a hurricane like Irma, everybody loves you," said Mr. Vorcheimer, who settled on adjusting Irma claims for Tampa-based HCI Group Inc.

As Florida's market gets stretched, insurance executives said the fee increases be-

Texas, and opted not to go to Florida because he wants to stay close to his home in the Lone Star state.

"Right now, anyone with a license to adjust claims can get a job and some company will try them out," Mr. Warren said. "They're paying more for adjusters to work Irma than they've ever paid insurance adjusters, ever."

Though Irma didn't strike Miami, a big population center, as feared, damages from the storm could be large

enough to displace Sandy as the nation's third most-expensive hurricane ever. That 2012 storm left \$20 billion in insured losses, in today's dollars, mostly in the northeast. On Wednesday, catastrophe-risk modeling firm Karen Clark & Co. estimated Irma's U.S. damage at \$18 billion.

The adjuster issues are especially acute in Florida because its home-insurance market is heavily dependent on small and midsize insurers.

Over the past 25 years, many

the planet." A U.S. News article on Sept. 5 about the interior secretary incorrectly attributed the exchange to Dan Roper.

Nicole Puzzi, of Brazil's Animals Party, wears boots made from man-made fabric. A Page One article on Aug. 22 about Brazil's numerous political parties incorrectly said that she wore leather boots.

CORRECTIONS & AMPLIFICATIONS

In some editions Thursday, an article on Page One about immigration negotiations omitted the last name of House Minority Leader Nancy Pelosi (D., Calif.). In some other editions, the article ran in the U.S. News section and incorrectly identified Rep. Kevin McCarthy, a California Republican, as a Democrat.

Tan Cheng Bock was a member of Singapore's parlia-

ment for the ruling People's Action Party. A World News article Thursday about Singapore's new president incorrectly said he was a government minister.

John Paul Drake of Ashland, Ore., in July confronted Interior Secretary Ryan Zinke in the Cascade-Siskiyou National Monument, saying, "I know your boss is not a fan of the environment, or a fan of

of the brand-name national insurers have shrunk their presence in the state to reduce their exposure to hurricanes.

Smaller insurance companies typically don't have many of their own adjusters on staff.

They rely heavily on independent adjusters, said Joseph Burtone, an insurance analyst with ratings firm A.M. Best. The smaller insurers "have to figure out a way to handle that the best they can," he said. "It will be a challenge."

Citizens, the state-run insurer, also is heavily relying on independent adjusters for Irma claims. It has boosted adjuster compensation by 18% to 20% and said it expects additional increases to keep up with rivals.

With about 450,000 policyholders, Citizens is one of the state's biggest insurers.

By comparison, the national insurers can send fleets of in-house adjusters from other states. Many big names also contract with firms that can send independent adjusters as needed when disasters occur. Chubb and American International Group Inc. said they are relying mostly on their own staff.

This week, HCI, the Tampa-based insurer, signed up five adjusters from Massachusetts to augment its Florida team. "Everybody is pressing into service everybody and anybody they can get," CEO Parash Patel said.

The measure passed on a largely party-line vote of 233-175. The White House has endorsed the Criminal Alien Gang Member Removal Act, but it faces uncertain prospects in the Senate.

Opponents warned the bill would promote racial profiling and could lead to the deportation of innocent, non-gang members.

—Associated Press

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U.S. NEWS

To Spur Ties, Officers Move In Next Door

Illinois city's program offers free housing to police who live in the areas that they patrol

BY SHIBANI MAHTANI

ROCKFORD, Ill.—Officer Patrice Turner starts her weekdays by getting on her bike and riding to West Middle School, greeting children and getting stragglers into the doors before they close.

On a recent day, she broke up a crowd gathered around a quivering palm-size baby bunny and before that, intervened before a quibble between some girls escalated.

"You get to know the signs—that was about to be a fight," she says.

Officer Turner knows these students well. She doesn't just police here, but lives right down the street on Rockford's west side, a blighted neighborhood in a city with a murder rate that is three times that of Los Angeles and rivals the rates in Milwaukee and Chicago.

She is one of two officers to sign up to a new policing program here where officers live in the areas they patrol, rather than farther-flung, safer suburban enclaves. Living rent-

free in these so-called ROCK Houses for anywhere between two and five years, the officers will get to know the problems of the people they protect by living among them.

"Their goal is to find problems in that neighborhood and solve it," said Dan O'Shea, chief of the Rockford police department. "Instead of going to one problem house three times a shift, the idea is that you go there once but that you try to solve the root cause of the issue—and you want to solve it, because you are two houses down."

The department, like many others across the country, is putting in place other community-policing initiatives. That includes ice cream socials to bring children together with officers and creating what are known as "Strong Neighborhood Houses," where police and social-service agencies staff a house in a troubled neighborhood to give residents a place to report crimes and voice other concerns, and also host community events.

The resident officer program is described by criminologists as the most extreme form of community policing. It is in contrast to practices in many cities including Seattle, Fort Worth, Texas, and others that



Officer Patrice Turner talks to sixth graders Demei Brown and Jai'lyn Dawson before they enter West Middle School for the day.

have dropped requirements for police to live within city limits. In Milwaukee, strict residency laws were dropped in 2013 but officers are required to stay within 15 miles of the city, a rule that the union has pushed back against.

In nearby Chicago, police are required to live within city limits, but many live clustered in neighborhoods with other officers and firefighters. In May, the city created a \$3 million program to help police officers purchase homes in high-crime neighborhoods like Woodlawn and Little Village, hoping that it will help stabilize and revive those areas.

Rockford's community policing efforts, which began last year, appear to have had some initial success. In 2015, 19% of open murder cases were solved. Of the 12 murders so far this year, six have been cleared, and police say they are close to solving a few more. The number of murders, too, is down slightly from 14 at this time last year.

The resident officer program gets back to "the view that the police were the people, and that people had to be the police," said Wesley Sko-

From Neighbors To Better Cops

Officer Patrice Turner, 41 years old, is an African-American woman, a rarity in a largely white and male force. She grew up in a government-subsidized housing project in Rockford, Ill.

A single mother, she lives in a city-provided house with her 17-year-old daughter and has long been seen by peers as having a unique approach in a profession where machismo is often seen as part of the job.

"I've always wanted to be a part of that change," she said. "I believe that people are a mirror of what you are; if you approach them with respect, they

give it back."

Eric Thurmond, another African-American officer in Rockford's program, is one of the youngest officers in the force at 24. In his neighborhood on the east side of the city, where many residents have a history of drug addiction and where street gangs are prevalent, he says his focus is to reach out to the children. "Since I'm so young, I can relate to high-schoolers," he said.

Both officers spent the weeks before their moves knocking on doors in their neighborhoods and handing out their personal cellphone numbers, a move many of their peers frowned at, fearful that someone who was arrested or given a ticket could use the in-

formation to retaliate.

"It wasn't a big deal for me," said Officer Turner. "I don't like to live looking over my shoulder."

For Connie Gagliano, who lives two houses down from Officer Turner, the program is a welcome boost after years of rising violent crime. Her mother's house next door has been broken into twice over the past two years, she says.

"There's so much violent crime in Rockford, I feel bad calling the police about something like a break-in or less than that," said Ms. Gagliano, 58. "But in this instance, [Officer Turner] is right next door, and you can talk to her about it when you see her."

—Shibani Mahtani

Bridging Differences

A new policing program in Rockford, Ill., aims to bring the city's police officers, which are predominantly white and male, closer to residents.

By race...	White	Black	Hispanic	Other
Rockford Police Dept.	81%	11	6	2
Rockford	58%	21	16	5

By gender...	Male	Female
Rockford Police Dept.	88%	12
Rockford	48%	52

Sources: Rockford Police Department; U.S. Census Bureau THE WALL STREET JOURNAL.

gan, a professor at Northwestern University who has studied community policing.

Still, "police officers are individuals and have a lot of reason to be nervous about it," he said, adding that officers who step forward will often be "special officers" or officers doing this under special circumstances."

Introducing the program

took some negotiation to get the police union on board, say those in the Rockford department.

The primary concern was the safety of the officers and what the department is doing to protect the homes, which are outfitted with cameras and alarm systems.

Chief O'Shea admits that

takes a special kind of officer, but believes there are more like Officer Turner. He plans to introduce at least six more houses over the next year.

"Three hundred cops are not going to solve our violent crime problem," he said. "Three hundred cops plus a hundred thousand residents, that is what will help."

Texas Firm Underestimated Plant Leak

BY ALEXANDRA BERZON

The Houston chemical plant that released a cloud of a carcinogenic chemical amid Hurricane Harvey emitted far more of the chemical than it had previously disclosed, environmental regulators said Thursday.

The plant, Valero Energy Partners' Houston refinery, suffered a hurricane-related spill Aug. 27 from the damaged roof of a light crude storage tank, the U.S. Environmen-

tal Protection Agency concluded in an investigation.

Valero initially reported to the state that because of the spill, 7 pounds of the carcinogenic chemical benzene were released into the air.

Subsequently, Valero "has informed the EPA that it believes it significantly underestimated the amount of [volatile organic chemicals] and benzene released in its original report to the State of Texas Environmental Elec-

tronic Reporting System," a state official said in a statement Thursday.

The state said it didn't yet have the amount the company had underreported. A spokeswoman for Valero didn't respond to requests for comment Thursday.

The company believes that the emissions were high immediately after the roof failure and diminished over time as the company pumped residual crude material from the

tank and assessed how to safely remove the crumpled roof from the tank, according to the state official.

A spokesman for the Texas Commission on Environmental Quality said Valero hadn't yet filed its final report on the incident, including an explanation of the cause of the damage.

Environmental advocates said the state should have done more to assess the safety of the situation sooner.

Baltimore Development Gets Investor

BY LIZ HOFFMAN

Under Armour Inc. Chief Executive Kevin Plank has snared **Goldman Sachs Group** Inc. as the first private investor in his ambitious Port Covington development with a commitment of \$233 million.

The project seeks to transform a 235-acre industrial peninsula in South Baltimore into a \$5.5 billion mini-city of offices, homes, stores, restaurants, parks and a new campus for the athletic-apparel company he runs.

Goldman will jointly own the project with Sagamore Development Co., a private real-estate firm owned by Mr. Plank, the companies said. Early spending will be directed at developing roads and other infrastructure needed for the site, once home to railway yards and coal dumps.

Goldman's investment is the first outside private money committed to the project and could provide key support for the more than \$1 billion in public support that Sagamore is seeking from local, state and federal agencies.

Critics of the project, including community activists and the American Civil Liberties Union, have argued that the development won't benefit the entire city, and that there aren't adequate measures to

ensure lower-income people can afford the thousands of planned homes.

Sagamore's pursuit of public funding has also drawn criticism, particularly its reliance on tax-increment financing, an arrangement under which future property taxes are pledged to repay bonds. Last year, the city of Baltimore approved the use of \$660 million of such bonds.

Sagamore is also seeking more than \$500 million in state and federal funding for a Maryland light-rail extension and improvements to Interstate 95.

Corporations are playing an increasingly important role in addressing urban inequality and driving revitalization efforts in blighted neighborhoods. In Cincinnati, corporate capital helped transform the Over-the-Rhine neighborhood just north of downtown from one packed with vacant homes and a hot spot for violent crime.

Another bank, J.P. Morgan Chase, announced Thursday that it would be pledging \$40 million over three years to help ailing neighborhoods in Chicago through grants to nonprofits and other community-based organizations.

Inflation Rebounds

Ahead of Fed Meeting

BY JOSH MITCHELL

WASHINGTON—U.S. consumer prices rebounded in August, a sign of economic vigor that could nudge the Federal Reserve closer to raising a key interest rate.

The consumer-price index, which measures what Americans pay for everything from medicine to cars, grew 0.4% from a month earlier, the biggest jump since January, the Labor Department said on Thursday.

Much of the gain was owed to a sharp rise in gasoline prices caused by Hurricane Harvey, which temporarily shut down Texas refineries. But a range of other prices, particularly housing costs, also increased. Excluding food and energy, so-called core prices grew 0.2%, the most since February.

Thursday's report—the final inflation gauge before Fed policy makers meet next week—could bolster a view within the central bank that a drop in inflation earlier this year would be short-lived. Cellphone-plan prices, for example, fell early in the year due to industry competition, and hotel rates, which tend to be volatile, dropped in July but picked up last month.

Core prices have risen a modest 1.7% in the past year, but since June have climbed at an annual rate of 1.9%.

"After a five-month hiatus, core inflation came back to life in August," J.P. Morgan economist Michael Feroli said in a note to clients. "Today's report should ease some of the low inflation concerns among wavering FOMC officials, and we continue to expect the leadership will prevail in getting another (interest rate) hike in at the December meeting." The Fed's FOMC, or the Federal Open Market Committee, sets monetary policy.

Barclays analysts added that "the August report should assuage concerns in some

parts of the (Fed) that the underlying rate of inflation has fallen too far" and bolstered the case for a December rate increase.

Fed officials have raised their benchmark interest rate twice this year and have indicated they expect to do so again, perhaps in December, if they see signs of higher inflation and a strong labor market. The Fed targets annual inflation of 2%, as measured by a separate Commerce Department index.

The labor market continues to exhibit strength, with unemployment—at 4.4% in August—staying below the Fed's long-term projections.

Inflation remains weaker than early this year. Overall prices rose 1.9% in the year through August, up from July's rate of 1.7% but below January's pace of 2.5%. Fed officials initially played down softer inflation pressures earlier this year, which they expected would prove transitory. Thursday's report is the first to provide evidence of that, which could make it easier for them to maintain forecasts that show inflation heading back toward its target.

Perking Up

Change in consumer price-index, excluding food and energy



Source: Labor Department
THE WALL STREET JOURNAL



Under Armour CEO Kevin Plank, shown in January, attracted a commitment from Goldman Sachs.

ensure lower-income people can afford the thousands of planned homes.

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U.S. NEWS

House, Senate Tax Plans Likely to Deviate

By RICHARD RUBIN

WASHINGTON—The House and Senate versions of a plan to overhaul the nation's tax code are likely to diverge on many issues, including the treatment of business interest expenses and their write-offs for investments.

The tax-writing committees in the House and the Senate are eager to make their own marks on the U.S. tax system, the chairmen of those panels said Thursday.

Their comments underscored a challenge Republicans face. Even though party lead-

ers and White House officials have been negotiating behind the scenes for months and have set a deadline for the week of Sept. 25 to release a blueprint for their tax proposal, many differences still need to be worked out before the bill can become law.

Lawmakers and the White House want the tax changes to happen this year, a dynamic creating pressure on legislators this fall.

"It's a very coordinated approach on the big issues," said Rep. Kevin Brady (R., Texas), chairman of the House Ways and Means Committee. "We'll

take different approaches on some of those fill-in-the-detail elements. There will be a lot of them."

Sen. Orrin Hatch (R., Utah), chairman of the Senate Finance Committee, assured his panel's members that the tax bill wouldn't be written only by House and Senate leaders.

"We are not anyone's rubber stamp," he said at a hearing Thursday. "If a bill—particularly on something as consequential as tax reform—is going to pass in this committee, the members of the committee will have to be involved in putting it together."

The comments by the two chairmen are a reminder that the principles, bullet points and outlines that have dominated the tax debate all year are just the beginning of a process shaped by individual members' preferences, business lobbying, nonpartisan revenue estimating and hundreds of pages of details.

The timeline for committee votes hinges on the House and Senate adopting a budget that sets out the revenue target for a tax bill. But writing that budget requires some knowledge of what will be in the tax bill, and lawmakers haven't

sorted out either piece yet.

It is unclear what will be in the statement from the group known as the "Big Six" in the week of Sept. 25. The group's members are: Messrs. Brady and Hatch, Senate Majority Leader Mitch McConnell (R., Ky.), House Speaker Paul Ryan (R., Wis.), Treasury Secretary Steven Mnuchin and White House economic adviser Gary Cohn.

"It won't answer every question that everyone so focused on tax reform will want to ask," Mr. Brady said at a Politico event Thursday.

Major structural decisions,

including revenue targets, international tax rules, exact tax rates and which tax breaks would be eliminated haven't been made yet, said a person familiar with the conversations.

The document will include a specific corporate tax rate and details on the deductibility of corporate interest, Mr. Mnuchin said at a separate appearance at the same event. Mr. Mnuchin said news reports suggesting the six negotiators are far apart are untrue.

"We have a unified plan," he said.

—Kate Davidson contributed to this article.

First Couple Visit Florida After Storm

President Donald Trump and first lady Melania Trump, right, visited Florida on Thursday to tour areas ravaged by Hurricane Irma and meet with residents and recovery workers, marking their first trip to the state since the storm hit on Sunday.

In Fort Myers, Mr. Trump received a briefing on storm recovery efforts. He also thanked Florida officials, shaking hands with U.S. Sen. Marco Rubio, his one-time Republican primary opponent in the 2016 campaign. Referring to Florida's GOP governor, Rick Scott, Mr. Trump said "The job he's done is incredible...I hope this man right here, Rick Scott, runs for the Senate."

Mr. Trump also praised the Federal Emergency Management Agency and the Coast Guard's lifesaving efforts. At a recovery center in Naples, Mr. Trump passed out bananas and pointed to a silver tin of hoagies—"Here's a nice one!"—as he mingled with residents and volunteers.

—Rebecca Ballhaus



Panel Votes For Judicial Nominees In Senate

By BRENT KENDALL

The Senate Judiciary Committee approved four of President Donald Trump's judicial nominees on Thursday, amid a stir caused by a recent back-and-forth over the relationship between a nominee's religious beliefs and her potential performance as a judge.

At a hearing last week, the committee heard from several nominees including Amy Barrett, a Notre Dame law professor whom Mr. Trump has nominated to the Seventh U.S. Circuit Court of Appeals, based in Chicago.

A handful of Democrats, including Sen. Dianne Feinstein (D., Calif.), asked questions related to Ms. Barrett's faith and whether she could separate her religious beliefs from her duty of impartiality as a judge.

Many questions stemmed from an article Ms. Barrett co-wrote two decades ago called "Catholic Judges in Capital Cases," exploring 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.

The authors wrote that re-

Feinstein has created a stir by questioning if a Catholic nominee could be impartial.

Remix: Clinton, Trump, Sanders Back at It

By JANET HOOK

It is 2016 all over again, with Hillary Clinton and Donald Trump sparring on Twitter, Bernie Sanders holding a big, splashy rally and Democrats sniping at each other.

President Trump criticized his 2016 Democratic opponent's new memoir about her loss in last year's election, writing Wednesday on Twitter that "Crooked Hillary Clinton blames everybody (and every thing) but herself for her election loss. She lost the debates and lost her direction!"

On Thursday, Mrs. Clinton tweeted back suggesting that Mr. Trump read a copy of her 1996 book "It Takes a Village" if he doesn't like her new book.

"Try this one—some good

lessons in here about working together to solve problems. Happy to send a copy," she tweeted.

Earlier, Mrs. Clinton and Mr. Sanders, her 2016 primary rival and a U.S. senator from Vermont, had burst back onto center stage of Democratic politics, reopening wounds that have festered mostly out of view while the party has focused on Mr. Trump, a Republican.

"It's not all kumbaya in the Democratic Party," Mrs. Clinton wrote in her new book, titled "What Happened," which was released a day before Mr. Sanders staged an event to unveil a universal health-care bill.

Mrs. Clinton, who dismissed Mr. Sanders's health-care plan as unrealistic during their primary contest last year, wrote in

her book that she believes his attacks on her did lasting damage and contributed to her loss to Mr. Trump.

The former secretary of state's book has prompted some liberals to complain that it isn't helpful to the party to rehash what happened last year.

"Think less about the past. Think about the future," said Jeff Weaver, Mr. Sanders's former campaign manager.

Amid the crossfire, other Democrats tried to change the subject. "We're moving forward," said Sen. Chuck Schumer of New York, the chamber's Democratic leader.

"We all make mistakes and we're all looking forward to improving."

The exchanges are a reminder that the divisions within

the party that became apparent in 2016 haven't completely healed. Democrats have managed to close ranks to block Mr. Trump's attempts to roll back the Affordable Care Act, but tensions between supporters of Mrs. Clinton and Mr. Sanders still simmer below the surface.

Mrs. Clinton wrote in her book that she took full responsibility for her campaign failure, but she took swipes at other Democrats along the way. She took exception with former Vice President Joe Biden's suggestion that her campaign didn't have an economic message about maintaining the middle class.

"I find this fairly remarkable, considering that Joe himself campaigned for me all over the Midwest and talked

plenty about the middle class," Mrs. Clinton wrote.

Her allies bridled at Democrats saying she should take a lower profile and defended her right to record her views.

"She's a major historical figure. She was the first woman nominee. What was it like?" said Karin Johanson, a veteran Democratic political strategist.

"Some of us would like to buy her book and read it."

On Thursday, Mr. Trump denounced Mr. Sanders's health-care plan on Twitter, calling it "a curse on the U.S. & its people."

Mr. Sanders replied on Twitter: "No Mr. President, providing health care to every man, woman and child as a right is not a curse, it's exactly what we should be doing."

republicans also asked about the article, including committee Chairman Charles Grassley (R., Iowa), who noted Ms. Barrett had been outspoken about her faith and its role in her professional life. She said it was never appropriate for a judge to impose her personal convictions on the law.

Ms. Feinstein pushed the line of questioning furthest, citing the issue of abortion rights and asking whether Ms. Barrett would follow *Roe v. Wade*. The nominee said she would, noting that lower courts are bound by Supreme Court precedent.

Ms. Feinstein signaled she remained uneasy, adding a remark that has since drawn criticism in Catholic and conservative circles. "When you read your speeches, the conclusion one draws is that the dogma lives loudly within you," Ms. Feinstein said. "And that's of concern when you come to big issues that large numbers of people have fought for for years in this country."

In a statement Thursday, Ms. Feinstein said: "I have never and will never apply a religious litmus test to nominees.... I try to scrutinize all nominees' records to understand whether they are committed to being impartial."

The panel didn't vote yet on Ms. Barrett's nomination. It did approve Judge Ralph Erickson for the Eighth U.S. Circuit Court of Appeals; Dan Coggins for the U.S. District Court for South Carolina; Dabney Friedrich for the U.S. District Court for the District of Columbia; and Stephen Schwartz for the Court of Federal Claims.

TRUMP

Continued from Page One
N.Y.) and House Minority Leader Nancy Pelosi (D., Calif.). No GOP lawmakers were invited.

"We're working on a plan, subject to getting massive border controls," the president said Thursday at the White House. "The wall will come later."

Mr. Trump said House Speaker Paul Ryan (R., Wis.) and Senate Majority Leader Mitch McConnell (R., Ky.) were "on board" with his approach. The GOP leaders responded that Congress would craft any legislative package, and said negotiations would take on a broad set of immigration issues, including enforcement measures beyond border security.

"The president wasn't negotiating a deal last night. The president was talking with Democratic leaders to get their perspectives," Mr. Ryan (R., Wis.) told reporters.

Mr. McConnell said the fate of the young immigrants should be part of a larger immigration debate, including interior enforcement.

The leaders weren't specific, but interior enforcement measures favored by conservatives include mandating that businesses use the E-Verify system to check whether applicants can work legally and punishing "sanctuary cities" that don't cooperate with federal immigration enforcement.

In the coming weeks, Mr. Ryan and other GOP leaders will need to decide how large a role

to play in a policy fight that has long divided their party, according to lawmakers and aides.

Mr. Trump's decision to work with Democrats leaves him owning the issue, giving congressional leaders some political breathing room to pass legislation, GOP aides said. But Republican leaders are already under pressure from conservatives to push back against the president and drive a tougher bargain than he did.

Some Republicans fear their own internal divisions and trouble passing health care and other legislation are making Democrats a more appealing negotiating partner for Mr. Trump. Republicans are a group full of "independent-minded folks that have no problem going in a different direction," who still "need to demonstrate that we can govern," said Rep. Bill Huizenga (R., Mich.). "Maybe this is a wake-up call from the White House."

Some Republicans welcomed the rare bipartisanship.

"The word 'agreement' is a good thing around here, and we're not very used to that," said Rep. Jeff Fortenberry (R., Neb.). "The country is exhausted politically and sentiments about possibly getting things done are good."

A hard line on immigration was one of the central components of Mr. Trump's presidential campaign, and his administration has ramped up arrests of suspected undocumented immigrants, sought to restrict travel from several countries and slashed admission of refugees. Last week, he followed

through on a promise to end the Deferred Action for Childhood Arrivals program, which now gives about 690,000 young illegal migrants work authorization and protection from deportation.

At the same time, though, he urged Congress to find a solution for those affected before the protections expire in six months. "Does anybody really want to throw out good, educated and accomplished young people who have jobs, some serving in the military? Really!" Mr. Trump wrote on Twitter Thursday.

That attitude stands in contrast to that of his attorney general, Jeff Sessions, a long-time backer of immigration curbs, who announced the decision to end DACA. He described the program as not just an overreach of executive authority on the part of former President Barack Obama, who created it, but as a wrong-headed move that had encouraged illegal immigration and taken jobs from Americans.

Democrats saw their power on the rise in a Congress in which they control neither chamber, and the party's leaders appeared to be enjoying the moment. Still, some reacted with skepticism. "There's not a deal until we see it in writing and there's a vote on it," said Rep. Filemon Vela (D., Texas).

Even if the parties agree on a framework, many details have yet to be settled. Among them is whether the young people being protected would get the chance for citizenship or a legal status short of that. The details of border security would also need to be settled.

More generally, the deal faces sharp opposition from conservatives who helped power Mr. Trump to office and felt betrayed by the move. The right-wing website Breitbart, run by former Trump adviser Steve Bannon, called the emerging agreement a "full-fledged cave."

"There's only one thing that cracks President Trump's base and that's if he cracks on immigration," said Rep. Steve King (R., Iowa), a leading immigration foe.

—Siobhan Hughes contributed to this article.

Living the Dream

Most immigrants protected by the Deferred Action for Childhood Arrivals program are from Mexico, and many live in California and Texas.

Mexico

58,633

1,240,512

Guatemala

39,258

Honduras

36,788

Peru

19,311

South Korea

17,625

Brazil

14,903

Ecuador

13,733

Colombia

13,691

Philippines

10,099

Top countries of origin of approved DACA applicants

Note: Data as of March 2017. State information was missing on 60,416 approved requests.

SOURCE: DEPARTMENT OF HOMELAND SECURITY

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California

424,995

Texas

234,350

New York

95,663

Illinois

79,415

Florida

74,321

Arizona

51,503

North Carolina

49,712

New Jersey

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WORLD NEWS

Central Banks in Line After U.K. Signal

Bank of England's rate sign echoes European Central Bank and Fed shift from easy money

By JASON DOUGLAS
AND PAUL HANNON

LONDON—Three of the world's major central banks are moving in sync for the first time in years toward ending the postcrisis era of easy money, after the Bank of England on Thursday signaled it is preparing to raise interest rates to restrain accelerating inflation in the U.K.

The U.S. Federal Reserve is poised to start next week the process of shrinking its \$4.2 trillion Treasury and mortgage bonds amid solid if unspectacular economic growth and the biggest monthly jump in inflation since January, and is tentatively planning to raise interest rates this year if inflation keeps rising.

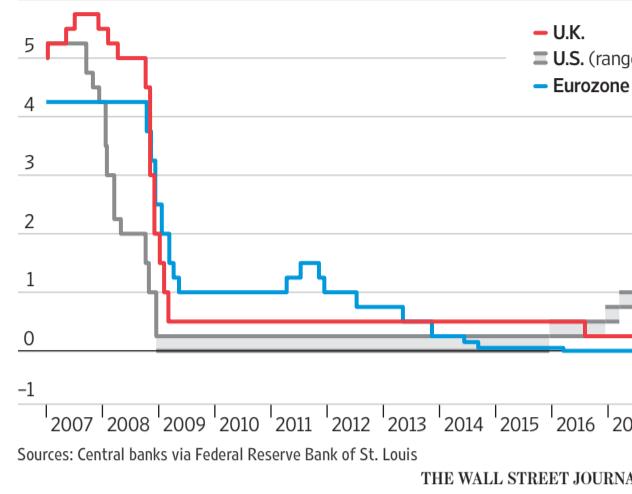
Meanwhile, the European Central Bank is likely to announce plans next month for phasing out its bond-buying program in response to a buoyant eurozone economy.

If all three deliver, it will be the first time that they have moved together to withdraw stimulus since adopting extraordinary measures to revive economies scarred by the financial crises of recent years.

Price Pressure

The Bank of England signaled it's preparing to raise interest rates.

Interest-rate targets



Sources: Central banks via Federal Reserve Bank of St. Louis

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Though the three central banks are moving in a similar direction, their motivations differ slightly. For the Fed and the ECB, improving growth has officials rethinking how much monetary juice their economies need even though inflation has been puzzlingly low.

In the Fed's case, a pickup in U.S. inflation last month delivered the first evidence to support officials' expectation that a slowdown in price pressures last spring would prove transitory. Until August, inflation had been muted for five straight months, prompting growing

doubts over whether the Fed would be able to raise rates one more time this year, as officials had planned after increases in March and June.

On Thursday, the U.S. Labor Department reported its consumer-price index rose 0.4% in August from a month earlier, the biggest jump since January. Excluding food and energy, so-called core prices grew 0.2%, the most since February. Futures markets responded by shifting to see a greater than 50% probability of another Fed rate increase this year.

The BOE faces a different



MARK CARNEY/BLOOMBERG NEWS

Mark Carney, governor of the Bank of England

problem: Britain's decision last year to exit from the European Union is weighing on the economy in complex ways, including fueling an inflationary surge.

The BOE held its benchmark interest rate steady at 0.25% following its September policy meeting but the rate-setting Monetary Policy Committee said a majority of officials on the nine-member panel believe borrowing costs will soon need to rise to bring annual inflation back to its 2% goal. Annual inflation hit 2.9% in August.

An interest-rate increase—the first in the U.K. in almost a

decade—is likely “over the coming months,” the panel said, if the economy performs broadly in line with officials’ expectations.

Fed officials next week are expected to announce the October start of a plan that will allow initially small amounts of Treasury and mortgage bonds to mature without any reinvestment.

Any decision on additional rate increases isn’t expected until December.

In Europe, the 19-nation eurozone economy has grown more strongly than expected

this year, shrugging off the uncertainty created by a series of elections in the Netherlands, France and Germany that threatened but failed to yield gains for anti-euro nationalists. The ECB’s economists now believe the eurozone economy is on course for its best year since 2007, reducing the need for support from policy makers. Much as in the U.S., though, inflation has yet to show signs of a sustained rise toward the central bank’s target, which is just under 2%.

The BOE’s challenge is more acute. Growth in the U.K. has slowed, but inflation is accelerating, twin consequences of voters’ decision last year to leave the EU.

Though it has made gains since the start of the year, the British pound remains down some 13% against the currencies of its main trading partners compared with where it was before the Brexit referendum. Sterling’s slide has fueled a surge in consumer prices in Britain’s import-dependent economy.

Officials had believed the inflation gains would soon fade. But in recent months, they have become increasingly concerned that subdued investment and feeble productivity growth are hurting the economy’s capacity to produce goods and services without causing inflation.

—Nick Timiraos
contributed to this article.

European Union Revs Up Push for Free-Trade Deals

BY EMRE PEKER
AND VALENTINA POP

BRUSSELS—The European Union is defying protectionist trends and pursuing its most ambitious agenda of free-trade agreements in years.

Senior EU officials on Thursday outlined free-trade agreements they seek to negotiate with Australia and New Zealand, sidestepping the thorny issue of investment protections to fast-track talks.

“The world needs leaders in trade,” European Trade Commissioner Cecilia Malmström said. “The EU is at the forefront.”

The subtle yet significant shift to the EU’s approach also includes proposals to replace controversial tribunals for settling cross-border investment disputes with an international court and screening foreign investments in Europe.

Brussels’s trade offensive—a gambit to reassert Europe’s global economic prominence

that faces internal and external challenges—marks a turnaround. Just last year, the bloc faced profound threats: Britain’s decision to exit from the EU, President Donald Trump’s election on a protectionist economic platform, and growing support within Europe for nationalist political parties.

Today, the U.S. retrenchment on free trade is aiding EU trade efforts. Mr. Trump abandoned the 12-country Trans-Pacific Partnership trade deal on his first day in office and threatened to pull the U.S. out of the North American Free Trade Agreement with Canada and Mexico, ultimately deciding to renegotiate the pact.

“We thought we’d do nothing” on trade agreements at the start of European Commission President Jean-Claude Juncker’s five-year term in 2014, said his chief of staff, Martin Selmayr. “All this has changed, because of Trump, because of Brexit.”

Longstanding U.S. allies from



German Chancellor Angela Merkel with Opel CEO Michael Lohscheller

Mexico to Japan scrambled for stronger economic links with the EU to offset Mr. Trump’s “America First” policies.

In February, Mexico and the EU agreed to accelerate talks to expand an existing trade accord. They cited the “worrying rise of protectionism.” Tokyo and Brussels reached a political agreement in July to slash almost all bilateral tariffs.

Australia and New Zealand, stung by the trans-Pacific trade deal’s collapse, asked Brussels for trade deals before the U.K. leaves the EU in 2019. Brussels is now close to implementing tariff-free trade with Singapore and Vietnam, and the EU is trying to clinch an agreement with South America’s largest trading bloc, Mercosur.

“Australia shares the EU’s

Greens and Industry Raise Red Flags

Resistance in some quarters to the European Union free-trade agenda remains strong.

Green Party members of the European Parliament have opposed a potential EU-Japan trade deal over fear that food contaminated by the Fukushima nuclear disaster could enter Europe. EU countries including Belgium and Poland have chal-

lenged elements of an EU-Canada trade deal known as CETA. Competing interests within industry are another obstacle. The EU has tried for almost 20 years to strike a trade deal with Mercosur, which includes Argentina, Brazil, Paraguay and Uruguay. Last year, the EU bowed to heavy internal lobbying against opening European markets to more Latin American beef and ethanol imports.

Negotiations resumed this year with Mercosur and will continue in October. —Emre Peker

The EU’s free-trade ambitions got a boost from a ruling in May from the bloc’s top court. The judges said that the EU can enact trade deals on its own, without approval from the bloc’s thicket of almost 40 national and regional parliaments, if the agreements don’t include clauses on portfolio investments and investment-protection mechanisms.

Russia Begins War Games as the West Observes

BY JULIAN E. BARNES
AND THOMAS GROVE

Russia kicked off one of its largest military exercises since the Cold War on Thursday, moving tanks to its border with Belarus and landing hundreds of paratroopers under the watch of a NATO surveillance plane.

The exercise, set to last until Sept. 20, has boosted tensions between Russia and the West, which is increasingly mindful of Moscow’s growing military power. Russia’s multi-billion-dollar modernization of its armed forces has been increasingly evident in Syria and Ukraine.

Maneuvers from the training exercise, known as Zapad, or West, were shown on state television in Russia, where President Vladimir Putin has staked his high popularity on boosting Russia’s stature against the West.

Russia says the exercise is meant to prepare armed forces in its western military district to deal with terrorist threats. Western military analysts say the operation is really focused on how Russia can respond to the North Atlantic Treaty Organization in case of a conflict.

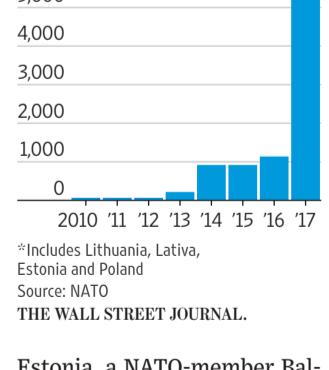
The alliance and U.S. officials have warned of the possibility of an accident or miscalculation by Russian forces.

“They say they are training against terrorist formations, but it’s clear it’s an exercise defined with NATO in mind,” said Sven Sakkov, director of the International Centre for Defence and Security, based in

Force Posture

NATO has been ramping up its presence to deter potential Russian aggression in the wake of Moscow’s annexation of Crimea.

NATO troops deployed in the Baltic region*



*Includes Lithuania, Latvia, Estonia and Poland

Source: NATO

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high-profile display meant to reassure NATO states in the region.

The alliance’s Airborne Warning and Control System, or Awacs, planes, commercial jetliners modified with a powerful radar, can detect planes flying up to 250 miles away, which means they can see Russian aircraft operating in Russian territory or approaching the borders of Lithuania, Latvia or Estonia.

The Awacs plane monitored one plane identified as a Russian surveillance craft in the air during the exercises.

NATO said on Thursday its Baltic Air Policing Mission scrambled twice, out of Lithuania

and Estonia, to identify more than 10 Russian aircraft, fighter jets and bombers. The planes were flying in international airspace over the Baltic Sea from the Russian mainland to Kaliningrad, NATO said.

Because the Russian aircraft hadn’t filed a flight plan and were flying without using transponders, the NATO planes flew to identify them. Russia says the drills, which will take place in western Russia and Belarus, will involve 12,700 troops. Western diplomats, however, say that Moscow is under-reporting the figure and that the true number of forces involved will be between 70,000 and 100,000, due to a number

of other simultaneous, interconnected drills.

General Sir James Everard, NATO’s deputy Supreme Allied Commander, said Russia is obscuring how many troops and what kind of military equipment will be participating in the exercise. NATO has said Russia isn’t allowing adequate access to the exercise for Western observers.

In exercises Thursday, as many as 500 paratroopers were deployed to fight against the war games’ enemy forces, Russia’s Interfax news agency reported. Russia’s air force carried out more than 20 flights to test antiaircraft tracking systems, the military said in a statement.

KOREA

Continued from Page One missiles this year. The country frequently threatens U.S. bases in the Asia-Pacific region, including a specific threat to Guam last month. Guam is about 2,100 miles south-southeast of Pyongyang.

“They are working towards demonstrating they can hit Guam,” said Melissa Hanham, a senior research associate at the James Martin Center for Nonproliferation Studies in California.

The U.S. Pacific Command confirmed the latest launch was of an intermediate-range ballistic missile that it said posed no threat to the U.S. mainland or Guam.

On Thursday, U.S. Secretary of State Rex Tillerson and U.K. Foreign Secretary Boris Johnson said they hoped that China would eventually back an oil embargo to get North Korea to come to the negotiating table.

The North Korean missile was the sixth to pass over Japanese territory since 1998. Japan’s Defense Ministry recently requested around \$1.6 billion for new missile-defense technology.

South Korea has been bolstering its own defense capabilities. Seoul earlier this week held its first live-fire test of cruise missiles designed to destroy the North Korean leadership’s underground bunkers. South Korean President Moon Jae-in presided over a National Security Council meeting Friday to discuss North Korea’s continued provocations, according to the presidential office in Seoul.



Belarusian army vehicles on Monday prepared for war games at an undisclosed location in Belarus.

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WORLD NEWS

ISIS Convoy Reaches Militant-Held Syria

The U.S.-led coalition had ceased airstrikes on the jihadists at Russia's request

BY RAJA ABDULRAHIM
AND BEN KESLING

BEIRUT—Islamic State militants stranded in the Syrian desert for two weeks have reached their destination in eastern Syria, opposition activists said, after the U.S.-led coalition heeded Russia's request to cease airstrikes on the convoy's route.

The convoy of buses traveled across Syria as part of a controversial deal brokered in August by the Lebanese militia group Hezbollah that allowed 600 people—Islamic State fighters and their families—to withdraw from the Lebanese border in southwestern Syria and head toward its border with Iraq.

The convoy was able to reach Deir Ezzour province, an Islamic State-held area in eastern Syria, after the coalition ended its aerial surveillance and airstrikes on the group, according to the U.K.-based Syrian Observatory for Human Rights, which has a network of activists across the country.

Col. Ryan Dillon, spokesman for the U.S.-led coalition in Iraq and Syria, said Thursday morning he couldn't confirm that the buses reached their final destination and said that the coalition hadn't had persistent surveillance of them for days.

The U.S. had been preventing the Islamic State convoy from moving toward the Iraqi border by bombing roadways and using aircraft to attack fighters who attempted to move forward. But it set aside those efforts and withdrew U.S. aircraft from the area last week at the request of Russian officials who cited a "deconfliction" agreement between



Syrian pro-government forces advanced on the northern outskirts of Deir Ezzour, Syria, Thursday in their offensive against Islamic State.

Moscow and Washington, Pentagon officials said in a statement at the time.

The Russian officials said their planes were involved in operations against Islamic State in Deir Ezzour, Pentagon officials said in a statement. At the same time, fighters described as pro-Syrian regime forces advanced past the Islamic State convoy. Pentagon officials said they would continue to take steps to prevent Islamic State fighters from moving toward Iraq, but haven't specified how they intend to stop them.

"From the start of this situation on Aug. 29, we have placed responsibility for the buses and passengers on the Syrian regime, who in conjunction with Lebanese Hez-



bollah, brokered a deal with ISIS to move its terrorists into Iraq," Brig. Gen. Jon Braga, director of operations for the U.S. coalition, said in a statement.

Previously, the coalition had criticized the deal, launching

airstrikes that cratered a road and destroyed a bridge, preventing the convoy from continuing its journey.

The coalition then targeted Islamic State fighters trying to reach the convoy to assist it, striking 85 militants and more than 40 vehicles—describing it as an unexpected boon in the fight against the group.

"It presented an opportunity for the coalition to strike and remove several ISIS fighters and resources from the battlefield," said coalition spokesman Col. Dillon.

Deir Ezzour is one of Islamic State's last strongholds, but faces separate offensives by Syrian regime forces and the U.S.-backed Syrian Democratic Forces.

The deal to allow the convoy safe passage was reached after the Lebanese army and Syrian regime forces backed by Hezbollah launched simultaneous offensives to clear Islamic State from a mountainous Lebanese area bordering Syria.

Islamic State Raid In Southern Iraq Kills More Than 50

BAGHDAD—Islamic State gunmen stormed a restaurant in southern Iraq after detonating a car bomb outside, killing more than 50 people, Iraqi officials said, including Iranian pilgrims.

The Sunni Muslim extremist group claimed responsibility for the attack, near the southern city of Nassiriya, via its official Amaq news agency, saying it had killed dozens of Shiite Muslims, whom it brands as apostates.

A bomb exploded in the restaurant parking area, an interior ministry official said. Gunmen disguised as members of Iraq's mainly Shiite Muslim paramilitary forces then got out of a second vehicle and entered the building, opening fire on diners, the official said. A second vehicle then blew up.

—Ghassan Adnan

In return, Islamic State provided information on the remains of eight Lebanese soldiers who had been kidnapped in 2014 and handed over the bodies of two Hezbollah fighters and an Iranian military adviser.

One Hezbollah prisoner who remained with the convoy as insurance for its safe passage was released once it reached Islamic State-controlled territory, according to the Observatory.

The deal was criticized by both the U.S.-led coalition and Iraqi Prime Minister Haider al-Abadi, who called it "an insult to the Iraqi people."

"We are fighting terrorism in Iraq and we are killing them in Iraq. We don't send them to Syria," he said.

U.S. Renews Iran Sanctions Waiver, but Adds Others

The Trump administration extended U.S. sanctions relief to Iran as part of its 2015 nuclear agreement, senior U.S. officials said Thursday, but lev-

By Felicia Schwartz in London, Laurence Norman in Brussels and Ian Talley in Washington

ied new punitive measures over Tehran's ballistic-missile program, cyberattacks and terrorism support.

Administration officials announced the decisions simultaneously, moving to keep a modicum of economic pressure on Iran despite reluctantly pre-

serving the nuclear deal, in keeping with the strong preference of European allies.

As part of the nuclear deal, the U.S. agreed to waive a wide range of sanctions, renewing the waiver every 120 days to ensure Iran abides by its commitments. Those sanctions, along with a plunge in oil prices, had originally pressured Tehran to the negotiating table.

The nuclear deal's fate remains uncertain, however, as the Trump administration continues a review of its Iran policy. Senior administration officials said the waiver is an interim decision, pending final policy determinations.

State Department and Treas-

ury officials have been shuttling to Europe as the administration weighs its position on the nuclear deal, seeking support for tightening the agreement as well as for action on what Washington sees as other Iranian provocations in the region, outside the scope of the nuclear agreement.

"We must take into account the totality of Iranian threats, not just Iran's nuclear capabilities," said Secretary of State Rex Tillerson, speaking in London Thursday alongside his U.K. counterpart, Boris Johnson.

The new U.S. Treasury sanctions targeted 11 firms and individuals, including an Iranian engineering company working

'We must take into account the totality of Iranian threats.'

Secretary of State Rex Tillerson

when he must decide whether to certify to Congress that Iran is in compliance with the terms of the nuclear deal. He has twice informed Congress that Iran is meeting its obligations, but told The Wall Street Journal in July he doesn't expect to do so again.

U.S. officials said a final decision on the certification due in October hasn't been made and that it is unclear what the president will do.

The United Nations nuclear watchdog, which is in charge of inspecting Iranian activities, said again Monday that Iran is abiding by the agreement.

As it weighs its options in Washington, the Trump admin-

istration also is exploring ways to address its Iran concerns with European allies. Washington wants tougher inspections of Iranian sites, and has problems with Iran's continued missile tests and the expiration over the next decade of limits on Iran's nuclear activities.

Iranian officials, meanwhile, have denounced proposals for inspections at military sites and have ruled out a renegotiation of the nuclear deal, known as the Joint Comprehensive Plan of Action. Iran Foreign Minister Javad Zarif tweeted: "The #JCPOA is not (re)negotiable. A 'better' deal is pure fantasy."

—Jenny Gross in London contributed to this article.

In Uzbekistan, Signs of a Thaw After Decades of Repression

The new government in recent months freed several high-profile political prisoners, and removed some 16,000 other Uzbeks from a "black list" of people barred from jobs or travel. The once-soporific Uzbek media was allowed to explore some topics previously considered taboo.

On the economic front, Uzbekistan this month floated its currency, among other changes. In foreign policy, too, Uzbekistan has moved to repair hostile relations with its Central Asian neighbors, opening borders that had been closed for more than a decade and urging closer regional cooperation and trade.

"After the first year of the new presidency, you are visiting what is to some degree a different country. Uzbekistan has a new face," Foreign Minister Abdulaziz Kamilov said. "We are discussing our problems today, and that makes us stronger."

To be sure, Uzbekistan is still far from being a democracy, and the overhauls so far are neither systemic nor irreversible. Still, the mood has shifted perceptibly in the capital, Tashkent. "This is a real moment of hope for the human rights of the Uzbek people," said Steve Swerdlow, Central Asia researcher for Human Rights Watch, which was allowed to visit Uzbekistan this

month for the first time since being expelled in 2010. "The key is for the Uzbek government to transform the modest steps it has taken thus far into institutional change and sustainable improvements."

So far, Uzbekistan is managing to reverse parts of Mr. Karimov's legacy while erecting opulent monuments to the late president. Mr. Kamilov, the foreign minister, said the issue of respect for Mr. Karimov is kept separate from current state policies.

"It can't be the case that when a leader is in power, everyone is worshiping him and after that they want to disparage him, as if we hadn't been next to him in the past and hadn't participated in those failed reforms," Mr. Kamilov said.

One of the hallmarks of Mr. Karimov's Uzbekistan was harsh control over religious expression. The Muslim nation of about 30 million people faced a strong Isla-

mist movement as the Soviet Union collapsed, and the bloody quelling of Islamist protests in 2005 led to a breakdown in ties with the West.

Over the past year, however, religious freedom has greatly expanded, said Usmonkhon Alimov, the mufti, or supreme Islamic religious authority, of Uzbekistan. The winnowing of the "black list," from 17,582 to 1,352 people, was by far the new government's most important achievement, he added.

Hamza Jumayev, a 37-

year-old TV journalist, says he was taken off the list in July. He was arrested in 2009 for alleged membership in an Islamist group.

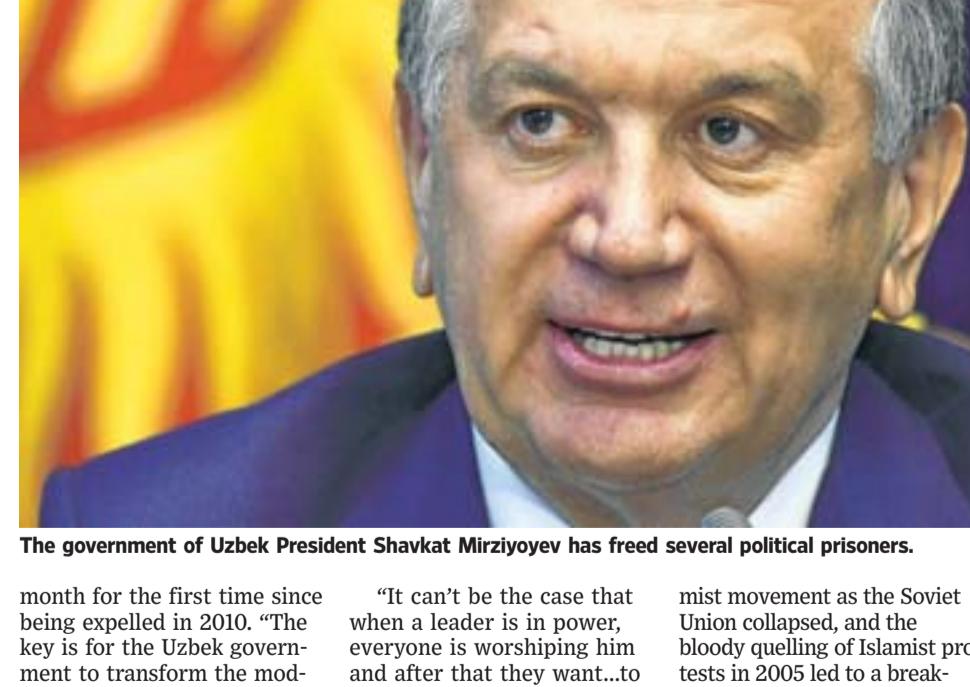
Even after he was freed in 2012, Mr. Jumayev was barred from steady jobs, and had to attend monthly interrogation sessions with local security authorities.

"My neighbors, even my relatives, would avoid me. I understand them: religious crime is a very grave offense, and if you got in touch with someone like me, police would become interested in why," Mr. Jumayev said.

In July, after his application for rehabilitation was fast-tracked, Mr. Jumayev wrote Mr. Mirziyoyev through the so-called "virtual reception room" that has already processed about a million citizen complaints submitted online over the past year. Two weeks later, Mr. Jumayev says, he got a phone call from the state TV company where he worked before 2009, offering him his old job back.

The new government—aware of the uprisings around the Arab world in 2011—understands the risks of perpetuating stagnation, said Sodiq Safoev, deputy head of the Uzbek Senate.

"There will be ups and downs, but you have to look at the trend," he said. "The reforms have a cost, but delaying the reforms would be costlier."



The government of Uzbek President Shavkat Mirziyoyev has freed several political prisoners.

Freedom House, which ranks countries by political rights and civil liberties, has consistently put Uzbekistan among the planet's five worst offenders, alongside North Korea.

Yet, in the year since the country's new president, Shavkat Mirziyoyev, took office, a thaw of sorts has begun in Uzbekistan, a regional heavyweight that now says it seeks to improve ties with the U.S. and help Washington in neighboring Afghanistan.

WORLD NEWS

WORLD WATCH

MYANMAR

Tillerson Condemns Attacks on Rohingya

U.S. Secretary of State Rex Tillerson condemned a push by Myanmar's military to drive hundreds of thousands of members of the Rohingya ethnic group into Bangladesh. He urged the country's civilian leader, Aung San Suu Kyi, to take steps to end the violence. —*Felicia Schwartz*

UNITED KINGDOM

Officials Open Inquiry On London Fire

The U.K. opened an inquiry into the deadly Grenfell Tower fire, with its chairman, retired judge Martin Moore-Bick, pledging to provide answers to how a tragedy of its scale could happen. The scale of the inquiry highlights the difficulties for the government in deciding how and whether to hold people and corporations to account. —*Jenny Gross*

Brazil's Temer Faces New Charges

BY PAULO TREVISANI
AND PAUL KIERNAN

BRASÍLIA—Brazil's top prosecutor hit President Michel Temer with criminal charges for the second time in less than three months, the latest in a barrage of indictments that could extend political uncertainty for months to come.

Attorney General Rodrigo Janot charged Mr. Temer on Thursday with criminal conspiracy and obstruction of justice, saying he led an alleged scheme that embezzled at least 587 million Brazilian reais (\$188 million).

Also indicted were top presidential aides Eliseu Padilha and Moreira Franco, among other leading figures in Mr. Temer's Brazilian Democratic Movement Party, or PMDB.

"In a stable, professional and

premeditated way, with a clear structure and a division of tasks, they joined the political nucleus of a criminal organization to commit myriad wrongdoings," Mr. Janot said of the accused.

The charges followed a failed bid by Mr. Janot in June to put Mr. Temer on trial for corruption after the president allegedly arranged to receive a bribe from the former chairman of JBS SA, the world's largest meatpacker.

Brazil's Congress, which must approve any criminal case against a sitting president with a two-thirds majority, voted down that indictment.

Mr. Temer said the charges are "filled with absurdities." He had denied wrongdoing in the previous case. Mr. Padilha didn't immediately respond to a request for comment. Mr. Franco denied wrongdoing.

The PMDB said it "laments

one more irresponsible act" by Mr. Janot and accused him of ulterior motives.

Filed just three days before Mr. Janot's term ends, Thursday's indictment had been widely expected as one of the attorney general's final blows to a political establishment that has been under siege for three years in the corruption purge known as Car Wash.

"I did my best for the process of civilizing Brazil, and I hope that the progress we have made in combating this endemic corruption may continue," Mr. Janot said on Thursday.

With less than 16 months left in Mr. Temer's term, few, if any, analysts expect Congress to muster the majority it would need to send the case to Brazil's Supreme Court, which has sole authority to try sitting presidents.



ADRIANO MACHADO/REUTERS

Brazil's top prosecutor on Thursday alleged President Michel Temer led a scheme that embezzled at least \$188 million.

UBER

Continued from Page One

that holds stakes in Uber's biggest rivals in Asia—underscores the pressure faced by the San Francisco ride-hailing firm's board to appease a restless group of shareholders who want to unload stock after a trying year of scandals. Some directors view the funding as crucial to ensuring SoftBank won't weaken Uber by boosting competitors' war chests.

Even though an Uber investment would mean SoftBank is plowing money into rival firms in many markets, that is ultimately good for SoftBank if its investments are in a thriving market where more customers turn to ride-hailing firms, said Rushabh Doshi, an analyst for market tracker Canalsys in Singapore. "It is better for SoftBank if there's healthy competition in the ride-hailing market," he said.

But the offer faces hurdles.

SoftBank's hope of securing a sizable stake is dependent on investors agreeing to sell enough of their shares at a discount from Uber's last valuation through an auction process open to most shareholders, people familiar with the talks said.

That would value Uber at around \$50 billion, though the price could change based on how many shares investors indicate they are willing to sell, these people said.

Some investors privately say they don't plan to sell any shares at the lower valuation, which could imperil the process. A few investors pointed to an August tweet from investor and venture-capital firm Benchmark, which also holds a board seat and a 13% stake valued at roughly \$8.4 billion, as a reason to hold out for a higher valuation. Benchmark said Uber in two years "could comfortably be worth over" \$100 billion. Benchmark's partners met with Mr. Son in a meeting in July, but the two sides were unable to

reach an agreement on Uber's valuation, a person familiar with the matter said. Benchmark couldn't be reached for comment.

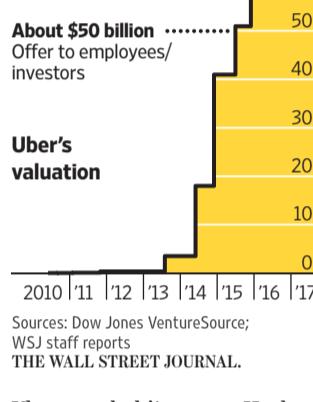
Other investors joining SoftBank include San Francisco investment firm Dragoneer Investment Group and New York private-equity firm General Atlantic, according to people familiar with the matter. Dragoneer and General Atlantic declined to comment. The exact terms of the investing coalition couldn't be learned.

Uber's board several weeks ago approved an exclusive negotiating period with SoftBank, granting the investor access to financial data about Uber, the people said. The potential investment has been a singular focus for Uber directors in recent days after successfully bringing in new Chief Executive Dara Khosrowshahi from Expedia Inc. last week, following the June ouster of Travis Kalanick.

The broad terms of the deal were reached prior to Mr.

Moving Target

A proposed SoftBank offer hinges on investors selling their shares at a discount from Uber's last valuation.



Sources: Dow Jones VentureSource; WSJ staff reports

THE WALL STREET JOURNAL.

investor would further muddy an already confusing mix of alliances and competitors in the global ride-hailing business.

SoftBank has sizable stakes in four global ride-hailing outfits: China's Didi Chuxing Technology Co., India's ANI Technologies Pvt.'s Ola, Singapore's GrabTaxi Holdings Pte., and Brazil's 99. It has directors on the boards of Ola and Grab, and made one of its top investment executives Grab's president. Those two, along with Didi, are fierce competitors in their respective markets in India, Southeast Asia and China. Uber also holds a major stake in Didi.

Adding to the complexity is Saudi Arabia's Public Investment Fund, a sovereign-wealth fund that is a big investor in both Uber—it infused \$3.5 billion in the company last year—and SoftBank's Vision Fund. The Saudi fund's managing director Yasir Al Rumayyan is on the board of both Uber and SoftBank, and on the investment committee for the Vision Fund. It is not clear what role

he has had in the talks between the two firms. Representatives of the Saudi fund couldn't be reached for comment.

A big SoftBank stake wouldn't automatically lead to a push for control by the Japanese firm. Mr. Son sits on the board of Chinese e-commerce giant Alibaba Group Holding Ltd.—in which SoftBank had a 30% stake as of March—yet the company has agreed to vote with Alibaba management on appointment of other directors.

SoftBank bought chip-designer ARM Holdings for \$32 billion last year, promising to respect the U.K. company's relationships with existing customers, some of whom are rivals to SoftBank's mainstay telecom operations.

But Mr. Son has also taken a very hands-on approach to management of other acquisitions, such as U.S. mobile carrier Sprint Corp., which he feels are struggling.

—*Mayumi Negishi*

contributed to this article.

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Photo By: Peggy Sirota

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IN DEPTH

The Flip Side of the New U.S. Economy

Millions of contractors struggle for career advancement, stability and respect at work

BY LAUREN WEBER

Michael Preiss was happy to escape the corporate grind after being laid off by International Business Machines Corp. in 2001. He became a contractor, earning more than \$100,000 a year from steady assignments helping companies figure out how to do things faster and cheaper.

That work eventually dried up. The past decade has been a revolving door of outsourced jobs for shrinking pay, fear that any day at a company could be his last, and reminders that full-time employees live in a different world, even though they often sit at the next desk. Mr. Preiss says a manager reprimanded him because co-workers complained that he laughed too loudly.

"My career is shot," says Mr. Preiss, 59 years old, who lives in Atlanta. "There just is no career anymore."

Millions of contractors now do heavy lifting, paper pushing and other jobs for American companies that have replaced employees with outside workers. Within the next four years, nearly half of the private-sector workforce in the U.S. will have spent at least some time as a contractor, temporary employee or other type of outside job, estimates MBO Partners, a provider of support services to self-employed professionals.

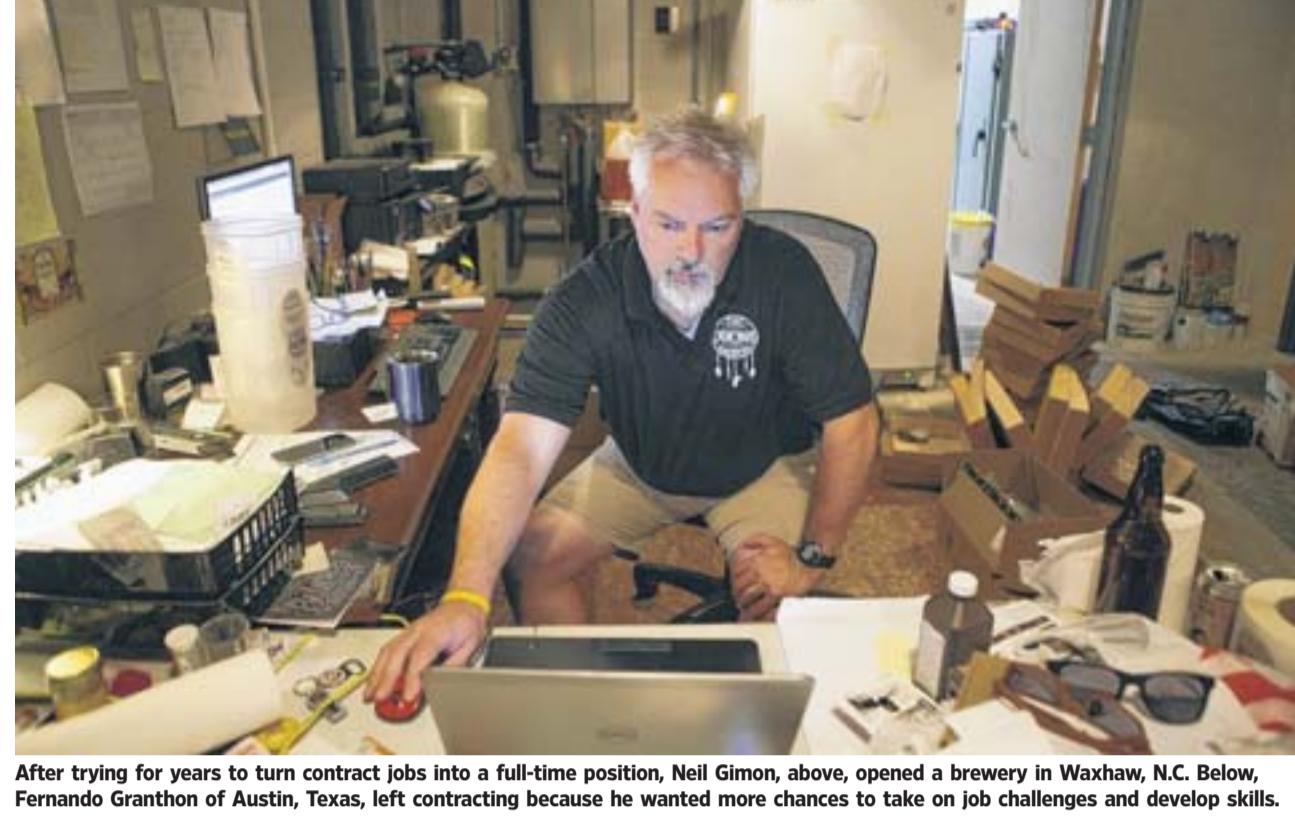
The contractor model offers companies lower costs, more flexibility and fewer management headaches. Workers get far less from the arrangement. The costs hit home in every paycheck and every day on the job, according to interviews with dozens of current and former contractors, as well as many of the more than 150 responses to a survey by The Wall Street Journal. The survey asks readers to describe their experiences as a contractor.

Outside workers usually aren't surprised when they get no paid holidays, sick days, employee-sponsored health insurance, 401(k) plan or other perks offered to traditional employees at the same companies.

What wounds more deeply are things taken for granted or barely considered at all by regular employees, outside workers often say. The work lives of contractors frequently feel like tiny slights that reinforce their second-class status and bruise their self-worth. Even when contracting jobs are easy to get, they can vanish instantly, and turning contract assignments into a real career remains out of reach.

At many companies, contractors aren't allowed to attend important meetings, go to the company gym or bring their kids to Take Your Child to Work Day. They keep quiet because only full-time employees are expected to speak up. Working harder, smarter or longer offers little advantage when applying for a job directly with the company.

Nothing is loathed more than the nametags or identification badges that advertise



After trying for years to turn contract jobs into a full-time position, Neil Gimon, above, opened a brewery in Waxhaw, N.C. Below, Fernando Grantham of Austin, Texas, left contracting because he wanted more chances to take on job challenges and develop skills.

called a consultant and is on the payroll of a different firm. Bank of America and Kaiser declined to comment.

Outside workers say they are leery of doing anything that might backfire into them losing their contract assignment or hurt their chances at landing a full-time employee job.

Veronica Peinado, a project manager in Raleigh, N.C., says a manager recently asked her to conduct a product analysis, which wasn't part of her contract assignment. She put about 60 hours of her own time into the project. Ms. Peinado, 59, says the manager didn't thank her when she turned in the project. A few months later, her contract ended with less than two weeks notice.

She also was forbidden to ask the company about her compensation or schedule. To take a day off, she was supposed to inform a staffing-agency representative, who told another outside firm, which sought approval from the company, even though she spoke every day to the manager who said yes or no.

At the logistics firm where Mr. Preiss was reprimanded for laughing too loudly, contractors were denied access to company email and calendars, making it hard to schedule meetings. The contractors had to use a separate email system, but employees often didn't respond.

Mr. Preiss recalls spending three weeks trying to set up an important meeting with a company executive who worked in a different building. He finally asked the project's leader to schedule the meeting. The person did but forgot to invite Mr. Preiss or mention the meeting until everyone else was in a conference room, he says.

On some Wednesday nights, he gathered with friends for trivia night at an Irish pub in Roswell, Ga. They called their trivia team Outsourced. Between questions, Mr. Preiss and teammate Rob Jones often swapped stories about work.

Among their frustrations: Employers want to essentially rent employees but then wonder why workers hop from company to company.

Mr. Jones, 59, has held more than a dozen jobs in nearly two decades of project-management



ANDY MCMLAIN FOR THE WALL STREET JOURNAL

Not Employees

Estimated percentage of the U.S. workforce that are contract-firm workers, temporary help agency workers or independent contractors



Source: Lawrence Katz (Harvard University) and Alan Krueger (Princeton University)
THE WALL STREET JOURNAL

says a recruiter at Manpower-Group Inc. told him contractors had a strong chance to get hired as Cisco employees.

At Cisco, Mr. Grantham worked on a team of employees and contractors who answered HR queries. He says he felt valued and trusted.

In 2014, the company split up the team. Outside workers including Mr. Grantham got simpler job duties than employees, he says. Worried that his career was stalling, he asked a Manpower representative about training opportunities and was told nothing was available. The same answer came when he pressed about

getting a full-time job.

He left Cisco in 2015. Mr. Grantham didn't receive a pay increase while working there. He is now pursuing an M.B.A. at St. Edward's University in Austin, Texas.

"I realized there was no mobility," he says. While he is grateful for the experience, Mr. Grantham says he wishes bosses had realized that "contractors, like any other employees, want greater experiences, want to learn, and to move on."

Manpower declined to comment on individual employees but says it offers workers free online training programs. Cisco declined to comment.

Just asking about job openings can be risky, says information-technology project manager Neil Gimon, who for years has taken contract jobs that he hopes will turn into a full-time position. "The manager says: 'You're unhappy with this position?'" says Mr. Gimon, 53.

When the manager at a recent assignment with Wells Fargo & Co. sent around job openings, contractors were steered to a general website, while bank employees got to apply through an internal system that reveals details about the hiring manager and human-resources contacts.

The bank says nonemployees "are subject to Wells Fargo recruiting requirements in the same manner as any other external job seeker."

Last year, Mr. Gimon and his wife opened the Dreamchaser's Brewery in an old firehouse in Waxhaw, N.C. If all goes well, he will stop doing contract work. "I'm tired of being laid off," he says.

While job security has ebbed in all walks of corporate life, many employees get a relatively stable paycheck, benefits and often some help to find a new job if they lose the one they had. Contract workers are on their own.

In June, Dan Fischer, 61, finished a two-year assignment at Bank of America Corp. in Charlotte, N.C., where he worked in a cubicle alongside other outside workers in an area they jokingly called Contractor Row. Most of the hand-me-down swivel chairs at their desks were broken, he says.

After working from his home in Colorado for a few weeks, he discovered upon returning to Charlotte that his ID badge no longer unlocked the doors.

Since there was no manager to agitate on his behalf, he had to work from his apartment until the ID was reactivated a week later. Mr. Fischer saw his wife every eight weeks or so when he flew back to Colorado.

Mr. Fischer hit the bank's time limit for contractors, which meant he had to stop working there for at least 90 days. After that, he went back to Bank of America doing the same job as before, except he is

contract work. He calls himself "one of those 'forgotten men' you hear about that has not had a raise in 18 years."

In the late 1990s, Mr. Jones bargained directly with clients and commanded \$65 an hour. He now gets take-it-or-leave-it offers, and the rate is usually about \$45 an hour, or about \$30 in 1999 terms.

"What am I doing wrong?" Mr. Jones asked a former boss, who took him out for a beer but offered no helpful advice.

Mr. Jones says he is now looking for any kind of work he can get, such as a government job, something "with a little bit of a pension to it."

TRACK

Continued from Page One monitoring tools on their phones to track them.

But Mom and Dad can find themselves outfoxed. Ms. Spitzer and others use programs such as Find My Friends, an Apple Inc. app that lets owners of iPhones, iPads and some other devices share their locations with specified contacts. Get your parents to sign on and you can monitor their movements and shenanigans.

Alexa McDonald of Columbus, Ohio, discovered that her parents fib a bit. The 24-year-old call-center dispatcher's app revealed that, while claiming to be stuck in traffic, they were sometimes at a restaurant. "I never called them out on it, but inside in my head I was like, 'I'm hungry, I would have loved to have been included in that.'

"I guess we've done that," says her mother, Claudia McDonald of Mount Vernon, Ohio. One reason: "Whatever the dish is, she always wants shrimp on it," she says. "It's one

of the more expensive things on the menu."

Apple declined to comment on children who monitor parents, other than to say Find My Friends lets users control what data is shared. Apple in promotional material says it might be used to "notify you automatically when a friend arrives at the airport, a child leaves school, or a family member arrives home safely."

An app similar to Apple's, Life360, lets people agree to track each other on Android devices and iPhones. Children using it often set a 10-minute radius around their houses to get an alert when a parent is nearby, says Life360 Chief Executive Chris Hulls.

Between parents and children, he says, "I would actually say it's almost equal in our situation about who is quote-unquote tracking who."

Jamie Barnhill, a senior at University of California, Davis, keeps an eye on her parents with Life360. One night at school, she saw they were just arriving home in Bakersfield, Calif. "I'm at home studying, being a good little college student," says Ms. Barnhill, 21,

"and I was seeing the notification on my phone, like 'Dad arrived at home, Mom arrived at home,' and I was like, 'what time is it?'

It was 1 a.m. "I just remember seeing it and thinking, 'Wow, this is so sad. My parents were out later than I was.'

ton found. Mr. Morton, 22, a recent University of North Carolina graduate living at home near Charlotte, N.C., says when he helped his parents set up their iPhones about five years ago, he downloaded Find My iPhone, an app now included in Apple's operating system that helps an owner locate a misplaced phone.

Because he knew the passwords to find his parents' phones, it dawned on him that "I could use this whenever I need it." When his parents left town once this year, he hosted friends overnight, setting an alarm for 8 a.m. to check their location. He saw they hadn't left the inn and went back to bed.

Later, when he suddenly saw them on the move, "I just frantically ran around trying to clean everything up, making sure everyone had left the house," he says. His parents weren't aware of his app-based monitoring until he told them this week.

Mary Morgan Grantham, 19, was about to drop by her parents' Oxford, Miss., home, and checked Find My Friends first.

The app showed what she had forgotten: They were in the

checks find my friends to see if my parents are home

nah they're in the virgin islands NBD



A tweet posted by Mary Morgan Grantham, a University of Mississippi sophomore who tracked her parents to the Virgin Islands.

Virgin Islands, says the University of Mississippi sophomore. "They were like 2,000 miles away and I was like, 'What the heck?'" She tracks them about four times a week. "If I get on there and see that my mom is at Wal-Mart shopping, I can say, 'I see you're at Wal-Mart. Can you grab me something?'"

Her mother, Roane Grantham, says she and her children are open about tracking one another but "I don't think I'm that interesting to track."

For Ms. Spitzer, the University of Alabama senior, tracking her parents not only helps her procrastinate on chores, it also eases her worries when they don't answer calls and texts.

"Sometimes I get a little creative with my imagination and I'm like, 'Oh my gosh, they've been abducted.'"

Her mother, Cynthia Spitzer, says she knew her daughter monitored her. "It really just kind of makes me laugh," the elder Ms. Spitzer says. "If they're mature enough to figure out these devious ways to get around what they're supposed to be doing, they're mature enough to step up and do what they're supposed to be doing."

GREATER NEW YORK

Fare Evaders Largely Avoid Prosecution

Turnstile jumpers in Manhattan now get summons, counseling as DA takes new tack

BY ZOLAN KANNO-YOUNGS
AND CORINNE RAMEY

The Manhattan district attorney's office says it has largely stopped prosecuting subway-fare evaders, offering many offenders alternatives such as counseling and community service—a move being watched closely by other boroughs.

The move, announced this summer, has ignited a citywide debate about how to handle a minor crime once central to New York City policing.

While Manhattan District Attorney Cyrus Vance Jr.'s office said it started implementing the policy this month, the New York Police Department and other city prosecutors are still deliberating when to treat turnstile jumping as a crime.

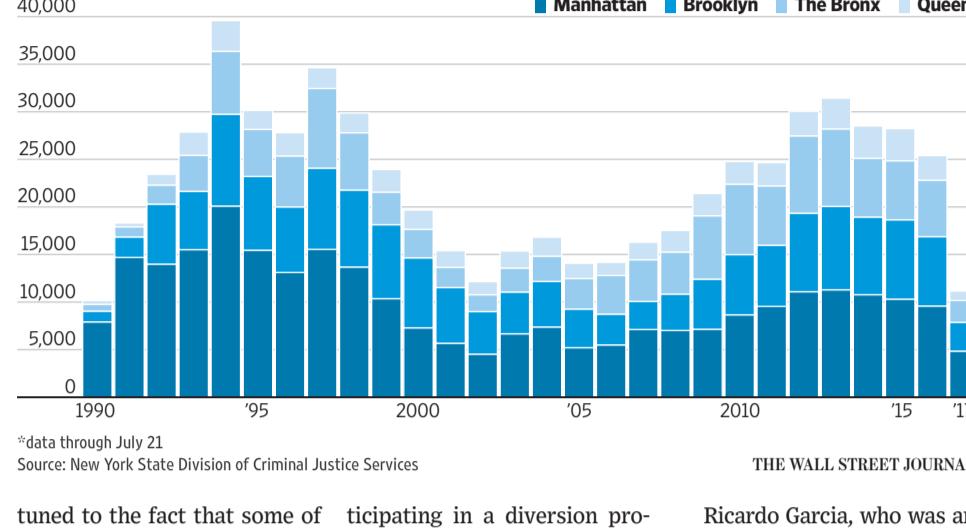
For the NYPD, thwarting fare evasion since the early '90s has been a cornerstone of broken-windows policing, the idea that focusing on minor offenses prevents more serious ones.

But decades later, things have changed, Mr. Vance said. "We can't ignore what's going on around us and prosecute using the same policies that we used in the 1980s," he said in an interview.

Today, officials are more at-

Tracking Turnstile Arrests

Fare evasion arrests by borough



*data through July 21

Source: New York State Division of Criminal Justice Services

THE WALL STREET JOURNAL.

tuned to the fact that some of these offenders suffer from mental illness, and furthermore, convictions could lead to deportation for undocumented immigrants, Mr. Vance said.

Currently, turnstile jumpers receive a civil summons and a maximum fine of \$100 for each of their first three offenses. If an offender has an open warrant, is on probation or parole, has a recent felony arrest in the transit system or has been caught three times, police arrest him.

Mr. Vance is now encouraging officers to issue more summonses before arresting offenders, and giving those who get arrested the option of par-

ticipating in a diversion program. If they don't participate, they will be arraigned for the misdemeanor offense.

"Isn't it smarter to have someone actually sit down with a kid and find out what's going on than to simply process them through the system?" Mr. Vance asked.

About 76% of the people stopped at turnstiles citywide are issued a summons, police say. Last year, nearly 26,000 people were arrested for theft of services for avoiding a turnstile, according to state data. That year, about 7,000 people spent time in jail—either as punishment or while awaiting court dates.

Ricardo Garcia, who was arrested for fare evasion last fall, said he swiped into the subway, then let in someone he didn't know at a station in Brooklyn's Williamsburg neighborhood. Police arrested him because of his criminal record, said Mr. Garcia, 48 years old, who does outreach for an advocacy group Vocal-NY.

"All I did was open the door for him," said Mr. Garcia, who spent a week in jail on Rikers Island for evading the fare. "They could have given me a fine or community service."

Proponents of criminalizing turnstile jumping contend people should be held accountable for breaking the law. Histori-

Each Borough Plans To Go Its Own Way

District attorneys in the outer boroughs have different opinions on whether to continue to arrest people for evading turnstiles in New York City.

In Brooklyn, acting District Attorney Eric Gonzalez called Manhattan District Attorney Cyrus Vance Jr.'s move to change the way his office prosecutes people for jumping turnstiles "an innovative new approach," and said he would implement a similar policy by the end of the year.

Bronx District Attorney

Darcel Clark said she is planning to begin using panels of community members, outside the court system, to hear many theft-of-services cases.

The Queens district attorney's office is monitoring what happens in Manhattan, a spokesman said, but noted that most offenders aren't criminally prosecuted. "We think the current NYPD policy is sound, logical and fair," he added.

The Richmond County district attorney's office doesn't intend to change how it prosecutes such charges, a spokesman said.

—Corinne Ramey and Zolan Kanno-Youngs

Tina Luongo, an attorney at the Legal Aid Society.

Former NYPD Commissioner William Bratton said he was concerned there would be an increase in fare evasion because Mr. Vance made the announcement before specifics of the policy were finalized. "They already have people thinking you're not going to arrest people anymore," Mr. Bratton said.

Mr. Vance said his office held productive talks with the police department for several years, but his office ultimately needed to make a decision. A spokeswoman for Mr. Vance said since the policy was announced the number of arrests has decreased.

Vigil Set for American Held in Iran

BY KATE KING

Princeton University students will hold a vigil Friday for a classmate who has been imprisoned in Iran for more than a year and who recently lost his appeal of a 10-year sentence on espionage charges.

Xiyue Wang, a naturalized American, was in Tehran doing archival research for his doctoral studies in Eurasian history when he was arrested in early August 2016, said his wife, Hua Qu. Mr. Wang's fellow students plan to hold a vigil on the Princeton campus Friday evening in support of their classmate, whom they described as "geeky" and "too chatty and gossipy to be a spy."

"He's just a history nerd," Ms. Qu said. "My husband has never done anything that could harm Iran or the Iranian people. He's just doing his scholarly work for his own dissertation."

A spokeswoman for the U.S. State Department said it wouldn't discuss its work on specific cases due to privacy concerns, but called for the release of all "unjustly detained" U.S. citizens being held in Iran, including Mr. Wang.

"This administration is redoubling efforts to bring home all Americans unjustly detained abroad," the spokeswoman said in an email. "Iran is responsible for the care and well-being of every United States citizen in its custody, as well as their release."

Mr. Wang, 36 years old, flew to Iran in January 2016 to study Farsi and conduct dissertation research on the Qajar dynasty, which was in power from 1785 to 1925. His research, which consisted of copying archival documents, had been approved by Iranian authorities before his travels, Ms. Qu said.

In July, Iran judiciary spokesman Gholam Hossein



Princeton student Xiyue Wang, left, with his family. He has been detained in Iran for over a year.

Mohseni Ejehi was cited in Mian Online as saying "it has been confirmed and verified that this individual has come to Iran for infiltration." Mian, which is a news agency for the judiciary, said Mr. Ejehi was referring to Mr. Wang.

Classmates of Xiyue Wang say he is 'too chatty and gossipy to be a spy.'

Before his studies at Princeton, Mr. Wang spent a year working for the International Committee of the Red Cross in Afghanistan, where he served as a translator at a hospital. His wife estimated that he

speaks 10 languages, including Chinese, English, Pashto, Russian, Hindi, French and German.

Mr. Wang was born in Beijing and came to the U.S. with his mother in 2001, completing his undergraduate degree at the University of Washington before receiving his master's from Harvard University.

Mr. Wang was sentenced in April to a decade in prison, and learned in August that his appeal had been denied.

"He's doing poorly there because it's been over a year," said Ms. Qu, who added that after the appeal she has been allowed to speak to her husband daily by phone. "His mental and his physical health have deteriorated fast. He's under a lot of stress, he's in a depression."

Ms. Qu said her husband

hasn't been physically tortured during his detention in Iran. She said she has been working with the U.S. State Department to seek his release.

Iran currently is detaining at least four Iranian-Americans and five British-Iranians on murky charges of spying.

At Princeton, Mr. Wang was known as a friendly and enthusiastic student who was passionate about history. "He's that guy who will go out and have a beer with you and talk about random history stuff," said Alexis Siemon, a fellow graduate student.

Another classmate, Richard Anderson, said the vigil is intended to express hope for Mr. Wang's release. "He's a part of our community and we want him to come home."

—Farnaz Fassih contributed to this article.



NY Waterway says the boats are averaging four passengers a trip.

Ferry, No Longer Free, Loses Many Passengers

BY PAUL BERGER

NY Waterway's ferry service between Hoboken, N.J., and Midtown Manhattan was a hit for NJ Transit riders who were diverted during the "summer of hell."

But now that direct train service to New York Penn Station has been restored for those commuters and NJ Transit is no longer picking up the ferry tab, the Hudson River ride seems to have lost some luster.

According to NY Waterway, the private company that operates the ferry, the service has averaged 160 passengers a day during the past two weeks. The boats are averaging four passengers a trip.

About 2,200 passengers a day rode the ferry this summer, when NY Waterway ran a temporary Midtown service for thousands of riders diverted to Hoboken while Amtrak carried out emergency repair work at Penn Station.

NY Waterway made the service permanent on Sept. 5. The company's president, Arthur Imperatore, said he hoped to attract 1,000 passengers a day, charging \$8 a ride or \$274.50

for a monthly pass.

Pat Smith, a spokesman for NY Waterway, said the company hasn't given up on the new service.

"Patience," Mr. Smith said in an email. "NY Waterway carried a total of 26 people on its first day, Dec. 6, 1986, and the service was free for the first week."

Today, the company's ferries carry more than 32,000 passengers a day on 21 routes.

The ferry was one of the highlights for many commuters during a season of transit disruption that New York Gov. Andrew Cuomo warned could be a "summer of hell." NJ Transit reduced the cost of tickets for diverted passengers and cross-honored passes on buses, the PATH rail system and ferries.

Karen Baicker, of South Orange, said she liked the service enough to "splurge" on a 10-trip pass costing \$75. She still commutes by train most days, but occasionally she treats herself to a ferry ride.

"I love the ferry," said Ms. Baicker, one of six passengers on a recent 9:40 a.m. ferry. "I get to work much more relaxed than when I take the subway and fight the crowds."

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GREATER NEW YORK

Restaurateurs Offer Fun With Their Fare

Tao Group takes a hit from critics but finds success with an over-the-top approach to dining

BY CHARLES PASSY

At the Tao Group's restaurants, subtlety is so passe.

The New York-based hospitality company embraces a more-is-more philosophy in its Manhattan dining and nightlife hot spots. Think the towering statue of a Buddhist goddess, replete with 24 arms, that dominates the 320-seat, Asian-themed Tao Downtown in Chelsea. Or the colorful street art, including an 11-foot statue of a purple-hued break-dancing bunny on display at Vandal, the 360-seat, street-food-inspired dining destination on the Lower East Side.

Tao Group executives say the party is just starting, pointing to new restaurants slated to open in New York and Chicago. As with all expansion plans, there are risks.

Richard Wolf, a Tao Group partner, says the company is "set up for success" because of a new partnership with Madison Square Garden Co., the conglomerate that owns arenas and concert venues, including its namesake facility, along with the Knicks basketball and Rangers ice hockey sports franchises.

Meanwhile, some industry observers wonder if the food at Tao Group's establishments, which has frequently been panned by restaurant critics, will ever rise to a level equal to the buzz-generating look and vibe of the spaces.

Arlene Spiegel, a New York-based restaurant consultant, posits that it may not be part of the plan. "Food is secondary with this group," she says. "They're in the business of selling fun and good times to their cult followers who always want to party."

In any case, Tao Group, whose roots go back to the early 2000s, is entering a new era. MSG acquired a 62.5% stake in Tao Group for \$181 million this February.

Tao, whose growing empire extends to establishments in Los Angeles, Las Vegas and



Street art is part of the overall dining experience at Tao Group's Vandal restaurant on the Lower East Side of Manhattan.

Australia, already is a sales powerhouse. Three of its New York locations—Tao Downtown, Tao Uptown and Lavo Italian Restaurant & Nightclub—rank in the top 15 of the country's highest-grossing independent restaurants, with each bringing in more than \$20 million a year, according to an annual survey by Restaurant Business magazine.

The No. 1 spot belongs to another Tao Group restaurant—Tao in Las Vegas—which took in nearly \$48 million in 2016, according to Restaurant Business. Tao's overall revenue last year reached \$235 million, a Tao spokesperson says.

Tao Group is in the food-and-drink business, which is far from MSG's focus. But the company's approach in pioneering what some in the industry have dubbed "clubrestaurants," an amalgam of club and restaurants, puts it in a

different category that makes the MSC partnership less of a stretch, Tao officials say.

"What we do is live entertainment," says Tao Group partner Noah Tepperberg.

Its newest project in New York City is the food-and-beverage operations at the soon-

Magic Hour Rooftop Bar & Lounge, with an "urban amusement park" theme. The company isn't opening one of its typical mega-size nightlife-oriented restaurants at the 612-room hotel. Instead, it will debut Legasea, a 145-seat "seafood brasserie" that Tao Group notes will be one of its first restaurants to not feature a live DJ.

Perhaps more significant at Moxy, Tao Group also will open Egghead, a fast-casual restaurant that will mark one of the company's first ventures into that booming dining category.

While Tao Group doesn't have any announced plans for Egghead, it says it sees its possibilities for growth. If the company wants to be taken seriously for its food, as opposed to its atmosphere, it may have work to do.

Tao Group's establishments have been hammered by res-

taurant reviewers, who find the cuisine, despite its creative presentation, lacking in finesse.

A critic for Eater, the food website, called a pizza at Vandal "profoundly awful." Another reviewer, for Los Angeles' LA Weekly, said the dumpling skins at the Tao in that city were "so thick and glutinous that eating them was a little like biting into semi-coagulated library paste."

Tao Group takes issue with such critiques, but notes that its restaurants aren't designed for critics. "I could care less what they think," says Mr. Wolf, the Tao partner.

Which is how Rachel Dodson feels. The 26-year-old Upper East Side resident is a regular at many of Tao Group's restaurants.

"When I go out for dinner, I'm not just looking for a good meal. I'm looking for a vibe," she says.

After Diller Drops Out, Donor Chill Is Feared

BY THOMAS MACMILLAN

Parks advocates worry that the collapse of an ambitious \$250 million plan for a Hudson River park might send a message to wealthy philanthropists looking to fund future projects: Don't bother.

Park supporters reacted with dismay Thursday to the news that media tycoon Barry Diller had withdrawn his support for a proposed man-made island park in the Hudson River. The project had been mired in expensive lawsuits for more than 2½ years and Mr. Diller said Wednesday that he had finally had enough.

Mr. Diller had anticipated spending \$250 million to build the park, which would have been among the very largest philanthropic gifts for a public park in the country, said Adrian Benepe, former New York City parks commissioner and current senior vice president at the Trust for Public Land.

The failure of the plan may not bode well for the future, Mr. Benepe said. "I worry that it might have a chilling effect on the interest of philanthropists in investing in city parks."

The 2.4-acre park, dubbed Pier 55, was planned by the Hudson River Park Trust and would have stood in the Hudson near 13th Street. Mr. Diller and his wife, fashion designer



Media tycoon Barry Diller said he still plans to spend \$250 million on public projects.

Diane von Furstenberg, were the main financial backers.

Pier 55 met with fierce opposition from the City Club of New York, a group that filed multiple lawsuits to block the plan, arguing that the proposal wasn't subject to sufficient environmental review. That argument was struck down by an appellate court, but two other suits regarding permitting remained pending, according to Richard Emery, a lawyer for the club.

Mr. Emery said he was surprised that Mr. Diller withdrew his support, since the two sides were very near a settlement that would "not have impinged in any way on Diller's conception of his island."

"I could not do it," Mr. Diller said Thursday of the settlement. He said he refused to give in "because we did nothing wrong" and faced the prospect of continuing delays and skyrocketing costs. He said his family foundation already had spent more than \$40 million.

Michael Gruen, president of the City Club, said he isn't worried that the collapse of Pier 55 will deter other charitable giving or ambitious projects. "It's so easy to solve problems. The laws are clear on what you have to do."

Mr. Diller said he intends to be a longtime supporter of the Hudson River Park Trust and still plans to spend \$250 million on public projects. But, he said, he isn't ready to get into specifics just yet.

"We need to let a little time go by," he said. "This is quite a painful period."

NYPD Releases Footage of Fatal Encounter

BY ZOLAN KANNO-YOUNGS

Police officers repeatedly pleaded with a Bronx man to drop a knife and what turned out to be a toy gun before they fatally shot him last week, according to body-camera footage released by the New York Police Department on Thursday.

The unprecedented release showed the first police shooting captured on body cameras in New York City. Police officials said it was in an effort to further transparency, something Commissioner James O'Neill has made a hallmark of his first year at the head of the department.

The more than 16-minute compilation was of footage from cameras worn by four officers. The landlord of the building on Pratt Avenue called the police Sept. 6 to conduct a wellness check on Miguel Richards, 31 years old, after he hadn't seen him for a couple of days.

The footage showed Officers Mark Fleming and Redmond Murphy entering Mr. Rich-



Image taken from an NYPD officer's body camera video. Officers aim their weapons toward Miguel Richards, who is holding a knife.

ard's apartment and proceeding to the door of his bedroom. Officer Fleming shines a flashlight on Mr. Richards, who is standing motionless in the corner of his bedroom.

Police said Mr. Richards held a knife in his left hand and what appeared to be a gun in his right hand. They discovered it was a toy gun after he was fatally shot 16 times.

NYPD Chief of Department

Carlos Gomez said the officers ordered Mr. Richards to drop the knife more than 40 times, told him to drop the gun six times and made 52 references to Mr. Richards's hands. A friend of Mr. Richards also asked him to drop the knife and to raise his hands, Chief Gomez said. Mr. Richards didn't say anything during the entire incident, the chief said.

"This is not going to end

well for you if you don't put that down," Officer Fleming said minutes after arriving, according to the footage. "Put that knife on the floor," he added.

About 15 minutes into the video, the police are heard making reference to a gun in Mr. Richards's right hand and ordering him to drop it.

"I don't want to shoot you if you got a fake gun in your hand," an officer on the footage is heard saying. "But I will shoot you if that's a real gun."

Officers Jesus Ramos and Marco Oliveros arrive toward the end of the footage. Officer Ramos enters the bedroom armed with a stun gun when Mr. Richards appears to raise his right hand. The video shows a red dot in the hand of Mr. Richards, Chief Gomez said, which was the laser attached to the toy gun. Mr. Richards was shot immediately after.

The NYPD's Force Investigations Division and the Bronx district attorney are investigating the shooting. Darcel Clark, the district attorney, said releasing the video early

could compromise the investigation.

"I support transparency, but would prefer that the body-camera footage be released after the investigation is completed," Ms. Clark said Thursday.

Darius Charney, the attorney for one of the plaintiffs in a 2013 federal lawsuit that found the NYPD's stop-and-frisk practices violated the rights of minorities, said the department needed to develop a policy for releasing footage of police shootings.

"What we don't want is the police department making these decisions based off of whether it will make them look more favorable or not," Mr. Charney said.

Patrick Lynch, the president of the Patrolmen's Benevolent Association, said the release would set a "dangerous precedent" for the police officers when it comes to their due process. He also said it violated a state law that the city says protects police officers' disciplinary records from being unveiled to the public.

GREATER NEW YORK WATCH

CONNECTICUT

Budget Bill Moves Toward Final Hurdle

Connecticut Gov. Dannel Malloy said a bill that would close a two-year budget hole of \$3.5 billion "appears to be a balanced and responsible compromise."

Lawmakers were set to debate the bill Thursday and Mr. Malloy, a Democrat, said he would sign it if it passed.

The plan proposed by Democratic state lawmakers, who hold a narrow majority in the Legislature, raises more than \$3.7 billion in new revenue by reducing a property-tax credit, increasing taxes on cigarettes, imposing a 49-cent monthly charge on cellphone bills and other measures.

Since July 1, state operations have been funded by an execu-

tive order signed by Mr. Malloy.

—Joseph De Avila

NEW YORK

Gov. Cuomo Headed To U.S. Virgin Islands

Gov. Andrew Cuomo plans to travel to the U.S. Virgin Islands to survey the damage caused by Hurricane Irma.

The governor's office said Mr. Cuomo will visit the U.S. territory in Friday. It said the trip comes at the request of U.S. Virgin Islands Gov. Kenneth Mapp, a former New York City police officer born in Brooklyn.

Mr. Cuomo has deployed rescue teams to the area in recent weeks, including 130 members of the New York Air National Guard, along with equipment.

—Associated Press



Big Gift Boosts Library Revamp

The New York Public Library received a \$55 million gift from the Stavros Niarchos Foundation, a sum that will help pay for the renovation of the Mid-Manhattan Library. The branch, located at Fifth Avenue and 40th Street across from the main public library, is expected to reopen in 2020. Left, a rendering of the revamped library.

LIFE & ARTS

THEATER REVIEW

By Terry Teachout

Finding Great Farce



Peter Simon Hilton, Allison Layman and John Hutton in 'What the Butler Saw'

Madison, N.J.

FARCE IS THE MOST paradoxical of all genres of comedy. It requires high discipline on the part of the director, the actors and their offstage collaborators to set in motion the whirligig of seeming onstage chaos that is farce at its best. Without split-second control, everything falls apart—and not in a good way, either. Joe Orton's "What the Butler Saw," a four-door farce of transcendent indelicacy, is as funny a play as has ever been written, but it won't play itself: It must be staged to the hilt, unobtrusively but decisively and in precise accordance with Orton's explicit requirement that the actors behave as though they have no idea that their plight is preposterous. "Unless it's real," he wrote, "it won't be funny." Paul Mullins's unusually well-cast Shakespeare Theatre of New Jersey production obeys that commandment, as well as all of Orton's stage directions, with madly funny consequences.

First produced posthumously in 1969, "What the Butler Saw" is set in a mental hospital run by Dr. Prentice (Peter Simon Hilton), a seemingly prim, secretly sex-crazed psychiatrist who is far loonier



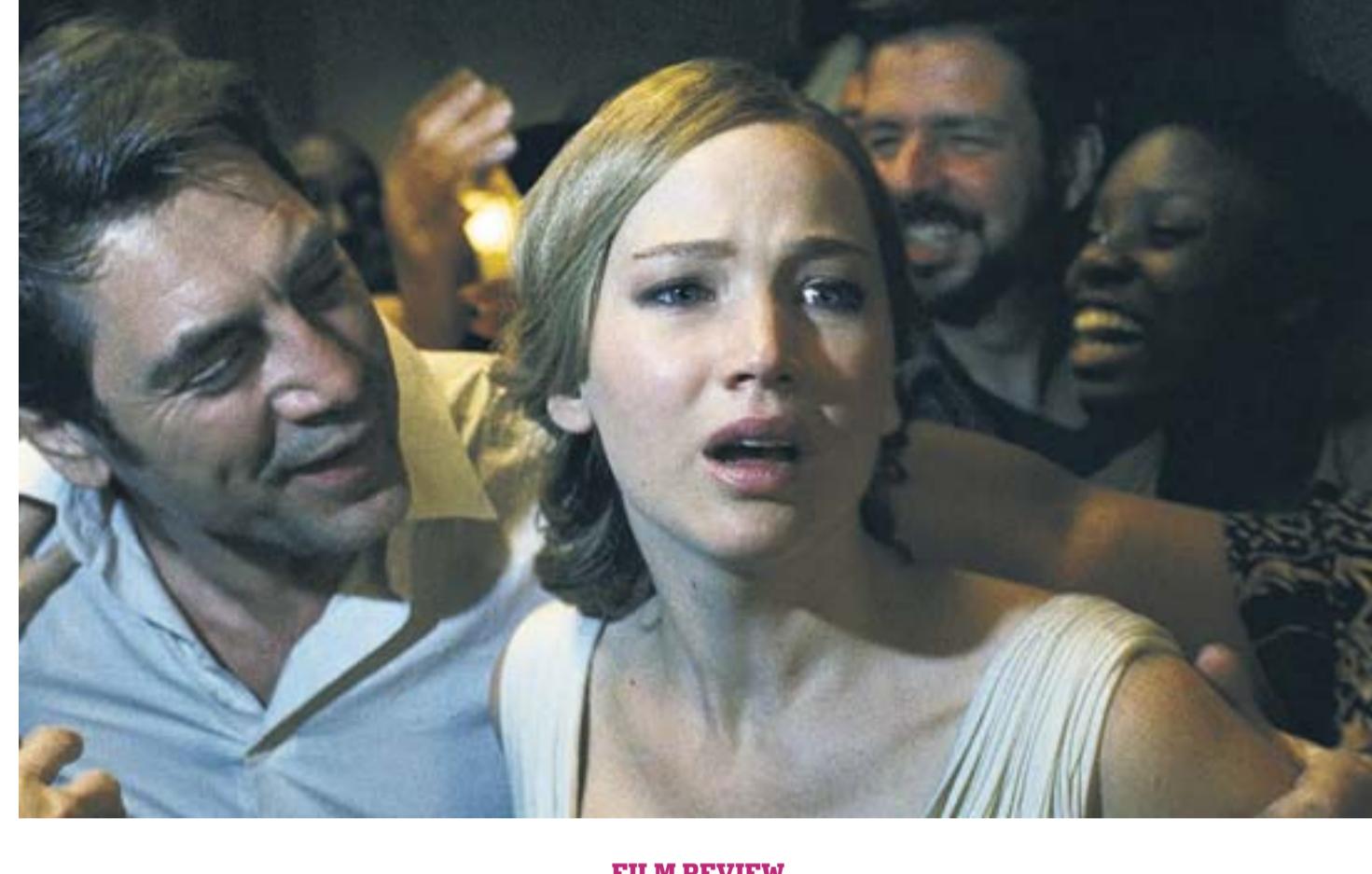
Peter Simon Hilton and Robbie Simpson.

than any of his inmates. Not wanting to give away the juicy details, I'll say only that four of the six characters end up in various states of undress (including cross-dress) and that the play's climactic reveal is an extremely naughty variation on "The Importance of Being Earnest." Orton also follows Oscar Wilde's example in giving everyone plenty of razor-sharp one- and two-liners with which to slash one another. (Mrs. Prentice: "My uterine contractions have been bogus for some time!" Dr. Prentice: "What a discovery! Married to a mistress of the fraudulent climax.") Beneath the laughter is a dead-serious assault on English hypocrisy, but Orton never stoops to preach—he simply makes fun of his fellow countrymen for refusing to be honest about what he believed to be the anarchic power of sex.

In addition to sticking to the letter of the script, Mr. Mullins has encouraged the cast to develop primary-color char-

Please see THEATER page A11

JERRY DALIA (2)



PARAMOUNT PICTURES (2)

'Mother!': Giving Birth To Madness

BY JOHN ANDERSON

DIRECTOR DARREN Aronofsky's Freudian, Polanskian, Goya-esque, primal-scream-therapy movie "Mother!" is either the beneficiary or victim of the most hyperventilating hype of the year. And that's good if it keeps audiences coming to theaters, which is where this film needs to be seen to fully appreciate its disturbing pictures, skin-crawling sound, unbridled insanity, Matthew Libatique's cinematography and Jennifer Lawrence's face, upon which Mr. Libatique's camera spends most of its time.

The hubub is well-earned, but before "Mother!" gets where it's ultimately going, i.e., completely off the rails, it spends time being several films, each with an intelligence, each with an agenda, each with an operating metaphor. It begins as an Albee-esque chamber piece about the sanctity of the home. It evolves into a hysterical statement about the price of celebrity. It eventually exits with a salute to "No Exit." But let's start with the house.

It's an impossible house. Octagonal, like a stop sign no one heeded. Its interior is disorienting and our travels around it are circular, much like the story, and it's hard for the viewer/visitor to understand how—or if—the space makes sense. A single viewing is not enough for one to say for sure, but it would seem that Mr. Aronofsky, like Orson Welles with "The Magnificent Ambersons," created and shot his film using a dwelling with movable walls and an elaborate choreography of cast and camera that allowed for rooms and spaces to meld with other rooms and spaces.

The off-kilter architecture is certainly having an effect on Ms. Lawrence's character, the otherwise unnamed "Mother" of the title. The young wife of an older, quasi-famous writer, she has been rebuilding their house after a fire, wall to wall, while her feckless poet husband (Javier Bardem) chases his muse. The house is going to be her master-



piece; she even hand tints the finishing plaster she applies to the walls (with a powder that is, suspiciously, the same color as the one she mixes in water and drinks each day, from a vial she might have gotten from Ruth Gordon in "Rosemary's Baby"). She's stripped the molding, is remodeling the kitchen, and is doing it entirely for her husband, whom she loves with all her heart—which we occasionally get to peek at during her various hallucinations, the angry organ pulsating and glowing and growing more ashen as the movie progresses.

Did we mention she sees things, including portents of visceral doom in the floorboards? She does.

Then—a knock at the door. A man (Ed Harris) arrives, claiming that he thought the house was a B&B. The husband invites him to spend the night anyway, to Mother's dismay. When the man's wife (Michelle Pfeiffer) arrives the next day with a mouthful of attitude, Mother begins to bristle, ever so gently. When the couple's sons (Brian and Domhnall Gleeson) barge in, arguing over inheritance, assaulting each other and trash-

ing the place, she grows more desperate. She's been suffering stomach pains and clutching her abdomen, which in the basic movie lexicon means she's pregnant. She's not, yet, but her vulnerability is a source of

Javier Bardem and Jennifer Lawrence, above, and Ms. Lawrence, left, star in Darren Aronofsky's new film.

tension, and she earns our sympathy for having been treated so rudely by her "guests" and so thoughtlessly by her husband. But her reasons for resentment have only begun.

So have ours. Mr. Aronofsky goes too far, it seems to me. He has always been obsessed with obsession (see "Black Swan") and purgatorial suffering—the anguish of a junkie in "Requiem for a Dream," the anguish of a prophet in "Noah." With "Mother!" he seems to want to share the hellishness more directly with his viewer, and this trip into his personal (very personal) underworld is both fascinating and repellent. What's oddly comforting is the way the accelerating series of outrages against our heroine ultimately becomes farcical: When the film leaves the realm of the impolite or even criminal for something far more extreme, it achieves a level of excess that makes the whole enterprise increasingly cartoonish, rather than just awful.

Ms. Lawrence? For her, the movie is a tour de force, and probably not a bad thing for her brand, since it indicates she'll do anything. The camera is almost never more than a few feet from her face, and in a movie that exists on the edges of absurdity and offense she delivers genuine emotion, with both sang-froid and virtuosity. It's an interesting case, this "Mother!" It probably got made because of Ms. Lawrence's participation, though the audiences she'll be expected to attract by Paramount Pictures will likely be unprepared for what Mr. Aronofsky has wrought. The thoughts of these innocents are what I'd like to hear to fully understand what a monster "Mother!" really is.

Mr. Anderson writes on TV for the Journal. Joe Morgenstern is away.

TELEVISION REVIEW | By John Anderson

'VIETNAM': HUMANITY IN A SLO-MO DISASTER

DURING THE overture to Ken Burns and Lynn Novick's "The Vietnam War," the author Karl Marlantes, a Marine veteran and recipient of the Navy Cross, laments that Americans have never really talked about their disastrous engagement with Southeast Asia. Then, over 18 hours and 10 episodes, directors Burns and Novick proceed to show us exactly why that is: Arrogance. Ignorance. Corruption. Tortured logic. Tortured intelligence. Just plain torture. And just plain waste. What would compel a person to watch



it all, given so many reasons not to?

Morbid curiosity, for one thing: As the show proves out, the history of the U.S. in Vietnam has many of the qualities of a car crash, a slo-mo disaster that is introduced by Mr. Burns and Ms. Novick through an accelerated rewind: A trashed helicopter returns from its watery grave in the South China Sea to the deck of a U.S. warship; a little girl runs backward down a rural road toward some place where she wasn't burned by napalm; a bullet returns from the skull of a



FROM LEFT: HORST FAAS/ASSOCIATED PRESS; RENE BURR/MAGNUM PHOTOS

murderous Viet Cong into the pistol of a Saigon police chief. Like a flip book in reverse, we experience a half a century's worth of presidents, protests, the French, LBJ, JFK, Ike and Harry Truman, arriving at page one

of the program's catalog of errors, free of any comedy whatsoever.

But the program's real "hook," so to speak, is the humanity of its 80 or so storytellers,

Please see TELEVISION page A11

LIFE & ARTS

TELEVISION

Continued from page A10

and the courage, generosity, devotion and idealism of so many of the war's participants—not just Americans but North and South Vietnamese, Viet Cong, Viet Minh. These are qualities more often than not left out of the Vietnam discussion, but certainly not neglected by Mr. Burns. He has always had an instinct for the sentimental anecdote and individualized narrative and toward this he and Ms. Novick have a remarkably useful cast at their disposal. The vast majority of the people interviewed actually fought on the ground, or air, or covered the conflict for a major outlet. Presidents, generals and politicos are held at arm's length much of the time, though their political expediencies and opportunism are deplored, the more contemptible acts condemned, the egos held up as examples of bloat and corruption. The results are, predictably, painful, but the process is very deliberative populist.

At the same time, "The Vietnam War" feels somehow obligatory—never mind that episode 8, just to cite an example, manages to cover Army nurses, race, the POW/MIA issue, the fragging of officers, and Nixon's madman theory. The broader issue is that director Burns, frequently with Ms. Novick, has tackled many cultural phenomena—baseball, jazz, the national park system, Prohibition, Jack Johnson and, of course, the Civil War. The actor Peter Coyote is frequently the narrator, and here he is once again, mixing confidence, comfort and indignation.

The Burns process continues to be one of exhaustive research and interviews and a deluge of footage (or, in the notable case of "The Civil War," photographs). The tone, abetted by the music, is solemn, and the audience is never unaware of that solemnity. To to call it formulaic would be to miss the point, which is that the Ken Burns treatment of American institutions has become its own institution.

But while "The Vietnam War" is unmistakably a Ken Burns/Lynn Novick/PBS documentary, its use as a document suffers somewhat from an aesthetic allegiance to itself. There are moments in which "The



A paratrooper from the 173rd Airborne Brigade after an early morning firefight, July 14, 1966, above; soldiers on a search-and-destroy operation near Qui Nhon, January 17, 1967, left; Vietnamese Rangers rush children to a helicopter for evacuation from the Duc Hue base camp, early April 1974, below.

Vietnam War" might have stepped out of its tidy bunker and utilized some of the oceanic research and interviews that have been done by others since the war ended in the mid '70s. In its dealing with Robert McNamara, the filmmakers could have drawn on the former Secretary of Defense's confessions to filmmaker Errol Morris in "The Fog of War," just as an example. Viewers might actually glean as much atmosphere and hard evidence from a triple bill of "Apocalypse Now," "Hearts and Minds" and Mr. Morris's film as he or she does from "The Vietnam War."

But they wouldn't have those interviews—with the "grunts" and the pilots, and the veteran Viet Cong and the South Vietnamese, or the sense of mutual admiration one side had for the other in a war portrayed by official Washington as a Manichaean battle for the soul of the world.

Among the first to address the camera is former U.S. Sen. Max Cleland, who lost both legs and an arm in the fighting. Citing Holocaust writer Viktor Frankl, though quoting Frederick Nietzsche, he says, "To live is to suffer. To survive is to find meaning in suffering."

"For those of us who suffered because of Vietnam," Mr. Cleland adds, "that's been our quest ever since."

Like any number of military offensives, recycled strategies and characters who appear on screen only to be immediately marked for death by Mr. Coyote's elegiac tone, Mr. Cleland's quest seems still-born, and a mirror on the Burns-Novick enterprise: Why revisit the Vietnam experience other than to learn from it?

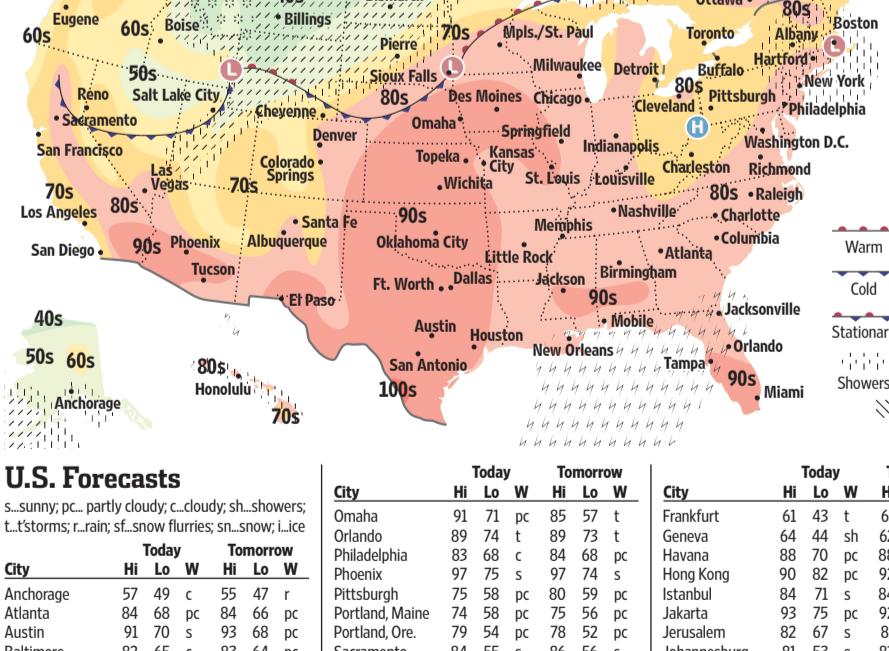
It's not as if the testimony gathered by Mr. Burns and Ms. Novick is in conflict with itself: Almost to a man, the former American combatants express admiration for the other side (it's mutual) and a grieving disdain for how the war was prosecuted. There are no broad-brush defenses made of Vietnam-era U.S. foreign policy, though Richard Nixon might have mounted one if he'd been around. (Nixon is the most villainous figure in the film, though there's competition.) Sometimes the legacy of the Vietnam conflict, how it was waged in Asian rice paddies and on American college campuses, finds an unusual champion: Merrill McPeak, for instance, an Air Force vet and one of the film's more thoughtful interviewees, who reflects on the era's uncanny convergence of social movements, social revolutions, polarized American politics and the music that accompanied it all (and is heard in generous, predictable dollops here). Mr. McPeak concludes that not only did it produce the America we have today but "we are better for it." It seems a generous assessment, all things considered. But like much said during the Vietnam War—and "The Vietnam War"—it's guaranteed to provoke a response.

The Vietnam War

Begins Sunday, 8 p.m., PBS

FROM TOP: JOHN NANCE/AP; BETTMANN/GETTY IMAGES; HORST FAAS/AP

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

Anchorage 57 49 c 55 47 r

Atlanta 84 68 pc 84 66 pc

Austin 91 70 s 93 68 pc

Baltimore 82 65 c 83 64 pc

Boise 66 42 c 65 49 pc

Boston 77 64 c 78 63 pc

Burlington 80 61 pc 82 60 s

Charlotte 83 63 pc 85 63 pc

Chicago 86 65 s 87 68 s

Cleveland 80 60 pc 81 61 s

Dallas 94 74 s 93 75 pc

Denver 82 49 s 72 51 c

Detroit 79 59 s 80 61 s

Honolulu 87 76 pc 88 75 pc

Houston 91 73 pc 91 74 pc

Indianapolis 83 62 pc 85 63 s

Kansas City 87 69 s 86 64 s

Las Vegas 88 70 s 90 70 s

Little Rock 88 67 s 89 69 pc

Los Angeles 76 64 sh 76 64 pc

Miami 91 79 pc 91 76 pc

Milwaukee 81 64 s 82 65 s

Minneapolis 87 61 pc 85 57 t

Nashville 85 63 pc 86 65 s

New Orleans 86 75 pc 87 74 pc

New York City 80 68 c 79 66 c

Oklahoma City 90 71 s 88 69 s

Today Hi Lo W Tomorrow Hi Lo W

Amsterdam 60 49 t 59 47 t

Athens 89 72 s 90 72 s

Baghdad 90 78 t 88 78 t

Bangkok 85 62 pc 84 59 pc

Beijing 63 45 pc 63 46 pc

Berlin 59 44 t 56 44 t

Buenos Aires 60 43 pc 64 46 t

Dubai 104 87 s 102 88 s

Dublin 58 45 pc 55 46 sh

Edinburgh 58 44 sh 56 44 sh

AccuWeather.com

City	Today	Hi	Lo	W	Tomorrow	Hi	Lo	W
Omaha	91	74	t	85	57	t		
Orlando	89	71	pc	89	73	t		
Philadelphia	83	68	c	84	68	pc		
Phoenix	97	75	s	97	74	s		
Pittsburgh	75	58	pc	80	59	pc		
Portland, Maine	74	58	pc	75	56	pc		
Portland, Ore.	79	54	pc	78	52	pc		
Sacramento	84	55	s	86	56	s		
St. Louis	90	68	s	89	69	s		
Salt Lake City	65	49	c	76	48	pc		
San Francisco	73	59	pc	76	59	pc		
Santa Fe	80	48	s	79	48	s		
Seattle	74	53	s	76	54	c		
Sioux Falls	83	61	t	68	48	c		
Washington, D.C.	82	68	c	84	68	pc		

International

City	Today	Hi	Lo	W	Tomorrow	Hi	Lo	W
Amsterdam	60	49	t	59	47	t		
Athens	89	72	s	90	72	s		
Baghdad	90	78	t	88	78	t		
Bangkok	85	62	pc	84	59	pc		
Beijing	63	45	pc	63	46	pc		
Berlin	63	45	pc	63	46	pc		
Buenos Aires	59	44	t	56	44	t		
Dubai	104	87	s	102	88	s		
Dublin	58	45	pc	55	46	sh		
Edinburgh	58	44	sh	56	44	sh		

The WSJ Daily Crossword | Edited by Mike Shenk



HEAD COUNT | By Matt Gaffney

The answer to this week's contest crossword is a well-known European landmark.

Across

1 Contract winner, usually

7 Elegiac stanza rhyme scheme

11 Revolutionary period?

14 Capital of Spain's Asturias province

15 Military start

16 Have to repay

17 No indication of a systematic problem

19 Fellows

20 Bugling beast

► Email your answer—in the subject line—to crossovercontest@wsj.com

by 11:59 p.m. Eastern Time Sunday, Sept. 17. A solver selected at random will win a WSJ mug. Last week's winner: Calisa Cole, Palo Alto, CA.

Complete contest rules at WSJ.com/Puzzles. (No purchase necessary.)

Void where prohibited. U.S. residents 18 and over only.)

Carol Burnett used to specialize—and I mean that as a compliment. The doors start slamming with abandon in the second act, and by play's end you'll be sore from rib-stretching laughter.

In place of the coruscating verbal prestidigitation of David Ives's incomparably brilliant 2006 "transplantation" of "Flea," Mr. Frank opts for deep-dish comedy, ladling on the double entendres and encouraging his very fine cast, led by David Dan-



Juan Rivera Lebron and David Daniel in 'A Flea in Her Ear'

iel in the double role of a more-or-less respectable husband and a drunken hotel porter, to make the most of them. All things being equal, I prefer to see "Flea" done in a smaller house, if at all possible in Mr. Ives's version, but Mr. Frank knows how to make a king-size audience laugh itself into a stupor of delight, and you'll be hard-pressed to find a happier way to spend an evening than by watching his cast charge around the stage of the Up-the-Hill Theatre, looking for trouble and finding it.

What the Butler Saw
Shakespeare Theatre of New Jersey, F.M. Kirby Shakespeare Theatre, 36 Madison Ave., Madison, N.J. (\$29-\$62), 973-408-5600, closes Oct. 1

SPORTS

FOOTBALL

Dear NFL, These Dances Are for You

The league loosened its celebration rules, so the Journal asked three world-class choreographers to devise touchdown dances

BY ANDREW BEATON

THE BUZZ BEFORE the start of this NFL season wasn't just about football. It was also about something even more people can relate to: dancing.

After years of cries about how the "No Fun League" had cracked down too much on post-touchdown celebrations, the league changed its rules this offseason to give players more leeway. The reaction, from players and fans alike, was near-universal excitement.

But not just anybody can come up with a good touchdown dance. Which is why Broncos star linebacker Von Miller had a bold idea this offseason: "I'm definitely going to get a choreographer," he said. Still, at training camp, he said football came first so he hadn't yet. "It's still on my agenda."

Indeed, after months of hype about a new wave of instant classic celebrations, Week 1 of the new season was...underwhelming in the dance department.

But while NFL players are too busy practicing football to devise celebratory dances, WSJ Sports is not. The Journal worked with three world-class choreographers from stage and screen to help them out. And these people, who know dancing better than anybody on

the planet, each came up with a touchdown dance of their own:

Mandy Moore: 'Takin' It Back'

Mandy Moore, an Emmy winner who choreographed the hit movie musical "La La Land," has worked

with NFL players before. That was on "Dancing with the Stars," where she worked with Miller and the Pittsburgh Steelers' Antonio Brown, who flaunted the NFL's rules last year and celebrated anyway—to the tune of tens of thousands of dollars in fines.

A self-described "huge football fan," Moore drew inspiration for her touchdown celebration from a dance that was big nearly a century ago: The Charleston. Why? She says she equates the rebelliousness of touchdown celebrations with the 1920s dance that was risqué in its own right.

"Plus," she adds, "seeing a football player doing a Charleston in a touchdown dance would just make my life."

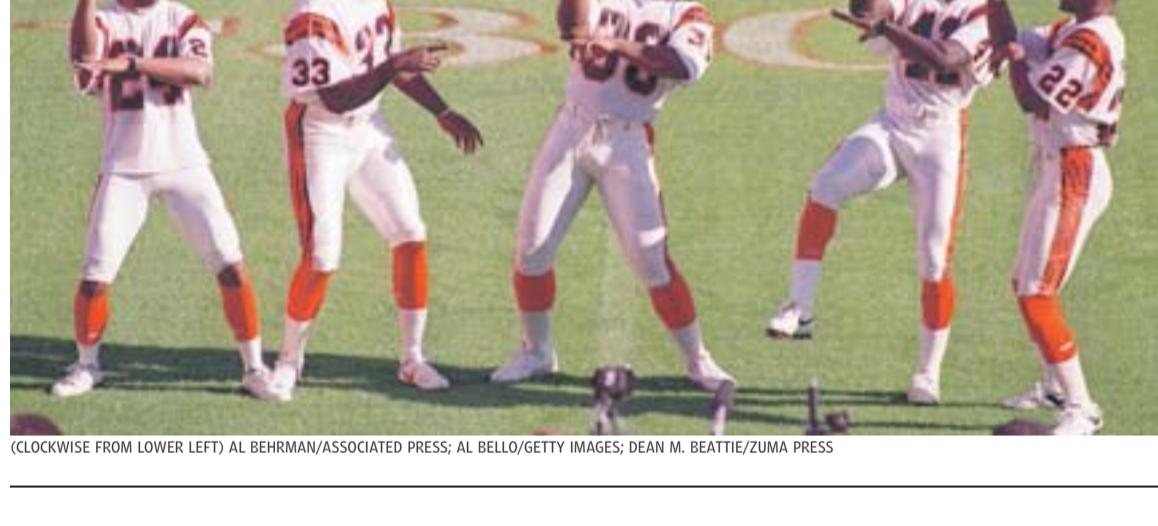
Moore's dance begins with a Charleston step, and is followed by what she calls a "chug," which involves thrusting the ball back and forth, "over here, over there, over here." Then, she says, the player must raise the ball up "because you feel incredible." That's followed by a foot move, kicking out and in, which she says felt like a party dance move.

To finish it up? "Of course," she says, "you've got to end it up with a nice spike."

Kelly Devine: 'The Grip'

Kelly Devine is very busy these days as the choreographer for "Come From Away," the Broadway sensation that earned her a Tony nomination.

But Devine also loves football and watched some of the best



(CLOCKWISE FROM LOWER LEFT) AL BEHRMAN/ASSOCIATED PRESS; AL BELLO/GETTY IMAGES; DEAN M. BEATTIE/ZUMA PRESS

touchdown celebrations of all time to devise hers. The inspiration: when a receiver catches a long pass in tight coverage and the slow-motion replays that show just how difficult the feat was.

And, she stressed, "it has to be demonstrative enough that everyone in the whole stadium can see it."

So her dance begins with moving the ball from hand to hand in the air "like when you just pluck something out of air." Then the player unzips imaginary coveralls and steps forward like being "in a really slick suit."

The final move: stepping to the right and then left while reaching your hands out to show that "balls can catch from anywhere in the stadium, and these magic hands can catch them."

Joshua Bergasse: 'The Loompaloo'

Joshua Bergasse is an Emmy winner who choreographed "Charlie and the Chocolate Factory," now on Broadway. So the basis for the moves in his dance may especially resonate with people familiar with the classic children's book, which was turned into a hit movie, and now a musical.

In particular, the moves riff off the Oompa Loompas. "They're a very joyous, wonderful, celebratory race," Bergasse said. "I knew we were going to base it off some Oompa Loompa moves."

So it begins with what Bergasse calls "time to make the fudge," which looks like using the football with two hands to stir a giant cauldron. Then comes the "Oompa kick line" and "Oompa booty shake," with the football in hand.

The grand finale: The Everlasting Gobstopper, a high-stepping move that looks just as at home in end zones as it does in Loompaland.

NFL players haven't had an opportunity to strut like this in years. Some have tried—and usually faced large fines from the league.

So iconic moments of brilliance—like the "Ickey Shuffle" from the Bengals' Ickey Woods in the late '80s or Falcons running back Jamal Anderson's late '90s

"The Dirty Bird"—had gone from endangered to practically extinct.

As written, the rule changes don't seem so drastic. But that really just shows how little was allowed before. Among the actions that are now allowed: Using the football as a prop, celebrating on the ground and group celebrations. And NFL endzones aren't suddenly going to resemble the set of a Rihanna video. There are still some restrictions. Still disallowed: Demonstrations deemed offensive, ones directed at an opponent and long celebrations that delay the game.

Across the board, these tweaks seemed like a win: Players get to celebrate; the league had an exciting development to trumpet; and officials can worry less about whistling players for harmless celebrations—which had become increasingly common and painstaking.

"There's going to be some guy that gets very, very creative," said Denver Broncos receiver Emmanuel Sanders.



Clockwise from top left, Giants receiver Odell Beckham Jr., Steelers receiver Antonio Brown, Ickey Woods and teammates at Super Bowl XXIII.

BASKETBALL | By Jason Gay

WESTBROOK AND HARDEN GOT NEXT!

Fashion Week just wrapped in New York City, and you know what Fashion Week means, friends: this mad town was awash in peacocks, ectomorphs, trend-chasers, hangers-on, paparazzi and a lot of fabulous parties where no one touched the mini-cupcakes.

There was also an insanely good pick-up basketball game—the best in the world.

You can still find this pick-up game on the West Side of Manhattan, not too far from the Hudson River, and a few blocks away from that cradle of transit civilization, the Port Authority. I say you can "find it," but I'm really just being polite, because you and I cannot put on our short-shorts and Chucks and call "next." This game is strictly no-scubs, invite-only, on private property, and it features some of the greatest talent in the NBA.

LeBron James. Russell Westbrook. James Harden. Kevin Durant. Carmelo Anthony, aka Hoodie Melo. (More on The Legend of Hoodie Melo in a minute.)

They've all played in this NYC pick-up. It's crazy. Just the other day, the game included Anthony, Harden, Westbrook, Chris Paul, Serge Ibaka, Enes Kanter, Kenneth Faried and Victor Oladipo. Just to name a few of the 20 or so NBA-level players who took a turn on the floor.

That's not a pick-up contest. That's pretty much an All-Star Game.

It happens inside Life Time Athletic at Sky, a luxury fitness club attached to a shimmering residential high rise, on a regulation-sized pearl oak court one floor below street level that Anthony himself helped design. New York may be a

concrete basketball Mecca with famous hardtops like Rucker Park and West 4th Street, but this court is fancy-pants. There's a full gym upstairs with state-of-the-art machinery, a yoga room and a spotless cafe serving smoothies. Membership runs \$199 a month.

The game itself is organized by a former Knicks assistant and University of Louisville player named Chris Brickley, who trains Anthony and has worked with a number of other top players, including Durant and San Antonio's Kawhi Leonard. Throughout the NBA off-season, Brickley assembles similar games and workouts for players living in New York or visiting from out of town.

But the action really picks up in September with Fashion Week's arrival, when style mavens like Westbrook and Harden flock to the city for runway shows and events with designer pals.

"Russell's big into fashion, James is big into fashion—that's what made this week," Brickley told me Thursday.

The basic deal is this: If you're NBA level, and you want to play, you text Brickley, who lets you know when the game will be. Life Time holds the court and, if necessary, hires security. There are shades that can be drawn if they don't want gawking, but Life Time general manager Ioanna Zacharopoulou said the club membership isn't the star-struck type.

"We keep their privacy," Zacharopoulou said of the game.

Still, the players aren't exactly trying to be top-secret. Photos and videos from the pick-up games, which Brickley spends hours editing before sharing on Instagram at @cbbrickley603, have become a social media phenomenon (Brickley

now has nearly 300,000 Instagram followers.). Life Time has gotten a bump of business as well. Zacharopoulou said that after James played at the club, inquiries about memberships jumped by more than 40%.

I asked Brickley: How do they pick the teams? Is it like the playground, where captains pick, and someone feels terrible about getting selected last?

Not exactly. Brickley usually does the honors, and he keeps it simple. "I try to get the best point guard with the best point guard, the best wing with the best wing," he said.

"Sometimes I like to get a rookie and put them up against a star, to help them work on their game."

The bigger riddle is when a lot of players show up, and Brickley has to make a bunch of substitutions.

"The really good guys don't

want to sit out," He said. "Maybe if you're a lower-tier player, you might sit out. On Monday, we had 22 NBA contract guys—and I invited 11. So, OK, Russell Westbrook doesn't come out. James Harden doesn't come out. Neither does Melo or [Chris Paul]. And they're looking at me to get other players into the game."

He laughs. "It's kind of stressful."

Still, Brickley calls his role as game organizer a "super blessing."

He's not so jaded that he wasn't a little amazed himself by the Westbrook/Harden Fashion Week tangle—the league's reigning MVP and MVP runner-up, hooping below ground as New Yorkers walked by with zero idea what was occurring in the club a few steps away.

"It was pretty cool," Brickley said. "It's still like, 'Wow, this is really happening.'"

Which brings us to Hoodie Melo—undeniably the NBA's fashion statement of the summer. Earlier this off-season, videos began circulating of Anthony training with Brickley while wearing a hooded sweatshirt with the hood yanked over his head. He looked a bit like Batman, or a guy trying to fall asleep on an airplane. And yet he was playing full-steem.

It was an intriguing, eccentric style choice. A nickname was born: Hoodie Melo.

"We laugh about it, but it's still the same Melo," said Brickley, adding that Anthony aka Hoodie Melo has dropped weight and is in "the best shape of his life."

Sounds good. You can have fashion week, New York. I'll take Hoodie Melo and the planet's most stylish pick-up game. Even if they'll never let me play.



Carmelo Anthony, in hoodie, posted an Instagram shot with Russell Westbrook, far left and James Harden, crouching,

Another Day At The Office! M7 Black Ops #STAYME? Load more comments. Iwork,jahil i spy hoodie melo!!! thakr61 Fatoocuences oden471965 That's wassup La Familia so dope 😊😊😊😊#NBAlamily #keepingreal 1017bsm @doublem_mitch thename.yme JaVale shooting 3's!! savagespencer @dixmn.jay420 where do you see him lmao dixmn.jay420 Behind shump and cladipo @savagespencer bubthegr8 Can you ball out this year? You 213,474 likes 1 DAY AGO Add a comment...

...

OPINION

Here's What Really Happened



POTOMAC WATCH

By Kimberley A. Strassel

Republicans have issues, but Democrats have them too. Witness the two individuals who dominated this week's news—a nad who conveniently represent the left's most crippling problems.

Hillary Clinton is again everywhere, touting her new memoir and adding to the list of who and what are to blame for her loss: Joe Biden, Bernie Sanders, Barack Obama, James Comey, Jill Stein, Vladimir Putin, Julian Assange, Anthony Weiner, sexism, misogyny, the New York Times, lazy women, liberal activists and the "godforsaken Electoral College." All she's missing is climate change.

Hillary's take on "What Happened" has unsurprisingly unleashed another round of analysis about her mistakes—Wisconsin, deplorables, email. These sorts of detailed post-mortems of failed campaigns are popular, but they tend to obscure the bigger reasons for failure. In this case: The Democratic Party saddled itself with an ethically compromised and joyless candidate, because it had nobody else.

Hillary spent eight years planning her first presidential bid, and the next eight warning Democrats not to get in the way of her second. The Clinton Foundation was erected to serve as bank and Rolodex,

and to enable the Clintons to retain their grip over the party. And that party was committed to a Clinton coronation, right up to Mr. Sanders's cheeky assault.

Mr. Obama aided Mrs. Clinton's ambitions by decimating his party. By the time Barack Obama finished his eight years in office, his party held 65 fewer House seats, 14 fewer governorships and controlled 30 fewer state legislatures. It had turned a once-filibuster-proof Senate majority into minority status. The big-tent Democratic coalition shivered to a coastal, progressive minority, wiping out a generation of Democratic politicians and most of the party's political diversity.

And so the party nominated perhaps the only Democrat in the country who could rival Donald Trump in unpopularity—and beat him in untrustworthiness. Mr. Sanders refused to go after Mrs. Clinton on her ethical baggage, even though it was her biggest weakness and despite how glaringly obvious was the risk that her foundation and server scandals would hobble a general-election campaign. The parties gave the country a choice between two unpopular people, and the country disliked her more. The real question is how Democrats rebuild a party whose senior leaders in the House boast an average age of 72 and which has almost no young, experienced up-and-comers.

Which brings us to Mr. Sanders, the symbol of Democrats' other big problem. This week

the senator, flanked by about one-third of Senate Democrats, released his "Medicare for All" proposal to nationalize health care. These are the ascendant voices in the party. Yet there are few of them, because their agenda is highly unpopular.

Mr. Sanders was an unexpected force in the primary, though mostly because he wasn't Hillary. Sanders supporters resent this argument, and claim the only reason his

Voters found Hillary unappealing, and they rejected Bernie's ideology too.

agenda didn't triumph is because the DNC robbed him of the election. If so, why did Bernie's people and ideas fail spectacularly everywhere else on the ballot?

In Wisconsin Mr. Sanders campaigned for Russ Feingold, who promised a \$15 federal minimum wage, an end to trade deals and free college. Mr. Feingold lost to Republican Sen. Ron Johnson. In upstate New York, in a white, working-class district, Mr. Sanders endorsed Zephyr Teachout, who railed against bankers and lobbyists, fought fracking and *Citizens United*, and opposed trade. Republican John Faso beat her for the open seat by eight percentage points, on a promise to kill Dodd-Frank. Democrats wouldn't even vote

for Tim Canova, the man who primaries Mr. Sanders's arch-enemy, Debbie Wasserman Schultz.

An extraordinary 79% of Colorado voters said no to a ballot initiative for ColoradoCare, the state version of Mr. Sanders's universal health-care proposal. This in a state that Hillary Clinton won. Liberal Vermont pulled its own single-payer plug in 2014. In California, Mr. Sanders endorsed and campaigned for Proposition 61, which was designed to impose prescription drug price controls. It went down to substantial defeat in a state Mrs. Clinton won by 30 points.

Progressives will argue that all they need to elect a Bernie or an Elizabeth is the right way of pitching their "populist" policies of free health care or price-controlled drugs to the white working class and independents. But so far they've been unable to sell them even to bright blue states. And this wishful thinking ignores that even if voters supported some of those provisions, they'd also have to swallow a progressive agenda that includes an energy crackdown, a retreat from the terror fight, and the culture of identity politics.

Republicans have failed to unite or govern or pass their biggest priorities. But the political analysts are setting themselves up for another surprise if they ignore the big reasons Democrats lost this election, and what comes next.

Write to kim@wsj.com.

Democrats Find Another Religious Heretic

HOUSES OF WORSHIP

By C.C. Pecknold

When does an ideology become a political religion? That's the question raised by last week's confirmation hearing for Notre Dame law professor Amy Coney Barrett, a federal judicial nominee. When Ms. Barrett appeared before the Senate Judiciary Committee, the standard question-and-answer session quickly devolved into an interrogation of her Catholic faith.

"Dogma and law are two different things," Sen. Dianne Feinstein (D., Calif.) lectured Ms. Barrett. "I think in your case, professor, when you read your speeches, the conclusion one draws is that the dogma lives loudly within you, and that's of concern." The senator had misread a 1998 article Ms. Barrett co-wrote on whether Catholic judges may recuse themselves in cases involving the death penalty. The Catholic Church teaches that if capital punishment is not necessary to protect innocents, or if guilt is not absolutely known, then it is unjust. Still, Ms. Barrett had written: "Judges cannot—not should they try to—align our legal system with the Church's moral teaching whenever the two diverge."

Several Republican senators objected to Ms. Feinstein's line of questioning as an unconstitutional "religious test" for office. Democratic lawmakers persisted. Sen. Dick Durbin (D., Ill.), himself Catholic, asked this McCarthy-esque question:

"Do you consider yourself an 'orthodox' Catholic?" The implication was not that you couldn't be a Catholic and uphold the law, but that you couldn't be an "orthodox" Catholic and do so.

Mr. Durbin's attempt to make such a distinction shows that this affair is about more than Catholicism. It is about an ideology—a politically progressive civil religion—that makes comprehensive claims to which all other religions are expected to conform.

Judicial nominations have become increasingly politicized since 1987, when Judge Robert Bork's nomination to the Supreme Court was shot down. The left critiqued Bork in a similar way, though without reference to religion. Sen. Ted Kennedy didn't tell Bork the "dogma lives loudly within you," he simply called the judge a rigid, ultraconservative extremist in his views on constitutional law. Without religion as a pretext, Bork could still be dismissed as a political heretic.

As Western societies have become even more secular and fragmented over the past 30 years, these attacks have become more explicitly about religion. This summer Sen. Bernie Sanders (I., Vt.) argued that a Republican operative named Russell Vought should be disqualified to serve in the Office of Management and Budget because of his views on the eternal destination of Muslim souls.

The same pattern holds

across the pond. Jacob Rees-Mogg, a Catholic member of the British Parliament, was called a "thoroughly modern, neoconservative bigot" last week for espousing on a TV news show his traditionalist views on abortion and gay marriage. The evangelical leader of Britain's Liberal Democrats, Tim Farron, resigned his post in June, saying: "I seem to have been the subject of suspicion because of what I believe and who my faith is in."

Catholic judges are OK so long as they're not 'orthodox,' one senator implies.

Yet at the very moment Ms. Feinstein is alienating religious conservatives, two prominent Democrats are pushing a new progressive claim on Christianity. Sen. Elizabeth Warren (D., Mass.) has spoken to journalists about how her faith shapes her political views. And Hillary Clinton, who reportedly once considered becoming an ordained minister, has made religion central to her postelection messaging, as the Atlantic reported last month in a story titled "Hillary Wants to Preach."

Sens. Feinstein and Durbin were troubled not by Ms. Barrett's Catholicism, but by her failure to prove her religion could conform to a more dogmatic progressivism. The "religious test" Democrats want to

impose isn't about religion per se; it's about ensuring that every religious claim can be bent to more comprehensive political aims. It's about defining anyone who dissents from the mores of the sexual revolution as disqualified from public office. That's what makes Ms. Feinstein's questioning so chilling.

Few liberals have spoken out against these religious tests, providing tacit consent for the Democratic Party to continue the practice. One of America's major political parties appears prepared to consent to a very different kind of creed from the one the American founders envisioned. Our forefathers understood religious freedom in positive terms, as freedom for the highest good, God. This "first freedom" was held as the basis of all the political freedoms, including the freedom to dissent and to disagree on matters of law and politics.

Ms. Barrett has spent her career honoring the older creed—not only with her Scalia-like deference to the law, but through respect for freedom of religion and conscience. Ms. Feinstein honored the new creed, the one dividing an already polarized nation. A dogmatism now threatens countless Americans' freedom, and it isn't Catholicism.

Mr. Pecknold is an associate professor of theology at the Catholic University of America.

The Ansel Adams of Outer Space

By Ray Jayawardhana

I typed up an earnest request on a light-blue aero-gramme and fed it into a bright-red postbox. It was the mid-1980s, before the internet. For weeks on end, I rushed home from my school in Sri Lanka, hoping for a response. I recall the thrill of finding it, finally, waiting for me: a large, padded manila envelope with the unmistakable NASA logo.

Inside were a dozen or so letter-size photographs of Jupiter, Saturn and their moons and rings, taken by Voyager 2 as it whizzed past a few years earlier. Looking at the glossy prints of alien vistas, I felt I was sharing in the exploration of other worlds, despite living in a remote corner of this one.

Today, thanks to a multitude of interplanetary probes, any kid with an internet connection can see dusty sunsets on Mars, sweeping glaciers on Pluto, punctured terrain on asteroids. Space agencies are

adding to this repository all the time: In July NASA's Juno spacecraft flew over Jupiter's Great Red Spot, an enormous, centuries-old storm.

But the robotic explorer that stands out for the sheer enchantment of its imagery is

A scientific mission to Saturn produces aesthetic dividends.

Cassini, which launched toward Saturn in 1997 and was set to dive into the planet's atmosphere—and to its destruction—Friday.

Cassini is the perfect coupling of photographer and subject. Saturn's intricate rings, elegant latitudinal bands, and magnificent polar swirls make it easily the most picturesque of our planetary neighbors. Adding to its splendor is the remarkable diversity of its 62 moons, from haze-shrouded

Titan to spongelike Hyperion. Cassini's images remind me of Ansel Adams's iconic photos of the American West, in that both changed the way people see these places. Just as Yosemite appears in our mind's eye as it did in an Adams portrait, we visualize Saturn the way Cassini captured it. The mission's operators went to great lengths—that is, did the requisite orbital calculations—to ensure the spacecraft was at the right spot to capture a halo moving across Saturn's sunlit rings or two moons lining up in a perfect pose.

Unlike Adams, the Cassini scientists are motivated not only by aesthetics but also science. As Titan's northern hemisphere emerged from the darkness of winter in 2009, Cassini registered the dazzling glint of sunlight reflecting off a lake, confirming that liquid fills its vast northern basins. Fly-bys of another moon, Enceladus, recorded striking backlit imagery of its icy

plumes. Cassini then passed directly through the spray to sample the escaping material.

Yet images taken to address scientific questions often transcend that purpose, revealing the stark beauty of extraterrestrial landscapes. A cynic might dismiss Cassini the way that street photographer Henri Cartier-Bresson once denounced Adams for focusing on "rocks and trees" while "the world is falling to pieces."

I beg to differ. Just as Adams's photos inspired a lasting appreciation for nature and conservation, Cassini's will stir a passion for exploration, even in kids growing up far from mission control. Long after the probe takes its deadly plunge into Saturn, its images will stand as a testament to humanity's higher aspirations.

Mr. Jayawardhana, an astrophysicist and dean of science at Toronto's York University, is author of "Neutrino Hunters."

BOOKSHELF | By Dave Shiflett

In Search Of Positive Vibes

What I Found in a Thousand Towns

By Dar Williams
(Basic, 272 pages, \$27)

It's the rare musician who doesn't, at some point, compose a tell-all memoir that recounts the rise to glory, descent into addiction, journey through paparazzi hell and, finally, the triumph of the comeback tour—all spiced with enough political observations to score gigs on cable shows.

Dar Williams, a singer-songwriter in the folk-introspective vein, has taken a road less traveled. She has written a book about grass-roots urban renewal. Her focus is not herself but ordinary schmoes who sweat, toil, dream and sometimes scheme to make their communities better places. "What I Found in a Thousand Towns" may not offer up the usual star-performer tales of scandal and excess, but it does remind us that walking on the wild side—which these days means taking a stroll outside one's techno-bubble—is a trip worth taking.

Ms. Williams isn't an urban expert by training. She attended Wesleyan College (Middletown, Conn.), which she describes as an "artsy" and "progressive" enclave where she "stage-managed a Balinese-dance love story" and performed in "Marat/Sade," which required her and her fellow students to explore "the dynamics of power and insanity by dutifully losing our minds." Outbreaks of profundity were apparently common: "You put your beautiful painting of a tree on the wall? We're going to staple a toast to the wall to challenge your hierarchical definition of art and self-expression." Take that, Michelangelo.

Despite such diversions, Ms. Williams found time to polish her musical chops, which eventually took her to towns and cities that are rejuvenating themselves "one coffee shop, dog run and open-mike night at a time." All share what she calls positive proximity, described as a "state of being where living side by side with other people is experienced as beneficial." Put another way, positive proximity results when people work together for what they believe is the common good—our era's version of the old barn raising, though the new barns might be a community center or garden, a soup kitchen or river walk.

Ms. Williams starts out in Beacon, N.Y., "a haven for every kind of freethinker, artistic or otherwise." The late Pete Seeger lived nearby, and the positive vibe (and low rents) attracted city slickers and everyday artisans, coffee grinders, bar owners and shopkeepers, one of whom sold Ms. Williams the "perfect dress" to wear when she opened for a Simon & Garfunkel tribute show. If not exactly Eden, a close suburb thereof.

She finds a similar spirit in Lowell, Mass., Wilmington, Del., and Moab, Utah, a former uranium mining town whose positive proximity to two national parks (along with some excellent PR work) turned the town into a Mecca for outdoor enthusiasts after the uranium biz tanked. In

Touring through parts of America that have rejuvenated themselves with community gardens, vibrant art scenes and cucumber popsicles.

Carborro, N.C., a vibrant arts scene inspires, unifies and produces income, while the Finger Lakes district of New York is home to a tribe of entrepreneurs who are "pushing the edges of the envelope of the food economy, experimenting with kimchee, ice wine, ice cider, and cucumber popsicles."

Those of us who prefer our cucumbers drowned in gin can nonetheless appreciate the creativity and the desire to make a buck in new and unusual ways. Yet there's trouble in paradise, Ms. Williams feels, mostly in the form of gentrification. Developers and various one-percenters, who like the ambiance and real-estate bargains, buy up properties with their pocket change, which drives out lower-income residents and endangers the locality's "soul." In many places, Ms. Williams writes, "food servers can't afford a place to live." In essence, San Francisco on a micro scale.

A certain type of reader (who perhaps has had a bad kimchee experience) might say that Ms. Williams is herself a person of "privilege" who is giving a book-length shout-out to kindred spirits. They might wonder if her enthusiasm for those bustling coffee shops would be the same if the in-house radios were tuned to Rush Limbaugh rather than Terry Gross.

The good news is that "What I Found in a Thousand Towns" goes light on the politics. While Ms. Williams doesn't resist a swipe at Wal-Mart and the Tea Party, there's no mention of Donald Trump, perhaps an act of heroic self-denial. She also understands the privilege rap: "The expense of growing organic food and just the sheer snobbery that can go with it will easily deepen any chasm of negative proximity in a town, bringing up economic, philosophical and even generational differences as flags for division and distrust." Still, the power of community can transcend these differences, she says, if residents will let "our curiosity and interests, and a little trust, lead us outside our doors and onto the village green."

While many singer-songwriters follow the "two chords and a blizzard of words" formula, Ms. Williams largely avoids literary flatulence, though readers are required to weather an occasional blast of jargon: "A good bar," she explains, "can be the best place to tie up the loose ends of small, social subsets that, in turn, allow people to draw from diverse social resources and discover material ones as well."

But there's no doubting Ms. Williams's sincerity, or the idea that people who work together for positive ends have a better chance of dying with a smile on their faces than those suffering from terminal addiction to their devices. In addition, she appears to practice what she preaches. At book's end she writes about using her upcoming birthday as an occasion for a fundraiser for the local Episcopal church, whose tepid furnace will put no one in mind of hellfire. One assumes that the kimchee will be sublime.

Mr. Shiflett posts his original music and writing at daveshiflett.com.

Coming in BOOKS this weekend

The troubled birth of modern China • Hillary, Trump and Truth • At home with Peggy Guggenheim • Philip Roth's nonfiction • CIA adventures under the sea • New fiction by Alice McDermott & Celeste Ng • & much more

OPINION

REVIEW & OUTLOOK

One Last ObamaCare Try

Senator Lindsey Graham admits that when a defense specialist like him feels compelled to roll out a health-care bill, something has gone wrong—and that's an understatement for the Republican failure to repeal the Affordable Care Act. The question is whether a last-ditch effort by Sen. Graham and a few colleagues represents an improvement over the ObamaCare status quo. The answer is yes.

Sen. Graham and Sen. Bill Cassidy (R., La.) this week unveiled a bill that would start to unwind ObamaCare. The legislation repeals the individual and employer mandates and the 2.3% medical device tax. The bill replaces money spent on tax credits and Medicaid expansion with block grants to states, which would allow Governors to experiment with insurance reforms. Another selling point is that a rejiggered formula will divvy up federal dollars more equitably, as states such as Massachusetts and California haul in an outsize share under current law.

Block grants are certainly progress: The Obama Administration's Medicaid expansion enrolled working-age, childless adults above the poverty line, and the feds footed most of the bill to bait states to participate. The program reimbursed at a much lower rate for the disabled and children, the traditional Medicaid population. This has resulted in some states under-covering the most vulnerable.

Graham-Cassidy is less ambitious than the Senate's ObamaCare replacement that failed over the summer, and we could go on at length about its limitations. But the proposal at least takes most decision-making out of Washington and puts a spending cap on Medicaid and ObamaCare. Reform-minded Governors would have the chance to create showcases for insurance-market innovation.

As with past health-care failures, Republicans can only lose two Members. Sen. Rand Paul (R., Ky.) is as persuadable as Chuck Schumer, and the same may be true of Sen. Susan Collins of Maine. Sen. John McCain (R., Ariz.) shot down the last repeal attempt on dubious objections about an open process. Some think Sen. Lisa Murkowski (R., Alaska) is winnable, but she seemed amenable to the last bill—until she bailed at the final hour.

Heritage Action waded in to note that earlier

Graham-Cassidy beats the status quo as a crucial deadline nears.

versions of Graham-Cassidy did not repeal all of ObamaCare's taxes—as if they would vanish if Congress does nothing. Sen. Mike Lee (R., Utah) usually follows Heritage, though Sen. Lee's office said he's "encouraged" by what he's seen but has yet to make a final decision.

The question for Members is: What is the alternative? The budget procedure that allows the Senate to address the law with a 51-vote majority expires on Sept. 30. ObamaCare's exchanges will continue to deteriorate, and Democrats will blame Republicans for every premium increase from here to November 2018. The law will require who knows how many patches and bailouts in coming years, and consumers will continue to face higher prices and fewer choices.

Lamar Alexander (R., Tenn.) is trying to work a deal with Patty Murray (D., Wa.) to mitigate some of the consumer pain for next year. The idea is to swap subsidies for insurers for more state flexibility. Yet Democrats have so far been unwilling to relax the state waiver process to allow for more than *de minimis* changes. The GOP's negotiating hand will not become stronger as the election approaches.

The best path forward is to pass Graham-Cassidy, and improve or amend it later as necessary, or perhaps consider discrete bills to mend health-care markets. This has the added political advantage of at least fulfilling some facsimile of the "repeal and replace" promises Republicans have made to voters for seven years.

One lesson for moderate Republicans is that no dilution or revision will placate the left, which has panned Graham-Cassidy as evil and heartless sight unseen. The press is suggesting that the timeline is too quick to ram through such a consequential bill, but then the Affordable Care Act re-engineered one-sixth of the economy in the middle of the night on Christmas Eve in 2009.

The Cassidy-Graham bill appeared on the same day as a "Medicare for all" proposal from Sen. Bernie Sanders (Ind., Vt.), and don't be surprised if voters start looking to the left for solutions. Graham-Cassidy is the best remaining chance the GOP has to make incremental progress on health care, before they face voters next year having to explain their failure.

The Return to Regular Order

The political equivalent of a solar eclipse hit Washington this week, though you won't see this reported elsewhere. Yes, the House of Representatives finally returned to regular spending order.

The House on Thursday voted to send 12 appropriations bills to the Senate. The chamber approved four of these 2018 spending measures prior to its August recess, and the remaining eight were debated and passed as part of the broader Thursday vote. They had previously passed out of committee. This is the first time since 2004 that a House Republican majority has passed all of its individual spending bills, and it is a long overdue fulfillment of a campaign promise the GOP made when it retook the House in 2010.

The intervening years have seen a series of stopgap continuing resolutions and blowout omnibus bills. Congressional spenders love omnibus because they create more opportunities for pork or policy riders. But the process robs individual Members and the public of an open debate over spending priorities, even as it jams Members into either passing a fait accompli or shutting down the government.

Trump's Dreamer Dealing

Anything can happen with Donald Trump, and it usually does, as some of his ardent followers are discovering to their shock as the President negotiates with Democratic leaders on immigration. Mr. Trump has been known to change his mind, and in this case that's for the good as his bipartisan dealing to legalize young adult immigrants brought here as children is in the best interests of the country and his Presidency.

"Does anybody really want to throw out good, educated and accomplished young people who have jobs, some serving in the military? Really?" Mr. Trump wrote on Twitter Thursday morning.

That excellent rhetorical question followed his dinner Wednesday night with Democratic leaders Chuck Schumer and Nancy Pelosi, who announced afterward that they had a deal with Mr. Trump to legalize the Dreamers, as the young adults are known.

Mr. Trump has been less definitive, saying Thursday morning in Washington that he and the two Democrats were "fairly close" to an agreement that would also include "massive border security." He said his wall at the Mexican border "will come later," though later in Florida he said "we'll only do it if we get extreme security, not only surveillance but everything that goes with surveillance. If there's not a wall, we're doing nothing."

Who knows how this will turn out, but we hope Mr. Trump cuts that deal with the Democrats with few security strings attached. The benefits would be many.

Mr. Trump imposed illegally by executive fiat.

Mr. Trump would solve the most politically emotive immigration problem, which is the fate of these young adults who committed no crime in coming here. Some 700,000 people could keep contributing to American society without fear of deportation.

Mr. Trump would also notch a political success on immigration that eluded George W. Bush and Mr. Obama. He would show, as he promised in the campaign, that he can get things done. Not a bad day's work.

As for the shouts of "betrayal" from Mr. Trump's restrictionist fans, we hope someone has confiscated the sharp objects at the Breitbart townhouse. But what did they expect?

Their desire to deport the Dreamers to countries they left as children is a minority view in the United States, the Republican Party and even among conservatives. Mr. Trump adopted his anti-immigration positions during the campaign to win the GOP primary, not because they are lifelong beliefs. Mr. Trump's core political conviction is winning, and the Dreamer deal will be popular.

Our guess is the Trumpians in the media will soon find a way to blame everyone else—especially the GOP "establishment"—for the President's switcheroo. This is their political and commercial business model. They'll be back cheering Mr. Trump soon enough. So go ahead and cut that deal, Mr. President, and include a path to citizenship too. After Neil Gorsuch's nomination and deregulation, it would be the biggest achievement of your Presidency.

The deportation lobby is a minority in the U.S. and the GOP.

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LETTERS TO THE EDITOR

Title IX and the Subversion of Human Rights

In reference to your editorial "The DeVos Guidance Speech" (Sept. 8): The full speech by Education Secretary Betsy DeVos about Title IX includes a crucial theme that didn't make it into the excerpts. Ms. DeVos discussed not only how individuals have been wronged by overreaching interpretation of Title IX regarding campus sexual assault, but also how universities have been victimized by financial pressure to engage in unethical behavior. She stated that "no school or university should deprive any student of his or her ability to pursue their education because the school fears shaming by or loss of funding from—Washington."

Universities are also pressured in ways that are much more insidious and far reaching. For example, Harvard is under Title IX investigation and felt compelled to curb the right of students to free association in clubs. Harvard College Dean Rakesh Khurana, in directing this campaign, referred to the pressure that Harvard is under. He "repeatedly referenced the ongoing Title IX investigation and the accompanying risk of losing federal funding if Harvard could not control the behavior of the off-campus, independently-owned final clubs" (Harvard Crimson, May 26, 2016).

MICHAEL SEGAL
Chestnut Hill, Mass.

Rape and other sexual assaults are crimes to be investigated by trained and experienced police officers and prosecuted in courts of law in accordance with the due process protection of the Constitution. What business or authority does the Education Department or universities have pre-empting the administration of constitutional justice through a parallel private system of "justice" staffed by amateurs?

Sexual assault and its consequences for everyone involved are far too important to be handled by nonprofessionals. There can only be one system of criminal justice for all crimes and all criminals.

ROBERT ATKINSON
Sparta, N.J.

E-Cigarettes Aren't the Answer for the Young

John Tierney is incorrect in his criticism of New York City's new e-cigarette regulation ("New York's Mayor Gives Smokers Another Reason Not to Quit," Cross Country, Sept. 9). E-cigarettes are a serious public health concern, especially for young people. Nationally, e-cigarette youth use jumped from 1.5% in 2011 to 11.3% in 2016. In New York City, 15.9% of youth reported using e-cigarettes in 2015. The long-term health consequences of e-cigarettes are unknown, and there is insufficient evidence that e-cigarettes help smokers quit. They are not FDA-approved for cessation. Also of great concern is that e-cigarette makers, many of which are owned by the tobacco industry, have developed candy-flavored products that appeal to youth.

The city's new law requiring licenses for and capping e-cigarette retailers in each neighborhood won't close any shops currently in business, and it doesn't eliminate access to e-cigarettes. But without it, we don't know where e-cigarettes are being sold, and we cannot effectively enforce the city law that bans selling e-ciga-

rettes to people younger than 21. New York City has a proven record in tobacco control, and capping retail outlets that sell e-cigarettes is a reasonable step given the threat that e-cigarettes pose to New Yorkers. If only the same care had been taken with tobacco.

MARY T. BASSETT, M.D.
*Commissioner, New York City Dept. of Health and Mental Hygiene
New York*

John Tierney cogently debunks the Chicken Little hysteria over e-cigarettes fomented by the Centers for Disease Control and similar earnest but misguided health organizations.

The other day when I urged a new patient with a pack-a-day Marlboro habit and a coronary artery bypass scar to stop smoking or at least to switch to an electronic cigarette, she exclaimed, "Ooh, I'm scared of those things."

ALAN BLUM, M.D.
*Director, University of Alabama Center for the Study of Tobacco and Society
Tuscaloosa, Ala.*

Commission's Creampuff Inspections a Risk

"Hospitals Keep 'Gold Seal' Despite Woes" (page one, Sept. 9) does an excellent job of confirming my personal suspicions. I have been on the medical staff of several hospitals in the process of a Joint Commission inspection, and it has always been the epitome



of a dog-and-pony show. Hospital administrators take the inspectors to preselected locations to showcase their compliance with Joint Commission mandates. Little if any time is spent with doctors, nurses or patients. The focus is always on process as opposed to outcomes, and if you follow its cookie-cutter processes it seems to be almost impossible to fail an inspection. Saying a facility is high quality since it is Joint Commission accredited would be equivalent to saying someone is a good driver because they have a driver's license.

JASON ACEVEDO, M.D.
Abilene, Texas

Alexa, Cortana and Gossip

Regarding your Aug. 31 "Notable & Quotable: Facebook Gets Creepy": Just as creepy as Facebook knowing who is one's great aunt by marriage,

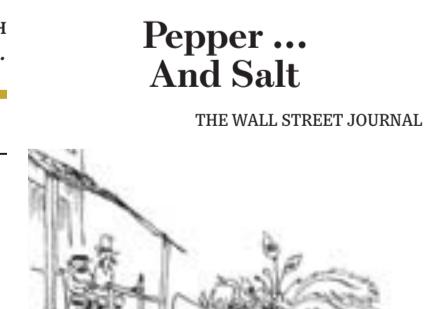
is how Costco knows I'm an Amazon Prime member. To whom else, besides Cortana, has Alexa been talking?

DALE JEREMIAH
Mountlake Terrace, Wash.

CORRECTION

David Henriksson played slide guitar for the Prescriptions at August's Secret Stages festival in Birmingham, Ala. An Aug. 9 review of the festival, "Undiscovered Acts Show That Pop and Rock Talent Runs Deep," misnamed the musician due to an error on the group's Facebook page.

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.



"He may be all hat and no cattle, but you've got to love the hat."

Pepper ...
And Salt

THE WALL STREET JOURNAL

OPINION

Keep Your Eye on the U.N.'s Fat Kleptocats

By Jay Newman

A Capone has much to teach the would-be pursuers of today's global kleptocrats. Big Al eluded capture for murder and mayhem so effectively that frustrated prosecutors came up with a novel way to jail him: for tax fraud after a lifestyle audit. How did a man without a bank account who never filed a tax return afford a \$39,000 phone bill?

In government and business, lifestyle audits are central to detecting fraud. When an employee's spending exceeds his income, basic math reveals illicit enrichment.

With world leaders in New York, spotting corruption is as easy as watching a 'public servant' hop into an idling Bentley.

The modern world is awash in Capones, but the most brazen don't run brothels, guns or moonshine. They run countries. Many even get generous financial support from American taxpayers. Far from turning a blind eye to this corruption, the wealthiest countries oversee a labyrinthine system of financial institutions that inadvertently enable international crime.

Corruption costs the world \$2.6 trillion a year, according to one estimate cited by the Organization for Economic Cooperation and Development. This endemic problem cannot be lost on institutions like the World Bank and International Monetary Fund, yet they continue to hand billions of dollars to nations whose leaders are on the take.

Why not put these jokers through an audit?

Brazil has so many crooks—convicted and alleged—that you need a scorecard: One ex-president, Lula da Silva, was convicted in July on corruption charges. His successor, Dilma Rousseff, was impeached last year and removed from office. Her successor, Michel Temer, was formally charged in June with taking bribes, though he denies the accusations. Eduardo Cunha, a former speaker of Brazil's lower house of Congress, was convicted on corruption charges and sentenced in March to 15 years. The case was built around Mr. Cunha's lifestyle. He earned \$120,000 a year but reportedly spent \$40,000 during one nine-day vacation to Miami.

While Mr. Cunha and Mr. Silva were lining their pockets, the Inter-American Development Bank lent Brazil at least \$11 billion. Since 2000, the World Bank has poured more than \$30 billion into the same rabbit hole. Transparency International ranks Brazil 79th out of 176 countries on corruption.

Then there's Angola, which Transparency International ranks 164th. The World Bank has granted the country more than \$1.7 billion since 2000, and the IMF another \$1.4 billion. Neither group seems interested in investigating how the daughter of President José Eduardo dos Santos, who has ruled Angola since 1979, became what Forbes calls "Africa's richest woman" (net worth \$3.5 billion). The daughter, Isabel dos Santos, has not been accused of corruption, but it can't be bad for business that the country's boss is her daddy. "There is no doubt that it was the father who generated such a fortune," a former Angolan prime minister told Forbes in 2013. (Ms. dos Santos has denied suggestions in the media that she



CHAD CROWE

benefited from illegal wealth transfers or state financing.)

When Western institutions drop money into the capitals of developing countries, they think themselves do-gooders. Instead they're tools in an unprincipled scheme. Here's how the racket works: German plumbers and New York waitresses pay taxes. Their respective governments contribute some of that money to the IMF, the World Bank and an alphabet soup of other outfits. Those groups funnel money to nations with corrupt politicians.

Sure, there's no way to track any specific dollar from the waitress's wallet to the ruler's pocket, but money is fungible. A dollar donated by the Group of Seven spends just the same as a dollar collected in Brasilia or Luanda.

Every dollar sent to corrupt countries also liberates local taxes for other use—or misuse. Poor farmers don't know or care whether their new road is built with capital from a state-owned monopoly or taxes withheld from waitresses in

Manhattan. But corrupt politicians do care, deeply. Paying for local infrastructure with foreign money allows them to claim credit for good works and to liberate cash for their own use.

International institutions should stop funding countries with weak rule of law and endemic corruption. Perhaps the best practical approach would be to replicate what the feds did to Capone. The case against Big Al was the most famous lifestyle audit of all time. Investigators cataloged his spending on everything from jewels and custom shirts to cars and hotel suites.

Given the billions of dollars at stake, donor countries should require the IMF, World Bank and similar institutions to know their customers and conduct lifestyle audits of major politicos in recipient countries. Many companies offer databases, some with more than a million names, that track what the Financial Action Task Force defines as "politically exposed persons"—officials whose power presents a

heightened risk of corruption. These lists include politicians, judges, generals and executives of state-owned companies, plus their friends and families.

Convincing the world's financial cops to demand such strict standards will be difficult. Paul Wolfowitz made fighting corruption a priority during his brief tenure as the World Bank's president from 2005-07, suspending loans to India and debt-relief talks with Congo. But the system, including donor countries, rebelled against Mr. Wolfowitz and went back to business as usual when he departed.

Perhaps average citizens can help shrink the problem of tracking corruption. Today it's feasible, as never before, to mobilize the crowd to itemize what world leaders are spending. Next week the perfect opportunity will be at hand, as thousands descend on New York for the United Nations General Assembly.

The uninitiated might be forgiven for thinking the U.N. meeting's purpose is conspicuous consumption, as visiting dignitaries are whisked from their official jets to Madison Avenue. So let's keep track. Do you see a foreign leader going into Cartier or hopping into an idling Bentley? Take a pic! We can turn the observable behavior of free-spending politicos into hard data.

Corruption in developing nations is not a victimless crime, and giving fungible money to shady governments makes American taxpayers into dupes. When foreign dignitaries take each other out to dinner in New York next week, their waitress should not be the sucker who picks up the tab.

Mr. Newman is a former hedge-fund manager who specialized in sovereign debt.

The Nobel Laureate Exclusion Act: No Future Geniuses Need Apply

By Akhila Satis

My first full-time job was a research fellowship at the National Institutes of Health. While the NIH is a research organization funded by the U.S. government, the researchers I worked with were not all U.S. citizens. Researchers came from all over the world, from India to Israel to Russia. This diversity in the scientific research field is no anomaly: In 2013, 18% (5.2 million) of the scientists and engineers residing in the U.S. were immigrants. Only 13% of the overall population is born abroad.

The daughter of immigrants and a scientist myself, I was shocked by President Trump's support of the Raise Act, a bill that would cut legal immigration. The president says the act would favor high-skilled immigrants, but the numbers suggest otherwise.

Since 2000, 31 of the 78 American Nobel Prizes were won by immigrants. I crunched the numbers, and under the Raise Act the majority of these laureates would have been prevented from staying in the U.S.

The bill, introduced by Sens. Tom Cotton and David Perdue, awards points for age, education, salary and

ability to speak English. The maximum points per category are 10 for age, 13 for education, 13 for salary and 12 for English fluency. Additional points are awarded if the person has won an Olympic medal, can invest significantly in the economy—or has already been awarded a Nobel Prize. People accumulating 30 points or higher can apply for a green card.

I assigned points to the laureates based on how old they were (26 to 30 is optimal) and what degrees they held when they came to the U.S. The Raise Act also requires immigrant wages to be 150% of the median salary to receive points (5 for 150%, 8 for 200% and 13 for 300%). I assigned salary points based on the current average salaries for doctoral and postdoctoral students, and professors in academic research.

The average salary of a doctoral student is \$29,138, well below the median household income in all 50 states. Postdocs earn an average of \$46,142, just above the median income in seven states. Assistant professors in academic research earn an average of \$58,830, just above the median in 30 states. Under these assumptions, then, no laureates would

have won salary points under the Raise Act.

I did allot points for professors pursuing scientific research in the U.S. after significant scientific contributions, assuming that increased their salaries notably. My generosity would allow three of the laureates to sneak in with applications.

The Raise Act's draconian criteria would have kept out a quarter of America's Nobel-winners since 2000.

Even assuming every laureate spoke perfect English when arriving here, the Raise Act would have allowed only 12 of the 29 researchers to apply to stay in the U.S. Three others, who arrived as children during and after World War II, might well have been rejected too, because they were sponsored by extended family in the U.S.—something the Raise Act discourages.

Take Venkatraman Ramakrishnan, born in India, who won the 2009 Nobel in chemistry for his work on visualizing cellular structure, critical

to the development of new antibiotics. Under the Raise Act, Mr. Ramakrishnan would have been awarded 6 points for age (he arrived at 19), 5 points for his foreign bachelor's degree, zero for salary, zero for any outstanding achievement or investment ability, and at most 12 points for English. That would have left him with 23 points, 7 fewer than needed to apply for a green card.

Jack Szostak, who came to the U.S. from Canada, won the 2009 Nobel in medicine for his research on telomeres, influencing the way scientists study aging and cancer. Had the Raise Act been in effect when he arrived in the U.S., Mr. Szostak would have been awarded 6 points for age (he began his career young, entering a bachelor's program at 15), 5 points for a foreign bachelor's degree, zero for salary, zero for any outstanding achievement or investment ability, and at most 12 points for English. Like Mr. Ramakrishnan, he would be 7 points short.

Aziz Sancar, who came from Turkey and won the 2015 Nobel in chemistry for his work on how genes repair themselves, would have been awarded 10 points for age (he came later in life, following medical training), 10 points for a foreign

doctorate, zero for salary, and zero for any outstanding achievement or investment ability. His English probably wasn't good enough for him to earn the 10 points to apply for a green card. But his language skills were enough to communicate in the scientific world, and Mr. Sancar's studies on circadian rhythms and DNA repair are foundational for biologists today.

All told, the draconian criteria of the Raise Act could have cost the U.S. a quarter of our Nobel laureates since 2000. The Raise Act emphasizes age and degrees in a way that doesn't account for the time-intensive education process in the sciences. It emphasizes salary, while the majority of researchers initially are paid at or below the median. Further, it emphasizes English in a community that communicates in the universal language of science.

Immigrant scientists have helped make America great. That future brilliant minds may not have the same opportunity is unacceptable to anyone who believes that America is an exceptional country that fosters exceptional talent.

Ms. Satis is a scientist and entrepreneur in Palo Alto, Calif.

In New York, There's No Alternative to a Free School Lunch

By Naomi Schaefer Riley

Good news! There is such thing as a free lunch and everyone is entitled. At least, that is, if you're a kid in the New York City public school system. Last week Schools Chancellor Carmen Farina announced that the new "Free School Lunch for All" program will provide daily meals at no charge to the city's 1.1 million students.

In 2016-17, according to the city Department of Education, 75% of students were eligible for free lunch. Who are the other 25%? Kids from families with incomes above the old

eligibility threshold—sometimes far above it. But according to Ms. Farina and Mayor Bill de Blasio, well-off youngsters need a free lunch in order to keep poor kids from becoming social outcasts.

"This is about equity," Ms. Farina said at a press conference last week. "We're erasing all the terrible history of the school food program—not just in New York City, but nationally—that has divided children by income. . . . This is a new day." Rep. Yvette Clarke, a Brooklyn Democrat, added that it was time to "eliminate the stigmatization of young women and men who receive a free lunch"—the ones

who previously made up three-quarters of the population.

While the city vowed the program won't affect its own bottom line—state and federal funds will cover the costs—taxpayers will pick up the check. "Free School Lunch for All" could in fact represent an entirely new approach to inequity. Maybe middle-class families should receive food stamps so that poor families don't feel stigmatized. Perhaps we should send the 1% to eat at soup kitchens, so people in desperate straits won't feel bad about their situations. Or maybe we should offer public housing to the rich, so no one who is forced to use it will get self-conscious. The left says it wants a safety net, but if everyone falls into it then the safety net is properly called socialism.

New York's universal free-lunch boondoggle is only the latest example of the federal government's

misguided efforts to feed schoolkids over the years. Advocates of free lunch (and free breakfast) argue that children are at the same time "food insecure" and fighting an obesity epidemic.

In 2012, then-Education Secretary Arne Duncan tried to get New York City to push more kids into a free school-breakfast program. They could already get a free morning meal, but only if they arrived before school started. Mr. Duncan wanted students fed in class. Fortunately Mayor Michael Bloomberg had the good sense to resist. A few months earlier an official in his Health Department had concluded that more than a quarter of kids were eating two breakfasts. In 2015, though, Mayor de Blasio reversed course. Soon schools will be giving out snacks for the ride home.

Even as officials seek to give out more free food, the kids themselves

seem to be eating less of it. Since the Healthy Hunger-Free Kids Act of 2010 took effect in the 2012-13 school year, enrollment in the federal free-lunch program has been declining. Because lunches must now be lower in fat, calories and sodium—and contain lean proteins, more fruits and vegetables and whole grains—a growing number of students are skipping the school lunch altogether.

According to the School Nutrition Association, 70% of school meal programs have seen significant financial losses since the new guidelines took effect. A study by Tufts researchers found that kids took more of the required healthy foods, but consumed less of them. They were throwing out fruits and vegetables at a rate 56% higher than before. According to researchers at the Harvard School of Public Health, schools waste about \$1.2 billion in food each year.

Perhaps the problem is not that youngsters don't like fruits and vegetables, but that they're not particularly hungry. They're either eating at home or buying food on the way to school at fast-food joints or bodegas. Ms. Farina's insistence that schoolchildren in New York City are not eating their free lunches because fellow students might make fun of them strains credulity. Most of their classmates qualify for the giveaway too.

There is one easy way to check this theory: Offer Big Macs for lunch tomorrow and see how many takers you get.

Ms. Riley is a senior fellow at the Independent Women's Forum.

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Editor in Chief

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THE WALL STREET JOURNAL.

Friday, September 15, 2017 | B1

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Breach Tied to Credit Monitoring

Equifax customers seeking protection from fraud had information stolen

BY ANNAMARIA ANDRIOTIS AND EMILY GLAZER

People who purchased credit-monitoring services from **Equifax Inc.** seeking added protection from fraud were among those who had their credit-card information stolen as part of the company's massive data breach, according to people familiar with the matter.

In some cases, people who

bought the monitoring products had first called Equifax to dispute information on their credit reports—such as credit cards or loans that are on their file but they didn't think they had signed up for. The consumers were then sold a credit-monitoring product as a safety measure, said a person familiar with the matter.

Equifax didn't respond to requests for comment.

Purchases of the monitoring service that led to card data being stolen were made before Equifax disclosed last week that a massive hack had exposed vital personal information for potentially 143 million Americans.

That information included names, addresses, dates of birth and Social Security numbers. In its announcement, the company said approximately 209,000 people had credit-card data compromised.

In the wake of the hack, Equifax is now making free a credit-monitoring service the company used to charge for. It wasn't clear whether the services offered in the product purchased by the people with the compromised card information are the same product Equifax is now giving away.

Meanwhile, on Thursday the Federal Trade Commission said it is investigating the Equifax breach, adding to the mounting investigations into the hack.

Peter Kaplan, the FTC's acting director of public affairs, said in a statement that while his agency typically doesn't comment on continuing investigations, it is confirming this one "in light of the intense public interest and the potential impact of this matter."

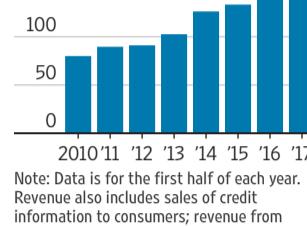
The FTC is one of Equifax's federal regulators along with the Consumer Financial Protection Bureau. The FTC regulates the credit-reporting firms with regard to their ability to keep data safe as well as identity-theft matters.

That includes looking into whether companies have comprehensive security programs

Please see **BREACH** page B2

Consumer Facing

Equifax operating revenue from the sales of credit monitoring and identity theft protection to consumers



Note: Data is for the first half of each year. Revenue also includes sales of credit information to consumers; revenue from 2015 includes consumer sales in the U.K. Source: the company
THE WALL STREET JOURNAL.

Alphabet, Lyft Talk \$1 Billion Infusion

BY GREG BENSINGER AND JACK NICAS

Google parent **Alphabet Inc.** has held talks to invest about \$1 billion in **Lyft Inc.**, according to people familiar with the matter, in what would further an alliance against the ride-hailing company's archrival, **Uber Technologies Inc.**

It isn't clear when the talks took place or whether a deal will materialize, and it couldn't immediately be learned which unit of Alphabet would make the investment.

An investment in Lyft would complicate an already confusing mix of alliances and competitors in the global ride-hailing business. Alphabet is an investor in Uber after its venture-capital arm, now called GV, invested \$258 million in the ride-hailing giant in 2013. Their relationship soured over the years as Uber and Google began competing against each other in developing self-driving cars. Alphabet executive David Drummond

An investment in Lyft would complicate alliances in the ride-sharing arena.

stepped off Uber's board last year, citing the increasing competition between the two companies.

The standoff reached a head in February when Alphabet sued Uber for allegedly stealing trade secrets to jump-start its own driverless-car program, allegations the ride-hailing company denies. In May, Alphabet turned to Lyft in a deal to jointly develop autonomous-vehicle technology.

Further highlighting the intertwining relationships, **SoftBank Group Corp.** has held talks with both Lyft and Uber about an investment in recent weeks, The Wall Street Journal reported Thursday. The Japanese tech investor is already a backer of several ride-hailing companies in other countries and is nearing a deal with Uber to buy upward of \$10 billion in stock, according to people familiar with the matter. The discussions with Lyft never advanced, two people said.

Bloomberg News earlier reported the talks between Alphabet and Lyft.



A New Boom: First Texas Oil, Now Its Sand

BY RYAN DEZEMBER

There is a new land grab going on in the oil-rich fields of West Texas. This time it is over sand.

Big oil-field sand suppliers, Wall Street firms and other investors have been buying up swaths of the West Texas desert. These investors aim to mine and sell the sand to drillers in the region's booming Permian Basin, which need large quantities of sand to extract oil and gas from shale

formations.

Texas energy producers have typically bought the millions of pounds of sand that each well requires from mines located far from their drilling fields.

After oil prices collapsed in late 2014, though, cost-conscious drillers reconsidered their well designs and recipes for the slurries they blast underground to unleash fuel from shale formations.

Many West Texas drillers discovered that they could replace sand they had been shipping from mines 1,300 miles away in Wisconsin with finer grades found in dunes nearby. Doing so eliminates rail costs that sometimes are equal to or more than the sand itself.

Now investors are lining up to supply local sand to West Texas drillers.

"Local sand is a huge disrupter that is beneficial to the shale producers," said Ben "Bud" Brigham, an Austin geophysicist who built and sold two oil companies and now is plowing some of his profits

into sand pits.

Mr. Brigham is using proceeds from his recent \$2.55 billion sale of Brigham Resources to fund a Permian mining operation called **Atlas Sand Co.**, which he expects to begin sand production in next year's second quarter.

The Atlas mine is one of at least 18 under way or proposed for the desert outside Midland, Texas, according to Jefferies analyst Brad Handler. The first, **Hi-Crush Partners LP**'s 3-million-ton-a-year facility, began

operations in July. More than a dozen plan to open over the next year.

The prospect of tens of millions of tons of Permian sand coming to market could drive down sand prices that have been rising nationally, Mr. Handler said. Analysts say that prices rose to as much as \$45 a ton earlier in the year, from as little as \$15 a ton last year.

With competition heating up in West Texas, analysts say it is unlikely that all the

Please see **SAND** page B2

Verizon Set to Slash \$10 Billion in Costs

BY RYAN KNUTSON

Verizon Communications Inc. plans to cut \$10 billion in spending from its operations over the next four years, the company's chief executive told investors Thursday.

The carrier plans to deploy an aggressive cost-cutting technique known as zero-based budgeting, something

A Verizon spokesman said the cuts will come evenly across the business and not from one specific area.

Sprint Corp. also used zero-based budgeting during a major cost-cutting effort in recent years.

Verizon, the nation's largest wireless carrier by subscribers, has been forced to slash prices and offer unlimited data plans in the face of increasing competition from rivals. Those measures have hurt revenue. Its landline phone and internet business also suffers from cord cutting.

Verizon CEO Lowell McAdam, speaking at a **Goldman Sachs** investor conference Thursday, also said he is no longer looking at acquiring a cable company, though the company considered such a deal about a year ago.

Mr. McAdam said Verizon is looking for deep fiber assets to help its 5G buildout, and cable doesn't have that. "We've moved on," he said. Now, the company is building much of its own fiber optic cables around cities and acquiring assets from small providers to help with wireless capacity.

more common in the packaged-food and consumer-products industries. The idea is that all business units must start with a clean sheet of paper each year and justify the money they want to spend, rather than basing it off of the previous year's spending.

In 2016, Verizon had about \$126 billion in revenue and \$99 billion in operating expenses.

\$99B

Verizon Communications' operating expenses in 2016

INSIDE



ELECTRONIC LOGS LOOM FOR TRUCKERS

SAFETY, B3



DOW EKES OUT ANOTHER HIGH

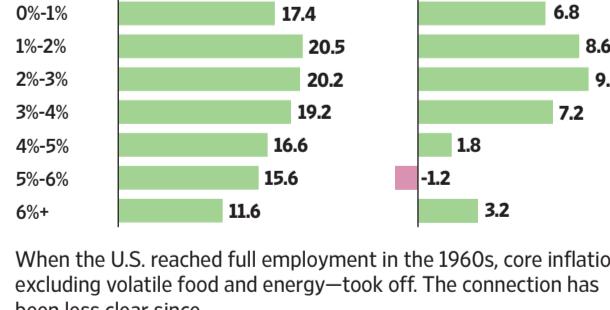
STOCKS, B11

STREETWISE | By James Mackintosh

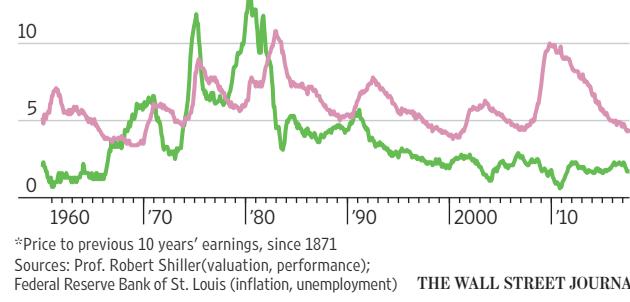
Stocks Pricey Amid Low Inflation

Low Inflation, High Valuation

When inflation has been low in the past, stocks have tended to be more highly valued and followed by better performance over the next year.



When the U.S. reached full employment in the 1960s, core inflation—excluding volatile food and energy—took off. The connection has been less clear since.



THE WALL STREET JOURNAL

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	General Electric.....B2
Activision Blizzard.....B6	Goldman Sachs Group.....A3,B1
Airbus.....B2	HCI Group.....A2
Alibaba Group.....A8	HgCapital.....B10
Alphabet.....B1,B4,B6	Hi-Crush Partners.....B1
American International Group.....A2	Honeywell International.....B2
Apple.....A9,B4	I
ARM Holdings.....A8	International Business Machines.....A9
Atlas Sand.....B1	J
AT&T.....B4	Jana Partners.....B6
B	K
Blue Bottle Coffee.....B3	Holiday Inn.....B1
Boeing.....B11	L
C	Liberty Mutual Insurance.....A1
Casper.....B4	Life360.....A9
China Zhongwang Holdings.....B3	L'Oréal.....B3
Chubb.....A1	Lyft.....B1
Crawford.....A2	M
D	Maveron.....B10
D.E. Shaw Group.....B6	Metastable Capital.....B10
Deutsche Bank.....B6	Morgan Stanley.....B6
Didi Chuxing Technology.....A8	N
Dole Food.....B6	Nestlé.....B3
Duke Energy.....B12	Netflix.....B6
E	News Corp.....B6
EQT.....B6	Nine Entertainment Holdings.....B6
Equifax.....B1	Nordstrom.....B11
Expedia.....A8	O
F - G	Oracle.....B4,B12

BUSINESS & FINANCE

Deal Poses Antitrust Issues

Intense regulatory scrutiny is expected for the United Tech and Rockwell tie-up

By DOUG CAMERON

Questions are surfacing over how antitrust authorities will treat the tie-up between **United Technologies** Corp. and **Rockwell Collins** Inc. amid a broader debate over how the combination might drive change in the aerospace industry.

Regulators are likely to be sensitive to the repercussions from the proposed takeover because it represents a culmination of years of smaller-scale consolidation. United Technologies agreed to purchase Rockwell Collins for \$23 billion in the biggest aerospace deal in history, creating a powerhouse making everything from cockpit electronics to landing gear and engines.

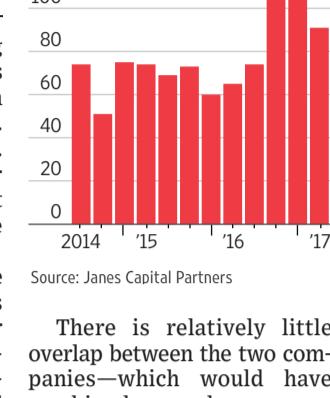
Industry experts say Europe's antitrust watchdog represents the biggest potential obstacle to the deal.

Share-price moves since the deal's announcement last week indicate investors are putting a 70% probability on the transaction closing as planned by the third quarter of 2018. Rockwell Collins' stock on Thursday traded around \$131, below United Technologies' offer price of \$140 a share in both cash and stock.

Taking Off

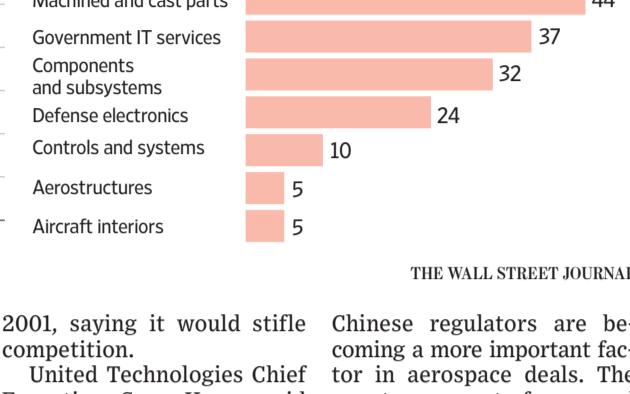
Deal making in the aerospace sector is picking up as suppliers seek more leverage over plane makers.

Quarterly aerospace deals



Source: Jane's Capital Partners

Top deals categories (2016)



THE WALL STREET JOURNAL

2001, saying it would stifle competition.

United Technologies Chief Executive Greg Hayes said last week that the companies don't expect antitrust problems given that there are only a "few hundred million dollars" in product overlap. This includes cabin interior and lighting products.

United Technologies and Rockwell Collins may make few of the same parts, but they could leverage their combined buying power to squeeze their own suppliers and demand higher prices from Airbus SE and Boeing Co., as well as airlines. Mr. Harned said this could attract the European regulator's attention.

The deal requires approval from 17 regulators, reflecting the global nature of the aerospace industry. Each regulator has its own set of priorities.

Chinese regulators are becoming a more important factor in aerospace deals. The country accounts for around 20% of Boeing and Airbus orders, and is also developing its own commercial airliners.

Last year, Honeywell's high-profile bid for United Technologies didn't move forward, in part because United Technologies executives didn't think a deal would pass antitrust muster.

Plane makers, concerned about the clout of a super-supplier, objected to that potential combination and some already have voiced opposition to the latest one.

Boeing quickly came out against the proposed takeover of Rockwell Collins. "We remain skeptical whether that's going to add value for us," Boeing Chief Executive Dennis Muilenburg said at an investor conference on Wednesday.



Hi-Crush Partners' sand mine in Kermit, Texas. Drillers have found that finer sand available in the state has its advantages for production.

SAND

Continued from the prior page
planned mines will get built.

"There'll likely be many losers who jumped into the game a bit late," said George O'Leary, an analyst at energy investment bank Tudor, Pickering, Holt & Co.

Mr. O'Leary said newcomers may not have the industry knowledge or contacts. Many wells might also require coarser grades of sand than can be found in West Texas.

And though the long train ride is eliminated with local sand, logistical hurdles remain. Those include a tight labor market in the sparsely populated region and the potential for sand miners to wind up competing with their customers for the huge quantities of water both require.

The sheer number of trucks needed to move the sand around the Permian is daunting. Robert Rasmus, Hi-Crush's chief executive, recently told investors that it would take 120,000 truck-loads to deliver the Permian

Quicksand

Shares of sand miners have sunk despite increased demand from U.S. drillers.

Share performance since IPO



Source: FactSet

bilized and sand prices have risen, these stocks have continued to falter. The five big listed sand companies are each down more than 35% this year.

Hedge-fund manager Daniel Loeb is among those betting that sand stocks will fall further. In an April letter to his Third Point LLC investors, Mr. Loeb cited the "important shift" from special sand mined in the Midwest to abundant sand within drilling basins, including West Texas.

Miners with Midwestern operations say they are confident that the types of sand produced there will remain in demand in Texas and other drilling regions, such as those in North Dakota and Appalachia.

The cost of rail transportation from the Midwest typically makes up about a third of the total cost of sand. Permian oil producers estimate they will chop roughly 5% from their drilling costs by using local sand. At a typical well cost of about \$8 million, that translates to savings of \$400,000.

In shale drilling, sand is mixed with water and chemicals and blasted underground to crack open energy-bearing

rock. In this process, known as hydraulic fracturing, it is the water pressure that cracks open the shale and the sand that props open the fissures to allow oil and gas molecules to seep out.

Many drillers have preferred coarser grades of sand that are better able to withstand the intense pressures miles deep beneath the surface and can hold cracks open wider than finer grains. A variety of sand called Northern White found mostly in Wisconsin and other Midwestern states has been prized for its uniformity, crush strength and grain size.

In response to low oil prices, however, producers such as Mr. Brigham were able to boost wells output by using larger quantities of finer sand, which propped open additional small fissures and reduced the chemicals needed to keep larger grains afloat in the water.

"People started looking around saying, where can we find this smaller mesh sand? And it was in the Permian Basin," said Hi-Crush finance chief Laura Fulton.

STREET

Continued from the prior page

The question might seem dumb. Low inflation means low interest rates and so higher prices for equities. As projected future profits are worth more in today's money, companies spend less to service their debts and shares become more attractive relative to low-yielding cash and bonds. What's not to like?

History confirms the simple view, in that stock valuations have on average been much higher when inflation is below 4% than when it is above. Even better, the S&P 500 on average rose about 8% in the year following inflation coming in below 4%, against just 2% gains for faster inflation.

Unfortunately, averages conceal a lot, and in this case they hide the truth. The truth is that what matters most to stock prices isn't where inflation stands, but where it will stand in the future compared with what is currently priced in.

Investors like low and stable inflation, but some of the best times to buy stocks have been when inflation is very high, and about to plummet, as in 1979. Equally, some of the worst times to buy stocks have been when inflation seems under control, but is about to take off, as for example at the end of 1966.

Even worse, the average hides massive variation. Data put together by Yale Prof. Robert Shiller for the S&P and U.S. inflation back to 1871 show that investing when inflation was between 1% and 2%, as it currently is, offered a one-year gain in the S&P averaging 8.6%—with dividends on top.

Not bad, you might think as you dial your broker. But the range was huge, from a whopping rise of 41% to a loss of 35%—again depending on whether inflation subsequently

rose or fell.

This might seem like ancient history, but in August 2007, considered by many to be the start of the financial crisis, inflation was below 2% and the stock market was booming.

Perhaps most relevant is late 1965. Inflation had been below 2% for seven years, stocks were on a roll and Beatlemania was at its height in America. Investors seemed to agree with John Lennon as he sang "I Feel Fine," and stock valuations hit their highest since 1929 on the widely used Shiller P/E ratio, which smooths the cycle by comparing price to 10 years of earnings.

Few trading today were even born in the 1960s, but Dan Fuss was trading bonds at the time. Now vice chairman at Loomis, Sayles & Co. in Boston, he sees similarities with the 1964-66 period, when inflation was quiescent.

"The Fed chose to soak the field in gasoline so when the match came it would be a problem," he said of the 1960s.

Just as then, he thinks the Fed is restrained by domestic politics from tightening policy, making it hard for policy makers to respond when inflation does start to pick up, and he is worried it is on its way.

The consensus is that inflation is going nowhere fast. U.S. consumer prices rose 1.9%, slightly more than forecast, in the past year, data on Thursday showed. Yet, almost all the increase came from surging prices of gas and shelter.

The risk is that investors are again being lulled into a false sense of security. The calm of the 1960s was broken in 1967, when core inflation—taking out volatile energy and food prices—jumped more than 2 percentage points in just 12 months, and highly valued stocks proved vulnerable.

If the bad guy turns out to be lurking just off screen, Hollywood's scriptwriters may yet

have a plot worth watching.

Continued from the prior page

that are appropriate for the size of the consumer data that they have; that the companies are identifying reasonable external risks; and that they have the appropriate staffing in place as well as employee-training management.

The Federal Bureau of Investigation also is examining the data breach in a probe that could become one of the largest

such investigations to date.

New York Attorney General Eric Schneiderman, too, said he is investigating Equifax. Two congressional committees have said they planned hearings.

Many consumers have responded to the breach by racing to sign up for the free monitoring service being offered by the company. Equifax chief Richard Smith wrote in USA Today late Tuesday that 11.5 million consumers had signed up for the free offer.

Consumers also are freezing their credit reports with

the three credit-reporting companies, which along with Equifax includes TransUnion and Experian PLC.

Equifax has long sold products to consumers that allow them to monitor their credit reports for possible fraudulent activity and that aim to provide identity-theft protection.

The company, like its rivals, often pitched these products to consumers who are worried about becoming victims of breaches and other fraudulent events.

Among the services that Equifax sells, are comprehen-

sive credit-monitoring and identity-protection products that include alerts to changes in consumers' Equifax credit scores and credit reports.

The plan costs \$19.95 a month; similar services are sold in a family plan that costs \$29.95 a month.

The credit-monitoring and identity-protection products are part of Equifax's "Global Consumer Solutions" division, which accounts for a small share of total operating revenue. But the business has grown quickly in recent years.

The division mostly sells

monitoring services online to consumers in the U.S., Canada and more recently in the U.K., according to company filings.

In the first six months of 2017, global consumer solutions' operating revenue totaled \$204.8 million, a two-thirds increase from the same period five years ago.

Concerns that such revenue will fall due to Equifax giving the monitoring service away weighed on the company's stock. The shares fell an additional 2.4% Thursday after dropping 15% the prior day.

Socialist Republic of Vietnam

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Citibank Agency & Trust
15 September 2017

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BREACH

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Consumers also are freezing their credit reports with</p

BUSINESS NEWS

U.S. Firm Accused of Smuggling Aluminum

BY SCOTT PATTERSON
AND JUSTIN SCHICK

The U.S. Justice Department is alleging that a California company evaded \$1.5 billion in tariffs by conducting an illegal effort to smuggle banned aluminum into the U.S., according to a government complaint filed Thursday.

The civil complaint signals that U.S. authorities are deepening an investigation into a long-running international aluminum scheme that allegedly involves Fontana, Calif.-based Perfectus Aluminum Inc. The complaint, part of a proceeding to seize assets, alleges that Perfectus Aluminum is controlled and "effectively owned" by Liu Zhongtian, founder and chairman of Chinese aluminum giant **China Zhongwang Holdings Inc.**, one of China's biggest aluminum producers and exporters.

It says Perfectus illegally imported more than 2.1 million aluminum pallets from China into the U.S. between 2011 and 2014, violating a 2010 Commerce Department ban on certain aluminum imports from China and avoiding payment of more than \$1.5 billion in tariffs.

According to the complaint, the pallets were manufactured by China Zhongwang and sold to Perfectus by intermediary entities, some of which were owned or operated by members of Mr. Liu's family or his close associates.

The government notified the court that it intends to seize a warehouse in Fontana that is owned by Perfectus, according to the complaint.

Representatives for China Zhongwang and Mr. Liu didn't immediately respond to requests for comment. A spokesman for Perfectus said the company hadn't had a chance to review the complaint and had no comment. China Zhongwang has earlier denied any connection with Perfectus.

The new allegations could help resolve a mystery about massive stockpiles of aluminum in Mexico, the U.S. and elsewhere that had baffled U.S. aluminum industry officials. The Wall Street Journal, in a series of articles, has reported how Mr. Liu and his associates were allegedly involved in a complex effort to ship billions of dollars' worth of aluminum from China to locations in Mexico, Malaysia, Vietnam, the U.S. and elsewhere.

Mr. Liu has denied having any ties to stockpiles of aluminum shipped overseas from his Chinese operation.

"These things have nothing to do with me," he said in a June 2016 interview with the Journal at his company's Liaoning, China, plant, where he lives in an apartment inside the factory.

American aluminum producers have been complaining for years about Chinese companies flooding U.S. markets with inexpensive aluminum, which they say has helped to depress prices.



A requirement for electronic trackers of driving time takes effect in December for the U.S. trucking industry. Some drivers worry the measure will reduce their income.

Truckers Balk at Electronic Logs

BY BOB TITA

Electronic logs are taking fuzzy math out of trucking.

Federal and state officials have given truckers until December to install electronic monitors that track their time on the road.

Driving-log violations are the largest share of citations that police issue during truck inspections, the Federal Motor Carrier Safety Administration says.

Even modest fudging can add up to hundreds of hours of unlawful driving. Road-safety advocates say off-book driving pushes up highway accident rates. The motor-safety agency estimates electronic logs will save 26 lives and prevent 562 injuries annually.

"The only reason anyone would oppose this technology is to skirt the hours of service," said Chris Spear, chief executive of the American Trucking Associations in Virginia.

Some smaller companies that operate just a few trucks and independent drivers are resisting the switch.

"I don't plan on it until the

duty stretch. Waiting at a loading dock or getting stuck in traffic counts against that time. That tempts truckers to say in their logs that deliveries happened faster than they did.

Driving-log violations are the largest share of citations that police issue during truck inspections, the Federal Motor Carrier Safety Administration says.

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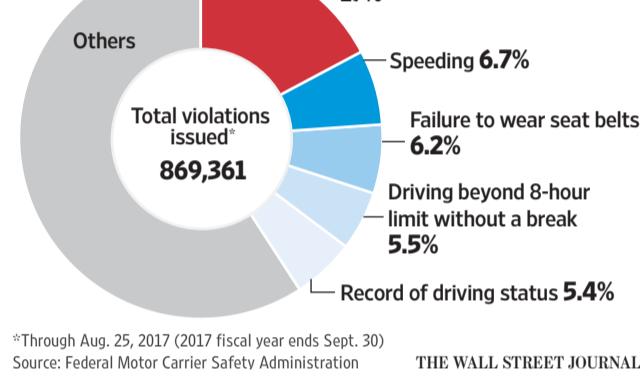
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"I don't plan on it until the

Mile Markers

Truck drivers pulled over by law enforcement are most often cited for infractions related to their records of time on the road.



*Through Aug. 25, 2017 (2017 fiscal year ends Sept. 30)

Source: Federal Motor Carrier Safety Administration

THE WALL STREET JOURNAL

Acknowledging those concerns, the consortium of state and federal law enforcement agencies overseeing the change said last month that they will fine truckers found without electronic logs starting in December but won't force their trucks off the road until April. Fines for log violations are based on state statutes and vary from state to state.

Paul Truman, president of Truline Corp., a larger trucking company in Las Vegas, has seen a 12% drop in weekly miles traveled since most of the company's 220 trucks were converted to electronic logs. He says he hopes the reduction will be offset by higher shipping rates if there is less off-log driving and some owner-operators leave the industry.

"If you reduce the capacity and demand is the same, then pricing should go up and hopefully it makes the trucking industry more profitable," he said. "To make this work, we need everybody to be compliant."

Specialty Coffee Retailer and Nestlé Brew a Deal



BY BRIAN BLACKSTONE

ZURICH—Nestlé SA added to its rapidly growing coffee business by acquiring a majority share in specialty coffee roaster and retailer **Blue Bottle Coffee**.

Thursday's deal will give the Swiss consumer-products giant a 68% stake for about \$425 million, a person familiar with the matter said.

The transaction, though small relative to Nestle's 89.5 billion Swiss francs (\$92.7 billion) in 2016 sales, underscores the packaged-food company's emphasis on coffee as one of the priority parts of its business, while it pares back some confectionery operations.

Nestle's coffee unit, which includes Nescafé and Nespresso coffee and Coffee-Mate creamer, generated 2016 sales of 9.1 billion francs.

Blue Bottle had 29 shops in U.S. cities including Washington,

New York, Los Angeles and in the San Francisco Bay Area, as well as in Tokyo at the end of last year. It is expected to have 55 stores by the end of this year.

\$425M

Amount Nestlé is paying for a 68% stake in Blue Bottle Coffee

"This move underlines Nestlé's focus on investing in high-growth categories and acting on consumer trends," said Nestlé Chief Executive Mark Schneider. Blue Bottle was advised in the deal by J.P. Morgan.

In June, Nestlé cited coffee as one of the high-growth parts of its business in which it plans to focus its investments in addition to infant nutrition, bot-

tled water, pet care and consumer health. It also launched a 20 billion franc share buyback, and put up for sale its U.S. confectionery business that includes Butterfinger and Crunch candy bars.

The moves came amid investor pressure to boost profit and raise Nestlé's share price. That pressure culminated in late June with the founder of activist investor **Third Point** LLC, Daniel Loeb, publishing a letter on how Nestlé should change. His recommendations included a formal margin target, more share buybacks and a sale of Nestlé's stake in French cosmetics giant **L'Oréal SA**.

Thursday's announcement continues an acquisition spree by Nestlé in the U.S. Last week, Nestlé said it would buy California plant-based foods manufacturer Sweet Earth. In June, it acquired a minority stake in startup Freshly, which sells prepared meals.

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Discounts on New iPhones Are Lagging

Wireless firms offer stingier deals than on past models, as prices increase sharply

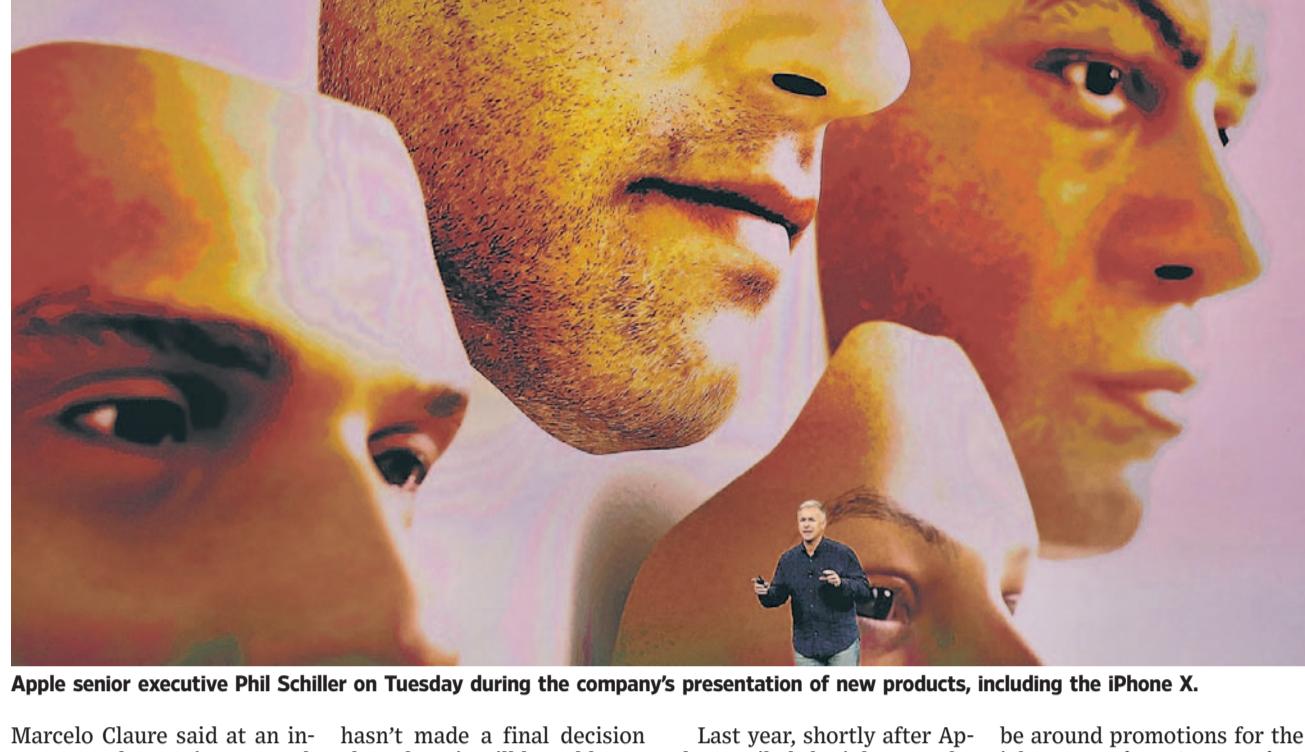
BY DREW FITZGERALD
AND RYAN KNUTSON

Discounts on Apple Inc.'s newest iPhone models haven't kept up with their climbing prices.

Wireless carriers are offering less generous deals on new iPhones than in years past as executives bristle at the handsets' cost. Apple on Tuesday unveiled two iPhone 8 models starting at \$699 alongside a premium device, the iPhone X, for \$999. That is up from a base price of \$649 last year for the iPhone 7.

The rising cost is prompting wireless companies to look for other ways to lure customers to their service. Buying a new handset is often the easiest way for the carriers to steal subscribers from rivals, but the cost of the devices, which customers usually pay back over time at zero interest, cuts into their profitability.

"I think we should invite the manufacturers to share a little of the cash flow burden," Sprint Corp. Chief Executive



Apple senior executive Phil Schiller on Tuesday during the company's presentation of new products, including the iPhone X.

soft promotions, said Sprint would respond aggressively to any rival offers but doesn't want to take the first swing. "In the case that somebody becomes aggressive, we are going to be the one with the most enticing offer," he said. "But so far things seem to be very responsible, which is good."

Jefferies analyst Mike McCormick said most companies' promotions focused on trade-in offers for old devices, "a much more measured approach than the free-iPhone deals we saw last year."

AT&T Inc. said it would broaden an existing buy-one-get-one offer to include a \$699 credit for iPhone buyers adding a second phone line. But the deal only applies to the iPhone 8 and iPhone 8 Plus, not the iPhone X, and subscribers also need DirecTV or U-verse to qualify.

Verizon and **T-Mobile US** Inc. are both offering trade-in customers as much as \$300 off the newest models instead of the \$650 credits on tap last year, which covered the cost of a basic iPhone 7. The major carriers also let customers finance the latest devices over 24 months.

—Tripp Mickle contributed to this article.

Marcelo Claure said at an investor conference in New York Thursday. "We're not too excited with the prices going up and also having to finance that."

Mr. Claure said Sprint isn't planning to let customers have a \$999 iPhone X without at least making a down payment or paying interest, though it

hasn't made a final decision about how it will be sold.

"The model is not sustainable where we are buying devices at high prices and then were just basically providing interest-free financing to customers," he said.

Apple didn't immediately respond to a request for comment.

Last year, shortly after Apple unveiled the iPhone 7, the four major U.S. carriers were quick to offer free iPhone 7s to customers who traded in the previous model. This time, executives say they don't want the newest iPhones to spark another promotional brawl.

"I'm encouraged, frankly, by the discipline there appears to

be around promotions for the iPhone," **Verizon Communications** CEO Lowell McAdam said Thursday, adding that the discipline will help the company boost revenue following price cuts and its return to unlimited data plans earlier this year.

Mr. Claure, who echoed Mr. McAdam's pleasure with the

Former Google Employees Allege Bias Against Women

BY YOREE KOH

Three former Google employees on Thursday filed a class-action lawsuit against the tech giant, alleging it discriminated against women in pay and promotions, building on a debate of whether gender bias is pervasive at Google.

The three women claim that Google placed them in lower job levels than their similarly qualified males, leading to lower pay, and denied the women promotions or transitions to other teams that would have led to better career advancement.

The complaint, filed in San Francisco Superior Court, is the latest chapter in a recent flare-up over gender equality at Google. Thursday's complaint comes on the heels of an accusation by the Labor Department that Google systematically underpays its female employees. And Google last month fired James Damore, an engineer, for publishing a memo that attributed Google's gender gap in part to biological differences, not sexism.

Google, part of **Alphabet** Inc., has said its annual salary analyses show no pay gap.

Lawyers for the three plaintiffs said more than 90 current

and former Google employees came forward to say they faced discrimination.

One of the plaintiffs, Kelly Ellis, alleged that she was assigned to a lower level than her similarly qualified male counterparts when she was hired as a software engineer on the Google Photos team in 2010. In the complaint, Ms. Ellis claimed she was brought in at a level typically given to new college graduates, despite her four years of engineering experience.

The plaintiffs say Google put them in lower job levels than similarly qualified men.

She asked for a promotion after learning that she had equal or better qualifications than male engineers in a higher level, and after receiving "excellent performance reviews." She said she was denied. According to the complaint, Ms. Ellis resigned from Google around July 2014 due to "the sexist culture."

The claims from the other two plaintiffs, Holly Pease,

who managed software engineers, and Kelli Wisuri, a salesperson, follow a similar pattern in which they felt their initial positions didn't match their qualifications, then found it hard to catch up.

Ms. Wisuri was placed in a sales role in 2012 that paid less because it was based on salary, not commission, according to the complaint. Ms. Wisuri noticed that most of the higher-paying commission-based roles were held by men, whereas women held about 50% of "sales enablement jobs" that were based on salary. She eventually left Google after three years in January 2015 "due to the lack of opportunities for advancement for women."

"We disagree with the central allegations," said a Google spokeswoman on Thursday, adding that the company will review the lawsuit. "Job levels and promotions are determined through rigorous hiring and promotion committees, and must pass multiple levels of review, including checks to make sure there is no gender bias in these decisions. And we have extensive systems in place to ensure that we pay fairly."

—Jack Nicas contributed to this article.

Cloud Boost

Oracle's cloud revenue continues to grow, while new software license sales decline. Change from previous year in each:



Note: Fiscal year 2017 ended May 31. Source: the company THE WALL STREET JOURNAL.

Facebook Reins In Marketers' Editing

BY JACK MARSHALL

Facebook Inc. said on Thursday it will stop allowing advertisers who promote news articles on the site to modify the headlines and descriptions that appear with them, a practice that some publishers say misrepresents their work.

The social network's change came after The Wall Street Journal contacted the company, pointing to examples of such ads.

In June, Facebook said it would prevent its users from modifying news article headlines, descriptions and images when posting links, as part of a broader push to crack down on the spread of false or misleading information. But the change didn't apply to paying advertisers, who continued to have the ability to alter these "link previews" through Facebook's ad platform.

The Journal found examples of how marketers had used the tactic to subtly reposition press coverage about their companies or products. In many cases the changes didn't appear drastic, and the advertisers say they were meant to enhance clarity, not mislead readers. But the changes were enough to make some publishers uncomfortable. It wasn't clear how widespread the practice was.

In one example, a recent ad for mattress company Casper linked to a Business Insider article using the headline "How Casper is Revolutionizing the Way We Sleep." But the Business Insider article carried the headline "I bought a bed from the Target-backed 'Warby Parker of mattresses' and I'll never buy one in stores again."

It didn't say anything about Casper "revolutionizing" sleep.

Other advertisers besides Casper have also posted edited links to Business Insider articles in their Facebook ads in recent weeks.

A Casper spokeswoman said the company decided to alter the headline in the link preview because Business Insider's version didn't explicitly mention the Casper brand, and because it was truncated when it appeared in the news feed because of Facebook's character limits. Business Insider declined to comment.

In a statement, a Facebook spokesman said advertisers will no longer be able to modify news headlines in this way. "Advertisers will still be able to edit headlines in links when they point to their own content, and we have strict policies in place that prohibit misleading ads," she added.

Publishers will also continue to be able to modify the social headlines for their own articles.

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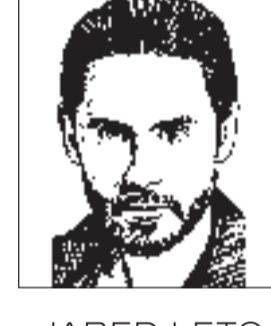
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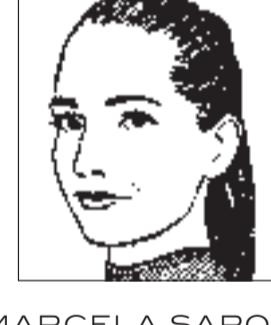
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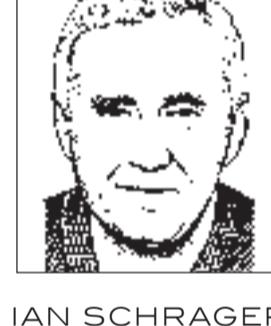
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MEDIA

Fox-Sky Deal Gets Dual U.K. Review

BY RORY GALLIVAN
AND STU WOO

LONDON—The U.K. government on Thursday said it would refer **21st Century Fox** Inc.'s \$15.5 billion proposal to consolidate ownership of **Sky** PLC for review by the country's competition authority using both broadcasting standards and media-plurality criteria.

The move represents a hurdle in media mogul Rupert Murdoch's yearslong bid to solidify control of British pay-TV giant Sky and further integrate his wider, global media empire. The decision comes just two days after the U.K.'s culture secretary, Karen Bradley, said she was "minded" to refer the deal to the Competition and Markets Authority. Fox and Sky wrote to Ms. Bradley to say they disagreed with her intention but wouldn't be filing any formal case against it, paving the way for the move.

The CMA has 24 weeks to investigate the deal, in which Fox is seeking to buy the 61% of Sky it doesn't already own. The authority would then provide evidence to the government, which makes the final decision on whether to clear the merger or to impose any conditions on the deal. Fox said it looks "forward to engaging constructively with the CMA, as independent authority, and hope[s] that the findings of this process

will be respected" by the government. Sky said it "will continue to engage constructively in this process."

In terms of media plurality, Ms. Bradley had raised questions about whether the transaction would give one organization too much power in the British media. Mr. Murdoch and his family are major shareholders of both Fox and News Corp., which owns a number of British newspapers such as the Times of London, the Sunday Times and the Sun, the U.K.'s best-selling tabloid. News Corp. also owns The Wall Street Journal. The proposed deal already passed muster with European Union antitrust regulators.

In regards to broadcasting standards, Ms. Bradley said earlier this week she was acting partly out of concern about corporate-governance at 21st Century Fox, highlighted by a series of sexual-harassment scandals at its Fox News unit in the U.S.

The decision to widen the review came as a surprise because Ofcom, Britain's media regulator, had previously recommended against a referral on broadcasting standards grounds. But Ms. Bradley demurred, saying wanted regulators to examine whether Fox had a "genuine commitment" to follow British broadcasting codes, including rules for TV content and considerations like fairness and privacy.



A bus advertisement in London for Sky, the British pay-TV giant.

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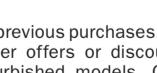


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Network Rewards 'Daily Show' Host Trevor Noah With Renewal



GETTY IMAGES

"*Daily Show*" host Trevor Noah has job security. Comedy Central renewed Mr. Noah's deal through 2022 to host the half-hour late-night satirical program that takes on politics and culture, the **Viacom** Inc.-owned network said Thursday.

Faced with the task of succeeding Jon Stewart, Mr. Noah got through a rocky start two years ago with critics and viewers, and his audience has increased steadily as of late.

"There was a lot of skepticism and doubt about whether he was equipped to replace Jon Stewart," said Comedy Central President Kent Alterman.

In the current television season, "*The Daily Show with Trevor Noah*" is averaging 1.5 million viewers, up 14% from the previous year, according to Nielsen. Among adults 18-49, he is third behind NBC's "*The Tonight Show with Jimmy Fallon*" and CBS's "*Late Show with Stephen Colbert*."

—Joe Flint

Time Names New Editor

Magazine aiming to expand video, court more digital readers amid print decline

BY JEFFREY A. TRACHTENBERG

Time magazine has tapped its digital editor, Edward Felsenthal, as its new editor in chief, reflecting the publication's emphasis on boosting its audience online during turbulent times for print media outlets.

Mr. Felsenthal has run the magazine's digital initiatives since April 2013 and is also digital director for the news and lifestyle groups of Time's parent company, **Time** Inc.

Before joining Time, he was the first executive editor of the Daily Beast in 2008 and earlier a deputy managing editor of The Wall Street Journal.

In his new role, Mr. Felsenthal succeeds Nancy Gibbs, who will remain as editorial director of the news group until the end of the year.

Mr. Felsenthal will be charged with courting online readers and video viewers, and reducing the publication's de-

pendence on the print revenues that were once its foundation. Across Time Inc., while digital initiatives are showing promise, print advertising and newsstand sales declines are more than offsetting those gains, with revenue down 10% to \$694 million in the most recent quarter.

He plans to expand on the bets the publication already has been making on video and broaden the reach of its programming to other platforms. Time's documentary "The Mars Generation" is currently available on Netflix, and the second part of "A Year in Space" will premiere on PBS in November.

"Four years ago, Time was a weekly with a two-person video staff and a not large digital audience," Mr. Felsenthal, 51 years old, said in an interview. By comparison, he said Time today has more than 60 digital journalists and reaches a young digital audience—an estimated 40% are between the ages of 18 and 34.

Time joins all manner of publishers—traditional and digital—in chasing the \$13 billion advertisers are expected to spend on online video this

year, according to eMarketer. Standing out on your own site or platforms like Snapchat and Facebook is vital and isn't easy.

Mr. Felsenthal said Time's print magazine covers will continue to emphasize news-related topics. The Aug. 28 issue of the magazine, sparked by the demonstrations in Charlottesville, Va., featured

Edward Felsenthal has managed the magazine's digital initiatives since 2013.

the cover line "Hate in America" and included essays by such writers as John Grisham and Jon Meacham.

"That's an example of how the digital and print pieces worked together," said Mr. Felsenthal. "The digital team drove coverage over the weekend as Charlottesville escalated, and then we went into print with a robust package of voices and reporting. In the past you'd have seen print sto-

ries posted online."

He said he is committed to the future of the print magazine and considers the cover the most valuable real estate in news.

Mr. Felsenthal will report directly to Alan Murray, Time Inc.'s chief content officer. "Far more of our audiences are consuming our content over digital platforms," said Mr. Murray. "Not that many people understand both print and digital storytelling well. Edward does."

Time Inc., whose other titles include Sports Illustrated, People and InStyle, is going through a pivotal stretch under the leadership of Chief Executive Rich Battista. After discussions to sell the company ended in April, Time Inc. is now exploring the possible sale of publications including Coastal Living, Golf and Sunset; its U.K. portfolio, and a majority interest in the monthly African-American women's lifestyle publication Essence.

The media company, which is forecasting a stronger second half of the year, is cutting more than \$400 million in costs.

Australia Liberalizes Ownership Of Media

BY ROB TAYLOR

CANBERRA, Australia—Australia's media sector is poised for a wave of mergers after legislators agreed to the most sweeping shake-up of ownership controls in decades, hoping to help struggling outlets compete with digital rivals like **Alphabet** Inc.'s Google and **Netflix** Inc.

Key independent Nick Xenophon, whose NXT Party wields bargaining power in the Senate, struck a deal with the conservative government to pass the changes in return for funding to help smaller publishers and newsrooms employ more journalists.

Sen. Xenophon said the negotiations to shake up laws put in place three decades ago were "the most difficult and protracted and robust" he had undertaken. The legislation passed 31 to 27.

Australia's traditional media outlets, including The Wall Street Journal publisher **News Corp**, have been hard hit by falling ad revenue. Newspaper circulation has declined sharply.

The changes, opposed by the opposition Labor Party, will abolish a 75% audience "reach rule" that prevented free-to-air television networks like **Nine Entertainment Co.**, **Seven West Media** Ltd. and **Ten Network Holdings** Ltd.—recently in plans to be acquired by **CBS** Corp.—from buying regional affiliates that could access more than three quarters of the population.

They also removed a two-out-of-three rule that prevented large media companies from controlling free-to-air TV stations, newspapers and radio stations in the same market.

BUSINESS WATCH

DOLE FOOD

Fruit Producer Considers a Sale

Dole Food Co. is exploring a sale, months after filing to go public, said people familiar with the matter.

The first round of bids for the Westlake Village, Calif.-based fruit and vegetable producer were due last week, the people said, adding that private-equity firms are among those that have expressed interest. **Morgan Stanley** and **Deutsche Bank** AG are providing financial advice to Dole, the people added.

Dole Food produced adjusted earnings before interest, tax, depreciation and amortization of \$215.6 million for the year ended Dec. 31, 2016, according to a filing with the Securities and Exchange Commission. Shares of comparable companies trade for about eight times Ebitda. Based on this multiple, Dole Food could garner a valuation roughly in the \$2 billion range.

—Jaewon Kang

and Dana Mattioli

PROCTER & GAMBLE

Yacktman Enters Proxy Battle

Yacktman Asset Management entered the proxy fight against **Procter & Gamble** Co. Thursday, backing the election onto the company's board of activist investor Nelson Peltz.

Yacktman, which said it holds more than 15 million shares of P&G valued at more than \$1.3 billion, said it plans to vote in favor of Mr. Peltz of **Trian Fund Management**. P&G has rejected Mr. Peltz's try for a seat. Thursday, P&G said its 2017 results show the plan it has in place is working.

Trian didn't immediately respond Thursday to a request for comment.

—Ezequiel Minaya

EQT

Energy Company To Explore Options

EQT Corp. said it would explore its options as pressure builds from activist shareholders

to split up the energy company, which plans to acquire rival **Rice Energy** Inc. for \$6.7 billion.

EQT announced the step as hedge-fund firm **D.E. Shaw Group** on Thursday called for EQT to separate its pipeline business from its exploration and production operations. **Jana Partners** LLC in July called for a similar breakup.

D.E. Shaw and Jana Partners declined to comment on Thursday.

—Austen Hufford

ACTIVISION BLIZZARD

Bad Sportsmanship Afflicts 'Overwatch'

Activision Blizzard Inc. said in a video posted online this week that its "Overwatch" videogame is grappling with toxic players and that steps to combat the problem are interfering with efforts to improve and expand the game.

Bad sportsmanship is particularly troublesome for Activision because it is building a professional esports league around "Overwatch."

—Sarah Needleman



SASCHA STEINBACH/EPA/SHUTTERSTOCK

An 'Overwatch' display at an event in Germany. Activision is trying to expand the reach of the game.

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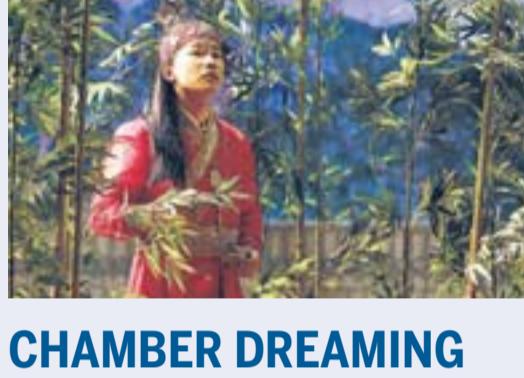
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ALL YOU NEED TO KNOW CHINA WATCH

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CHARGING AHEAD

COUNTRY LEADS THE PACK WITH ELECTRIC AUTOS, P2



CHAMBER DREAMING

'LOVE TRIANGLES, JEALOUSY, DEATH AND MORE', P4

U.S. Doctor Gave Disabled Orphans a Fresh Start

By ZHAN QIANHUI and SUN RUISHENG

When Brent Johnson arrived in Shanxi province as a young man 27 years ago, it was the start of a close bond with orphaned and disabled children there that would result in him spending almost 20 years in the country.

Then a junior at the University of South Carolina, he was enrolled at Shanxi University on a one-year student exchange program studying Chinese culture and history, during which he met his future wife, Serena, a fellow American who shares his affection for China.

Their deep concern for poor people meant their dates were often spent at welfare institutes.

Johnson was impressed by his year in China, and after returning to South Carolina to finish his medical degree, he and his wife decided to move to China in 1998 to do voluntary work with orphans.

From then they dedicated themselves to helping sick and disadvantaged children and have traveled to many parts of northern China, including Beijing and the

provinces of Heilongjiang, Shandong and Hebei, to carry out charity work.

Johnson's ties with orphans in Shanxi date back to April 2004, when he approached Geng Kaiwen, the dean of the Taiyuan Social (Children) Welfare Institute, during a gathering in Beijing.

He offered to fund treatment for the institute's disabled children through the China Care Foundation, a charity based in Westport, Connecticut, aimed at saving the lives of medically fragile orphaned children.

Although touched by the doctor's sincerity, Geng hesitated because Johnson was a foreigner.

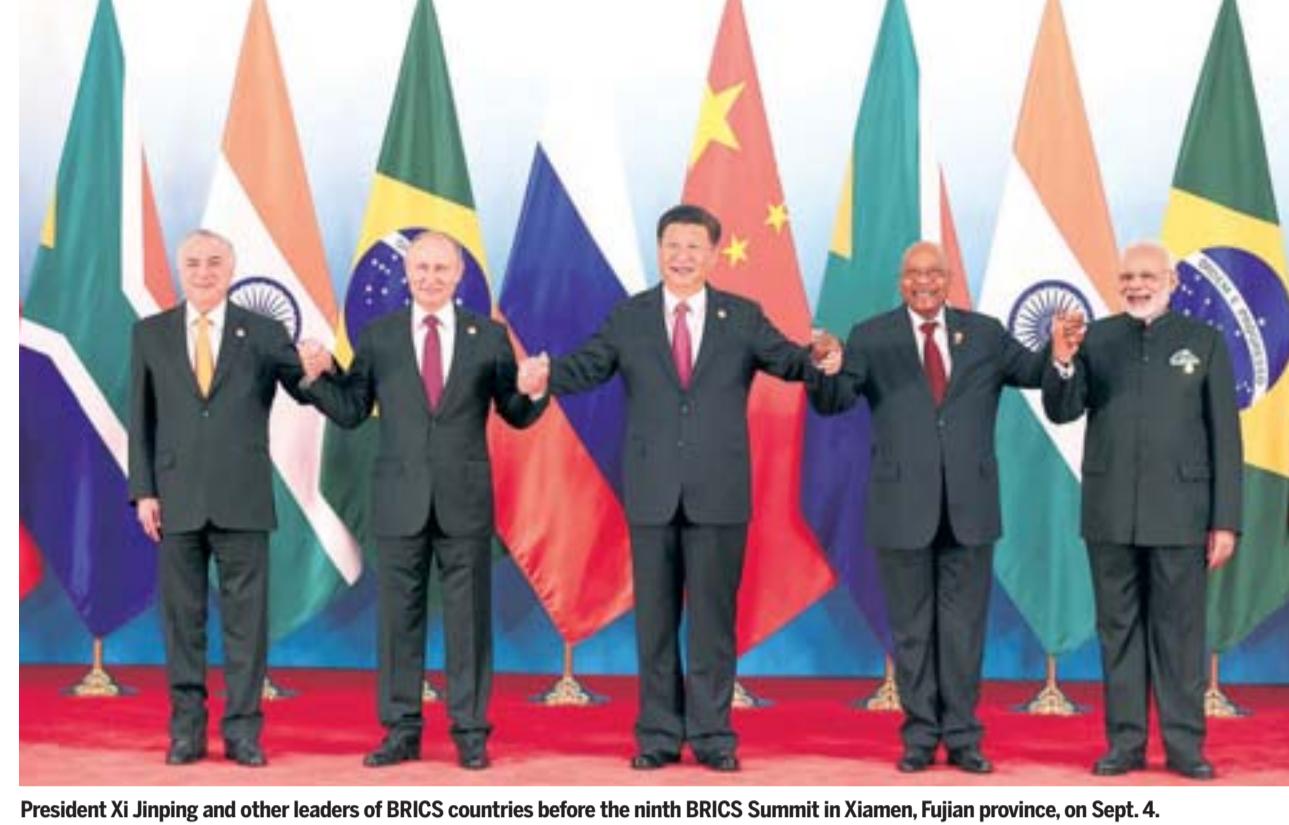
However, Johnson persisted. He went to Taiyuan, capital of Shanxi, and gave Geng a persuasive presentation. He also invited Geng to visit the foundation in Beijing.

Seeing how the China Care Foundation operated allayed Geng's concerns, and he was impressed by Johnson's proposal to send sick children to the capital for treatment and return them to Shanxi after recovery.

SEE "ORPHANS" ON P4



Brent Johnson, his wife (center), his two daughters and Lin Lin, a former foster care child from China who used to live with the Johnson family in the United States. PROVIDED TO CHINA DAILY



President Xi Jinping and other leaders of BRICS countries before the ninth BRICS Summit in Xiamen, Fujian province, on Sept. 4.

WU ZHIYI / CHINA DAILY

BRICS on Voyage Into 'Golden Decade'

President Xi Jinping sets out bloc's grand aims at summit in Xiamen.

An Baijie reports

China will set aside 500 million yuan (\$77 million) for economic and technological collaboration among BRICS countries, President Xi Jinping said on Sept. 4, calling for members to work more closely together as the bloc enters its second "golden decade".

Addressing the plenary session of the BRICS Summit in Xiamen, Fujian province, Xi also announced an injection of \$4 million into the project preparation fund of the BRICS-led New Development Bank for the bank's operation and long-term development.

During the session, attended by Brazilian President Michel Temer, Russian President Vladimir Putin, Indian Prime Minister Narendra Modi, and South African President Jacob Zuma, Xi said the key to the rapid development of BRICS was that the five countries had adopted the right approach to collaboration since the bloc was founded in 2006.

"A partnership forged with the right approach defies geographical distance; it is thicker than glue and stronger than metal and stone," Xi said, quoting an ancient Chinese proverb.

Although the conditions of the five countries vary, what they have in common is their pursuit of partnership and prosperity, he said, enabling them to transcend differences for the ultimate benefit of all.

Xi called on the BRICS countries to do more to harmonize their use of resources, markets and labor forces to release the potential for growth.

After the meeting, the BRICS leaders issued the Xiamen Declaration, in which the five countries pledged to energize collaboration, promote an equitable global economic order, safeguard world peace and promote people-to-people exchanges.

Only 5.7% of the BRICS countries' total \$197 billion outbound investment took place among the five countries last year, and there is still huge potential for the five countries to work more closely together economically, Xi said.

The achievements BRICS has made in recent years have been ever more "golden", he said, including measures such as increasing service trade, facilitating investment, initiating e-commerce collaboration and strengthening ties on innovation.

SEE "SUMMIT" ON P2



President Xi Jinping presides over the ninth BRICS Summit in Xiamen on Sept. 4.

SHENG JIAPENG / CHINA NEWS SERVICE

Together with one voice for closer partnership

The following are highlights of BRICS Leaders Xiamen Declaration released on Sept. 4.

1 BRICS countries will strive toward broad partnerships with emerging markets and developing countries and pursue even-footed and flexible practices and initiatives for dialogue and cooperation with non-BRICS countries, including through BRICS Plus cooperation.

2 We welcome the creation of the BRICS E-Port Network and the establishment of the BRICS E-Commerce Working Group. We also welcome China's initiative to host the International Import Expo in 2018.

3 We agree to promote the development of BRICS local currency bond markets and to jointly establish a BRICS local currency bond fund.

4 We agree to facilitate financial market integration.

5 We encourage research into the possible establishment of a BRICS Institute of Future Networks. We will enhance joint BRICS research, development and innovation in information and communications technology, including the internet of things, cloud computing, big data, data analytics, nanotechnology, artificial intelligence, 5G and their innovative applications.

6 We commit to strengthen BRICS cooperation on energy. We will work to foster open, flexible and transparent

markets for energy commodities and technologies.

7 We welcome the establishment in India of a coordination center for the BRICS Agriculture Research Platform.

8 We agree to better leverage the benefits of capital flows and to manage the risks stemming from excessive cross-border capital flows and fluctuation.

9 We note Brazil's proposal to establish the BRICS Intelligence Forum.

10 China and Russia reiterate the importance they attach to the status and role of Brazil, India and South Africa in international affairs, and support their aspiration to play a greater role in the United Nations.

11 We strongly deplore the nuclear test conducted by the Democratic People's Republic of Korea.

12 We call upon the international community to establish a genuinely broad counterterrorism coalition and support the UN's central coordinating role in this regard.

13 We emphasize the importance of people-to-people exchanges in promoting development and enhancing mutual understanding, friendship and cooperation among BRICS peoples.

Grass Is Greener in the Bluegrass State

By PAUL WELITZKIN

Frank Chen, the chief executive of Sinomax U.S.A., had been looking for a location for some time.

Logistics were developing into a challenge as "bedding products are bulky, and it takes a lot to ship them a long distance," he said.

So in 2013, when the retail giant Walmart Stores Inc. unveiled a plan to bring back manufacturing jobs to the U.S., Chen decided it was time for his Hong Kong-based company to find a stateside

location. He went for Tennessee.

For Huang Jianping, chairman and president of The Wonderful Group, based in Dongguan, Guangdong province, proximity to the U.S. market was a key factor in opening a U.S. ceramics plant.

"We want to be near our customers in the U.S.," said Huang, who also chose Tennessee.

"The American ceramic industry imports about 70% of its products, with about 13%

of that coming from China. Setting up this factory is better for our customers."

Chinese companies have provided a boost to the state's economy in recent

years, whether it is building a new plant or retrofitting an old factory.

The state's economic and community development department said that in 2015 and 2016 Tennessee attracted \$3.18 billion of foreign direct investment. China accounted for about \$270 million of that and helped create more than 1,000 jobs.

The TN China Network, a trade promotion group, confirmed that by June there were 47 companies in the state that received Chinese investment.

SEE "INVESTING" ON P2

2 | Business

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CHINA DAILY

Investing: Firms Find Agreeable Pastures

FROM PAGE 1

The New York-based Rhodium Group said the top four industries for investment are health and biotech, followed by automotive and aviation.

All this has a local impact.

"We were happy that the Chinese were coming. Any investment is a big deal for us because it helps our local economy," said Bernie Ash, mayor of Lebanon, Tennessee, on learning that The Wonderful Group would invest \$150 million and open a porcelain plant in his hometown.

In La Vergne, 27 miles southwest of Lebanon, more than 500 jobs were lost when Whirlpool Corp. closed a plant there in 2008.

Sinomax U.S.A. recently opened a factory there and will eventually employ more than 300 workers.

The city administrator, Bruce Richardson, welcomed Chinese investment.

"We are happy to see the facility back in use, and we hope that a lot of La Vergne residents will be able to get jobs there to support their families," Richardson wrote in an email.

Ceramics have also become important to the state.

Porcelain was developed in China more than 2,000 years ago before being exported to Europe and the rest of the world.

The American Wonder Porcelain facility signifies the first investment in the U.S. from a Chinese ceramic tile manufacturer. The Wonderful Group is a division of Marco Polo, the largest producer of ceramic tiles in China.

Its factory is adding to Tennessee's roster of ceramic plants — there are now six. Indeed, that was a major reason why the Wonderful plant was set up in Lebanon.

"Other ceramic factories are in Tennessee — there is a good supply of raw materials, and the Tennessee government welcomed us here," Huang said.

Summit: Bloc Has World Role, Says Xi

FROM PAGE 1

The five countries should work more closely together in areas such as trade and investment, money and finance, connectivity, sustainable development, innovation and industrial cooperation, he said.

"We should speak with one voice and jointly present our solutions on issues concerning international peace and development," Xi said, adding that many pressing global challenges cannot be resolved effectively without the participation of BRICS countries.

He recalled people-to-people exchanges among the five countries, such as the BRICS Games, the BRICS Film Festival, the BRICS Culture Festival and the High-Level Meeting on Traditional Medicine.

"We hope that through our joint efforts, these activities will take place regularly and be institutionalized."

Referring to a letter he sent to the leaders of the BRICS countries in January, Xi said that collaboration within the bloc is set to play an even bigger role in international affairs.

"Let us set sail from Xiamen and join together to usher in the second 'golden decade' of BRICS cooperation and deliver greater benefits to the people of our five countries and around the world."



The Emgrand electric car, produced by Geely, featured at an auto show in Shanghai on April 22, 2015. Electric car sales in China more than doubled last year over the previous year. ZHOU JUNXIANG / IMAGINECHINA

POLE POSITION

From vehicle manufacturing and sales to battery production, China is racing ahead in the electric car industry. **Robert Blain** reports

800,000 green energy vehicles will be sold this year, made up of both fully electric and hybrid (electric-and-fuel-powered) vehicles.

555 thousand fully electric vehicles to be sold this year, according to forecasts of China Association of Automobile Manufacturers

Other than China, France is the only country to have more than 1% electric car ownership.

Still, China is extremely well

placed as the switch to electric vehicles gathers pace.

Simon Moores, managing director of Benchmark Mineral Intelligence, said "there is no doubt China is the global hub for the electric vehicle revolution."

"China is producing its own electric vehicles, but the export vehicles are first likely to be Western-branded ones. For example, (U.S. electric-car maker) Tesla is looking to make batteries in a new Giga factory near Shanghai. This is the first step in making Tesla electric vehicles in China for the domestic and export market. Volkswagen has similar grand plans."

For foreign carmakers to have power in the electric vehicle market, "they need to be in China," Moores said.

BMW partnered early with Chinese electric vehicle makers, he said, but

VW's involvement will bring a major boost to the market.

"While VW has been slow at entering this EV space, once it gets going the group will shape the future of auto mobility. And for that, it will need to be in China in a big way."

In other developments, Volvo recently said all its new vehicles will be electric or hybrid from 2019. The Chinese carmaker Geely is Volvo's parent company.

Moores says carmakers' plans to go electric are justified and that a recent drop in the oil price will not have a long-term impact on the growing market.

"While the oil price has some short-term incentivizing impact on electric vehicles, the reality is that people are starting to buy them not because they are electric but because they are more desirable, cheaper and better priced."

"This will be the trend ... and soon, maybe from 2020 onwards, the oil price will become irrelevant."

China is also well positioned in the production and export of lithium-ion batteries typically used to power electric cars.

"China already produces the bulk of lithium-ion battery cathode material," Moores said.

"It is locking up the lithium supply chain through Ganfeng Lithium and to a lesser extent Tianqi Lithium. It controls cobalt supply and battery grade refining and produces the vast majority of the world's graphite anode material."

Nearly 70% of all new lithium-ion battery capacity being built in new megafactory structures will be based in China, he said.

News Digest

Barriers to innovation removed

China will remove barriers to entrepreneurship and innovation following a decision made at a State Council executive meeting chaired by Premier Li Keqiang on Aug. 30.

The meeting decided that the government will introduce a host of reform measures that have been tested in eight areas, including the Beijing-Tianjin-Hebei region, Shanghai and the Pearl River Delta, since June last year.

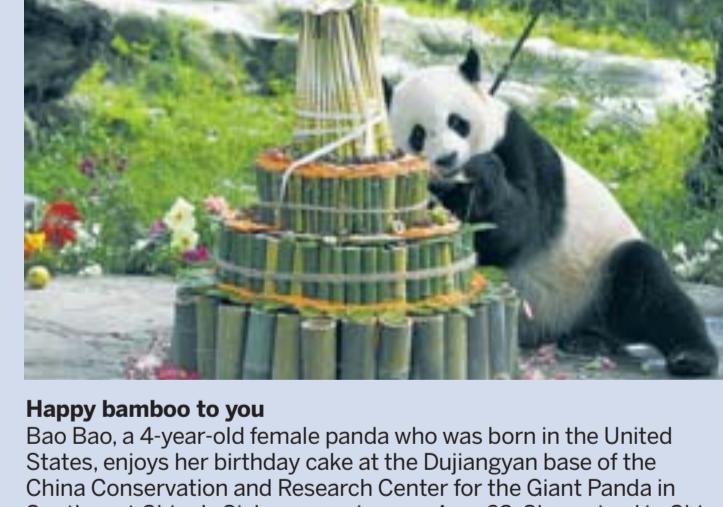
The much simplified application and issuance of work permits for foreign experts will also be made available nationwide.

Space firm takes off — on ground

China Aerospace Science and Industry Corp., one of the country's major space contractors, announced on Aug. 30 that it has launched research and development into a futuristic ultrafast transport system popularly known as a hyperloop, in Wuhan, Hubei province.

It will be a magnetic levitation, or maglev, line on which streamlined, engineless trains will travel on partly elevated tubes or tunnels at superfast speeds of up to 621 miles an hour, according to the company.

CASIC is the world's third company that has started developing a hyperloop system that can deliver speeds of 621 mph. The others are Hyperloop Transportation Technologies and Hyperloop One, both in the United States.



Happy bamboo to you

Bao Bao, a 4-year-old female panda who was born in the United States, enjoys her birthday cake at the Dujiangyan base of the China Conservation and Research Center for the Giant Panda in Southwest China's Sichuan province on Aug. 23. She arrived in China in February. HE HAIYANG / FOR CHINA DAILY

Sales a beacon for lighter company

Zippo Manufacturing Co., known for its windproof metal lighters, will add more Chinese factors — including designs featuring a giant panda and golden dragon — into its product line, an acknowledgement that China has become its biggest market by sales revenue in the world, said its head for Asian markets.

The company has experienced double-digit sales growth in China for the past six years, and also expanded its sales channels from traditional shopping malls to online platforms

such as JD.com and Tmall.com.

More IP courts to ease caseload

China's top court has decided to set up more courts to hear intellectual property cases and deal with the increasing number of such disputes.

Three such courts were created in Beijing, Shanghai and Guangdong province in 2014 under judicial reforms encouraged by the central leadership, but more are needed, a report by the Supreme People's Courts said on Aug. 29.

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CONTACT US

China Daily

15 Huixin Dongjie, Chaoyang, Beijing, China 100029
+86 (0) 10 64918366
chinawatch@chinadaily.com.cn
Advertising:
+86 (0) 10 64918631;
ads@chinadaily.com.cn
Website: www.chinadaily.com.cn
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China Daily U.S.A.

1500 Broadway, Suite 2800, New York, NY 10036
+1 212 537 8888
editor@chinadailyusa.com

China Daily Asia Pacific

China Daily Hong Kong
Room 1818, Hing Wai Centre, 7 Tin Wan Praya Road, Aberdeen, Hong Kong
+852 2518 5111
editor@chinadailyhk.com
editor@chinadailyasia.com

China Daily U.K.

90 Cannon Street, London EC4N 6HA
+44 (0) 207 398 8270
editor@chinadailyuk.com

China Daily Africa

P.O. Box 27281-00100, Nairobi, Kenya
+254 (0) 20 2428589
editor@chinadailyafrica.com

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Xi'an Special | 3



Inspur Group signs an investment agreement with the Xi'an Hi-tech Industries Development Zone in late July. PROVIDED TO CHINA DAILY

Xi'an High-tech Zone Partners With Top Chinese Companies

The industries development area is devoted to joint projects covering a range of advanced sectors. **Cao Yingying** reports

The Xi'an Hi-tech Industries Development Zone has formed strategic partnerships with several key business allies in fields such as finance, e-commerce and big data.

The zone, on the southern outskirts of Xi'an, Shaanxi province, was one of the earliest national science parks established in 1991. Since then more than 1,000 global enterprises have set up operations in the zone.

On Aug. 23 Cybernaut Investment Group, a major Chinese private equity fund company, signed a long-term strategic cooperation agreement with the zone.

Under the agreement Cybernaut's Northwest China headquarters is now in the zone and the two partners will set up an industrial investment fund of 1 billion yuan (\$150 million) to help small and medium-sized technology enterprises.

In addition, the two plan to work with local financial institutions to provide funding support.

Wang Yongkang, Party chief of Xi'an, said Cybernaut has global resources and vision, rich experience in business incubation and is highly adept at handling capital operations.

"We hope Cybernaut can provide



As a crucial point on the ancient Silk Road, Xi'an has geographic advantages and a useful talent pool, and these provide a backbone for the development of big data and cloud computing services."

CAO JIANGYANG
GENERAL MANAGER OF INSPUR'S SHAANXI BRANCH

effective financial support for innovation-driven startups and attract more global companies and experts to Xi'an to build a Silk Road financial center," Wang said.

Zhu Min, chairman of Cybernaut, said the company will strengthen the local technology financial environment, supporting startup companies and industrial development. "We will look for chances for collaboration in the software industry, military manufacturing, education and healthcare to create an atmosphere amenable to entrepreneurship and innovation in the zone."

Chang said: "As the first semiconductor equipment company to set up a presence in China, Applied Materials had opportunities to collaborate with China's early pioneers in electronics."

The center in Xi'an, which covers 10 acres, has expanded its capabilities since it was founded.

The company's global training center provides opportunities for talented Chinese engineers to hone their skills. Its procurement center supports the industry's efforts to develop a global supply chain and introduces international standards to China.

A world-class laboratory certifies new products and processes, and its repair center provides fast assistance and tool repairs to local customers.

With the centers and laboratories established in the zone, the company serves its customers throughout the world with its leading technology and services.

"Applied Materials conducted a series of visits in many cities of China and finally selected the zone as the location of its global development center," Chang said.

The local governments of Xi'an and Shaanxi province have big plans to develop the semiconductor industry, which will create a favorable business environment for technology companies.

The zone has found another partner in Suning Commerce Group, one of China's largest electronics retailers. Suning is an old friend of the zone, and both sides are seeking ways to deepen the partnership, an official from the zone said.

The company values the zone's investment environment and high quality services, and is interested in its research and development staff structure, the official said.

Suning is spending 2 billion yuan to set up an R&D center in the zone, which will serve as the company's science and technology center for the western regions of the country.

When the center is completed it will promote the development of e-commerce and the logistics industry, training hundreds of skilled workers in those industries, Suning said.

Since 2013 Suning has launched three major projects in the high-tech zone, spending 100 billion yuan in the process.

One of them is the Suning Square project opened in March. The square is designed to become a modern commerce center with Suning's high-end department stores, serviced apartments and recreation and entertainment centers.

The company has also set up a national internet finance operation

and management center in the zone, as part of its expansion into the internet finance industry nationwide.

Inspur Group, one of China's top 500 enterprises, signed an agreement with the Xi'an government in late July under which it will invest more than 10 billion yuan in building three centers in the zone.

The centers will focus on R&D, northwestern operations, and IT services and technological solutions designed for countries and regions involved in the Belt and Road Initiative.

Inspur provides cloud computing solutions and services and has worked closely with the zone in cloud computing, big data innovation, smart city construction, governance services and training and education.

Cao Jiangyang, general manager of Inspur's Shaanxi branch, said the company will help Xi'an upgrade its industrial structure.

"Inspur regards its investment in Xi'an as an important part of its international expansion," Cao said.

"As a crucial point on the ancient Silk Road, Xi'an has geographic advantages and a useful talent pool, and these provide a backbone for the development of big data and cloud computing services."

Investment Brings New Revenue Streams

By CAO YINGYING

By launching three major projects in the Xi'an Hi-tech Industries Development Zone, the Chinese new energy carmaker BYD is building its industrial muscle in diverse areas of business.

BYD has said it will spend a total of 5 billion yuan (\$750 million) on the three projects, all launched last year, in advanced smart terminal manufacturing, new energy bus production and straddle-type monorail production.

The company said the projects relating to high-end smart terminal manufacturing and electric bus production will begin operations this month. Construction of the straddle-type monorail project will begin soon with the support of local governments.

The three projects, once fully operational, will be able to generate 43 billion yuan in revenue a year, the company said.

Since establishing a branch in the development zone in 2003, BYD has extended its supply chain and made significant contributions to the economy of Xi'an, capital of Shaanxi province, said Wang Chuanfu, its chairman.



The Song EV300 model, a small SUV series developed by BYD, is a popular new energy vehicle in China.
PROVIDED TO CHINA DAILY

By the end of June, BYD had invested 16 billion yuan in various industries in the zone, including automobiles, information technology, rail transit and car financing. During the same period it had generated almost 152 billion yuan in combined revenues, paid 8.4 billion yuan in taxes and created 40,000 jobs.

BYD Xi'an said, by the end of June, it had produced 2.71 million vehicles bringing in revenue of 146 billion yuan. Of these, 110,000 were new energy vehicles that brought in almost 20 billion yuan.

BYD's new energy vehicles have gained worldwide recognition by dint of their quality and the company's innovative operating model, said Liu Zhenyu, BYD's general manager in Xi'an.

The new energy vehicles have been sold in more than 250 cities in 50 countries and regions.

"We hope the electric cars and e-taxis can reduce traffic jams and air pollution in Xi'an, and in relation to the city's green and efficient traffic initiatives we will continue to endeavor to improve people's lives."

"In addition, the production of new energy vehicles is helping transform the automobile industry and BYD's innovative-driven development strategy is helping expand our market share and improve the company's core competitiveness."

As a major city in western China, Xi'an's appeal to companies is obvious, Liu said.

One of the reasons is that the Belt and Road Initiative has brought new opportunities to businesses in Xi'an, a key point on the ancient Silk Road.

The Shaanxi and Xi'an governments as well as the high-tech zone's authorities have adopted policies to support emerging industries.

These include new energy vehicle-related incentives in 2014 that allow such vehicles to use bus lanes and to be parked in designated sites for two hours free of charge.

The government will also provide subsidies for compulsory insurance of new energy vehicles in the first year.

Applied Materials Supports Mega City's Growth

By CAO YINGYING

Applied Materials Inc., a leader in materials engineering solutions, said it is helping to support the growth of the semiconductor and display markets in Xi'an, Shaanxi province.

Following a prolonged slowdown in the solar industry, the company shifted its focus to tackling major technology changes in semiconductors and displays using its expertise in materials engineering.

The strategy was reflected in the company's record annual revenue last year, said Roger Chang, president of Applied Materials China.

"As one of the first multinational companies to invest in the Xi'an Hi-tech Industries Development Zone, Applied Materials is committed to supporting the success of our semiconductor customers in the region," Chang said.

Years ago, recognizing the growing potential of China's high-tech manufacturing industry, Applied Materials set up a service center in Beijing.

Later the company set up its Xi'an global development center in the zone in 2006, with the aim of providing its customers in the region with equipment, and process and software expertise in the semiconductor, display and solar industries.



Researchers at Applied Materials Inc.'s lab in Xi'an, Shaanxi province, discuss technological solutions. PROVIDED TO CHINA DAILY

Applied Materials attracts quality employees from local technical universities.

The more than 200,000 new graduates from universities and colleges in Xi'an each year provide a sufficient professional pool for research and development work, Chang said.

Xi'an is a transportation hub in Northwest China. The city has improved its infrastructure to attract foreign investment and facilitate its infrastructure projects, such as the Xi'an Metro and high-speed railways

connecting it with other major cities.

"Applied Materials is proud of its pioneering role in helping to develop the high-tech industry in Xi'an, and it is good to see more multinational companies coming here and supporting domestic and global customers," Chang said.

The company's expertise in Xi'an plays an important part in serving customers throughout China, and provides a valuable foundation on which Applied Materials can continue to grow in China and worldwide, he said.

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4 | Life



REALIZING THE DREAM



Opera version of Chinese classic novel makes its way back from San Francisco. **Chen Nan** reports



Above: The opera *The Dream of the Red Chamber* is on a three-city tour of China. It premiered in the United States last year. Top left: Chinese tenor Shi Yijie plays the role of Jia Baoyu. PHOTOS PROVIDED TO CHINA DAILY
Top right: The brains behind the opera — designer Tim Yip (left), stage director Stan Lai (center) and composer Bright Sheng. JIANG DONG / CHINA DAILY

The Dream of the Red Chamber, written by Cao Xueqin during the Qing Dynasty (1644-1911), is considered one of China's greatest classical novels, and its latest rendition is set to thrill opera lovers in the country.

The San Francisco Opera staged the world premiere of its operatic production based on the novel in September last year.

A year later, the production is being staged in three Chinese cities — Beijing, Changsha, Hunan province, and Wuhan, Hubei province — with six performances between Sept. 8 and 23.

The Dream of the Red Chamber chronicles the downfall of the wealthy and influential Jia family during the imperial era, against the backdrop of the country's social and political upheavals.

Apart from its intricate portrayals of hundreds of characters and settings, it also offers a look at China in the philosophical context of Buddhism, Confucianism and Taoism.

The novel's importance and place in Chinese culture is also reflected in Redology, its own field in academia.

"This is the boldest project for

me," says the 62-year-old Chinese-American composer Bright Sheng. "Like many Chinese, I love the novel. I first read it when I was 12. The novel is like an encyclopedia, mirroring Chinese society then, from politics and social rules, to food, fashion and architecture. As a composer it's been my longtime wish to turn it into an opera."

Sheng, who started learning the piano when he was 4, graduated with a major in composition from the Shanghai Conservatory of Music in 1982. He moved to New York that year and studied composition at Queens College. In 1993, he earned his doctorate in music arts from Columbia University.

In 2011 the Chinese Heritage Foundation Friends of Minnesota and San Francisco Opera's artistic director, David Gockley, commissioned Sheng to compose for the opera of the Chinese classic.

In an earlier interview, Gockley said "the novel contains all the elements needed for an opera: love triangles, jealousy, death and more."

"We asked a group of Redologists (specialists in *The Dream of the Red Chamber*) for their opinions on the novel and its main characters. Their answers varied, which gave us lots of space to work with," Sheng said.



What particularly struck me is the novel as a whole: the period details... largely lost to us today."

DAVID HENRY HWANG
SCRIPTWRITER

Sheng invited the Taiwan stage director Stan Lai to direct the opera and the Chinese-American scriptwriter David Henry Hwang to help adapt the piece.

Initially, Hwang turned down the invitation because he felt the task of condensing the major novel was too daunting.

"I hadn't read the whole novel until Bright (Sheng) approached me to work on this opera. The three major characters (Jia Baoyu, Lin Daiyu and Xue Baochai) are complicated and beautifully drawn. But what particularly struck me is the novel as a whole: the period details, which summon an entire world of Chinese imperial splendor, largely lost to us today," said Hwang, who won the 1988 Tony Award for best play for *M. Butterfly* that debuted on Broadway.

Hwang finally agreed because Sheng had a strategy for adapting the material into a two-hour opera, by focusing on the love triangle of the three main characters — Jia Baoyu, the pampered, rebellious young scion of the Jia family; his ethereally beautiful cousin Lin Daiyu, whom he falls in love with; and another attractive and talented cousin, Xue Baochai, who becomes his wife.

"It made sense to me to focus on the love triangle, then add enough of the other characters so we could give a sense both of the political intrigue, which appears to have enmeshed Cao's own family, and the spiritual frame illuminating the work's Buddhist and Taoist philosophies," Hwang said.

"As a Chinese-American, to have helped create a work, which has introduced this Chinese classic to the Western audience ... this project means a lot to me. If we have done so successfully enough to also impress audiences in China, I will be happy to have made a contribution to the land where my parents were born."

The production centers on seven major roles onstage, against a luxurious set designed by the Hong Kong art director and designer Tim Yip, who received an Oscar for his

art direction of Ang Lee's global hit *Crouching Tiger, Hidden Dragon* in 2000.

Yip used "lots of fancy gauze" for the costumes because of the dreamlike setting. "The set design is extravagant because we wanted to present the big family's nobility," Yip said in Beijing.

In the world premiere of the opera last year the South Korean soprano Pureum Jo played the role of Lin, the Chinese tenor Shi Yijie played Jia and the Chinese mezzo-soprano Wang Nian played Xue.

Shi joins the China tour and London-based Chinese soprano Wu He, who graduated from the Royal Academy of Music in London, plays Lin. The mezzo-soprano Shi Lin plays Xue.

"The story is well organized and told by a monk as narrator — which is a creative design," said Shi Lin, 27, a singer who studied music in Germany and the U.S.

"The monk is both like a storyteller and the author Cao, who witnesses the tragedy." She now travels worldwide and sings with the Zurich Opera House.

The Hangzhou Philharmonic Orchestra and the Chorus of the State Opera of Dnipro, Ukraine, will perform in the China tour as well.

Orphans: Helping Hands Transformed the Lives of Hundreds

FROM PAGE 1

"Many children did not get the treatment they needed in time due to a lack of funds and the outdated conditions in our institute," Geng said.

"Johnson's proposal would address our problems and help those in need in a broader way."

On a trip to Taiyuan in 2005, Johnson needed to catch a late flight to Beijing, and Geng suggested they have dinner together. Considering the tight time and budget, he bought the American a simple bowl of rice noodles.

Touched by Geng's frugal behavior, Johnson decided to nail down the funding agreement with the Taiyuan institute there and then.

In addition to providing manpower, funding and technology, Johnson also founded a project in Taiyuan to create a cozy environment for children to recover after treatment and help find new permanent homes for orphans.

Dang Xiaohua, born in 1992, had congenital scoliosis, a deformation of the spine, and was told she would not live to see her 18th birthday, as the surgery she needed was

expensive and risky. As a result, she cut herself off from others.

When Johnson became aware of Dang's situation he contacted a hospital in the U.S. and paid for the surgery, which cost more than 400,000 yuan (\$59,500).

He also managed to arrange her adoption by an American family before she turned 14, the age limit for adoption.

When Dang returned to Taiyuan 18 months later, Johnson said, she had become an outgoing teenager who always had a smile on her face.

Johnson has changed the lives of

many disabled orphans.

He has helped an estimated 1,000 orphans in Taiyuan since 2004, including several hundred who received free operations. He also raised 800,000 yuan to improve living conditions at the Taiyuan Social Welfare Institute.

His kindness has not only touched orphans, but also touched those around him. Geng said he remembers Johnson's words, "Every life needs to be treated with respect, even if he is a disabled newborn."

In July, Johnson, 49, and a father of six, returned to the U.S. after

nearly 20 years of charity work. It was difficult for his friends in China to say goodbye.

Lu Lu, a former colleague who witnessed Johnson's commitment to charity in China, said she can still recall the first time they met 11 years ago.

"Johnson told me in Chinese that it was his mission to help people, especially disabled orphans. He set a great example for Chinese charity workers and built an all-Chinese team to continue his work."

"We hope to inherit his spirit and sow the seeds of love across the country."



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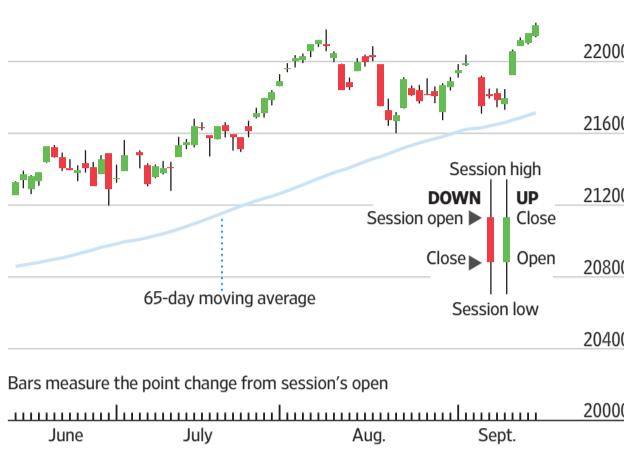


MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

22203.48 ▲ 45.30, or 0.20%
High, low, open and close for each trading day of the past three months.



Bars measure the point change from session's open

Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.

S&P 500 Index

2495.62 ▼ 2.75, or 0.11%
High, low, open and close for each trading day of the past three months.



65-day moving average

Nasdaq Composite Index

6429.08 ▼ 31.10, or 0.48%
High, low, open and close for each trading day of the past three months.



65-day moving average

Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD % chg	3-yr. ann.
Dow Jones										
Industrial Average	22216.44	22135.26	22203.48	45.30	▲ 0.20	22203.48	17888.28	21.9	12.4	9.3
Transportation Avg	9562.24	9491.12	9509.77	-21.28	-0.22	9742.76	7770.33	21.9	5.2	3.6
Utility Average	745.45	736.36	745.03	6.32	▲ 0.86	754.80	625.44	11.8	13.0	10.7
Total Stock Market	25840.07	25762.55	25809.05	-27.79	-0.11	25836.84	21514.15	16.2	10.9	7.6
Barron's 400	653.13	650.38	651.79	-1.41	-0.22	661.93	521.59	19.4	8.3	6.9

Nasdaq Stock Market

Nasdaq Composite	6455.32	6424.04	6429.08	-31.10	-0.48	6460.19	5046.37	22.5	19.4	12.1
Nasdaq 100	5997.23	5965.06	5968.82	-35.56	-0.59	6004.38	4660.46	23.8	22.7	13.6

Standard & Poor's

500 Index	2498.43	2491.35	2495.62	-2.75	-0.11	2498.37	2085.18	16.2	11.5	7.9
MidCap 400	1749.73	1742.36	1746.67	-1.81	-0.10	1791.93	1476.68	14.3	5.2	7.1
SmallCap 600	857.12	853.32	855.75	-1.07	-0.12	876.06	703.64	15.4	2.1	8.8

Other Indexes

Russell 2000	1427.92	1421.63	1425.02	-1.87	-0.13	1450.39	1156.89	16.1	5.0	7.1
NYSE Composite	12065.80	12033.64	12062.62	7.44	▲ 0.06	12062.62	10289.35	13.8	9.1	3.4
Value Line	524.58	522.80	524.12	-0.42	-0.08	533.62	455.65	10.3	3.5	1.7
NYSE Arca Biotech	4213.94	4164.90	4174.07	-30.65	-0.73	4232.90	2834.14	21.4	35.7	10.6
NYSE Arca Pharma	549.36	544.47	549.00	3.05	▲ 0.56	549.20	463.78	5.4	14.0	1.2
KBW Bank	94.21	93.29	93.34	-0.54	-0.57	99.33	69.71	31.2	1.7	8.7
PHLX® Gold/Silver	89.19	87.72	88.88	0.46	▲ 0.52	99.20	73.03	-4.1	12.7	-1.0
PHLX® Oil Service	135.78	132.76	133.41	0.95	▲ 0.71	192.66	117.79	-12.1	-27.4	-21.9
PHLX® Semiconductor	1133.30	1117.01	1127.42	5.38	▲ 0.48	1138.25	796.64	40.6	24.4	20.8
CBOE Volatility	11.04	10.28	10.44	-0.06	-0.57	22.51	9.36	-36.0	-25.6	-7.8

\$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
SPDR S&P 500	SPY	27,066.8	249.65	-0.44	-0.18	250.31	249.42
Van Eck Vectors Gold Miner	GDX	10,804.4	24.48	0.11	▲ 0.45	24.48	24.35
PwrShrs QQQ Tr Series 1	QQQ	5,978.7	145.58	0.02	▲ 0.01	146.44	145.05
Oracle	ORCL	3,454.3	50.93	-1.86	-3.52	53.97	49.67
Ford Motor	F	2,481.2	11.56	...	unch.	11.58	11.55
iShares MSCI Eurozone	HEZU	2,212.7	29.58	...	unch.	29.55	29.55
Finl Select Sector SPDR	XLF	1,980.1	24.80	...	unch.	24.83	24.74
iShares MSCI Emdg Markets	EEM	1,962.5	45.16	-0.16	-0.35	45.36	45.09

Percentage gainers...

Tonix Pharmaceuticals	TNXP	7.9	4.65	0.59	▲ 14.53	4.90	4.36
Genworth Financial A	GNW	103.2	4.30	0.32	▲ 8.04	4.37	3.98
Vista Outdoor	VSTO	9.9	23.77	1.76	▲ 8.00	23.77	21.98
Hibbett Sports	HIBB	9.0	14.10	0.85	▲ 6.42	14.10	13.25
Tsakos Energy Navigation	TNP	6.0	4.83	0.27	▲ 5.92	4.85	4.76
T2 Biosystems	TTOO	83.5	4.99	-1.09	-17.93	5.76	4.72
Oracle	ORCL	3,454.3	50.93	-1.86	-3.52	53.97	

COMMODITIES

WSJ.com/commodities

Futures Contracts

Metal & Petroleum Futures

	Contract		Open		Open	interest
	Open	High	Low	Settle	Chg	interest
Copper-High (CMX)	-25,000 lbs.; \$ per lb.					
Sept	2.9570	2.9685	2.9180	2.9365	-0.0245	3,636
Dec	2.9775	2.9895	2.9365	2.9575	-0.0235	203,274
Gold (CMX)	-100 troy oz.; \$ per troy oz.					
Sept	1319.60	1329.30	1319.60	1324.70	1.30	813
Oct	1323.70	1331.00	1315.70	1325.40	1.20	39,278
Dec	1327.60	1334.90	1319.50	1329.30	1.30	455,974
Feb'18	1331.70	1338.80	1323.80	1333.50	1.40	37,873
June	1336.40	1346.80	1336.40	1341.40	1.60	9,146
Dec	1345.10	1357.90	1345.10	1353.20	1.90	10,391
Palladium (NYM)	-50 troy oz.; \$ per troy oz.					
Sept	937.20	937.20	935.25	919.95	-19.40	21
Dec	933.00	940.00	911.35	914.30	-19.40	32,123
March'18	934.35	934.55	906.00	908.15	-20.90	1,018
Platinum (NYM)	-50 troy oz.; \$ per troy oz.					
Sept	991.20	991.20	991.20	980.10	-2.20	7
Oct	982.50	987.20	978.10	980.90	-2.30	59,532
Silver (CMX)	-5,000 troy oz.; \$ per troy oz.					
Sept	17.650	17.760	17.580	17.698	-0.074	922
Dec	17.845	17.865	17.660	17.789	-0.078	157,789
Crude Oil, Light Sweet (NYM)	-1,000 bbls.; \$ per bbl.					
Oct	49.31	50.50	49.15	49.89	0.59	243,183
Nov	49.76	50.87	49.57	50.35	0.60	473,285
Dec	50.08	51.15	49.90	50.66	0.56	343,915
Jan'18	50.32	51.32	50.12	50.89	0.54	201,254
June	50.91	51.48	50.52	51.27	0.47	172,573
Dec	50.67	51.47	50.60	51.25	0.39	211,532
NY Harbor Ursd (NYM)	-42,000 gal.; \$ per gal.					
Oct	1.7694	1.7959	1.7614	1.7775	.0090	81,892
Nov	1.7643	1.7900	1.7566	1.7716	.0077	99,832
Gasoline-NY (BBO) (NYM)	-42,000 gal.; \$ per gal.					
Oct	1.6461	1.6566	1.6232	1.6287	-.0186	85,935
Nov	1.6003	1.6146	1.5876	1.5967	-.0036	124,062
Natural Gas (NYM)	-10,000 MMBtu's; \$ per MMBtu.					
Oct	3.059	3.106	3.036	3.070	.012	176,909
Nov	3.112	3.159	3.093	3.127	.009	228,466
Dec	3.267	3.302	3.240	3.271	.005	110,239
Jan'18	3.367	3.403	3.344	3.371	.002	144,827
March	3.320	3.346	3.299	3.320	-.001	105,288
April	2.967	2.975	2.951	2.960	-.006	122,138

	Contract					Open	
	Open	High	hilo	Low	Settle	Chg	Open interest
Corn (CBT)	-5,000 bu.; cents per bu.						
Sept	343.25	343.25	341.25	341.75	3.25	107	
Dec	353.00	356.25	352.50	354.25	2.75	802,965	
Oats (CBT)	-5,000 bu.; cents per bu.						
Dec	237.75	241.25	236.50	238.00	.25	4,820	
March'18	244.50	248.50	244.50	245.50	.25	1,034	
Soybeans (CBT)	-5,000 bu.; cents per bu.						
Sept	967.50	969.00	967.50	967.25	14.25	35	
Nov	961.00	978.25	960.50	976.00	15.50	374,528	
Soybean Meal (CBT)	-100 tons; \$ per ton.						
Sept	306.70	307.60	306.70	308.70	8.40	115	
Dec	305.40	313.90	305.10	313.10	7.70	191,177	
Soybean Oil (CBT)	-60,000 lbs.; cents per lb.						
Sept	34.88	34.88	34.72	34.66	-.06	316	
Dec	35.10	35.38	34.97	35.08	-.01	214,210	
Rough Rice (CBT)	-2,000 cwt.; \$ per cwt.						
Sept	1252.50	115.00	107		
Nov	1280.00	1288.00	1276.00	1281.00	-.10	9,829	
Wheat (CBT)	-5,000 bu.; cents per bu.						
Sept	428.25	7.50	6		
Dec	444.00	450.50	441.75	443.00	-.25	262,345	
Wheat (KC)	-5,000 bu.; cents per bu.						
Sept	418.50	420.25	2.50	19	
Dec	444.75	451.75	440.50	442.00	-.25	142,676	
Wheat (MPLS)	-5,000 bu.; cents per bu.						
Sept	626.25	618.00	618.00	-.85	1	
Dec	642.00	648.25	631.00	632.50	-.11	43,410	
Cattle-Feeder (CME)	-50,000 lbs.; cents per lb.						
Sept	148.900	149.625	147.600	148.800	.200	4,979	
Oct	149.800	150.775	148.500	149.600	-.025	16,107	
Cattle-Live (CME)	-40,000 lbs.; cents per lb.						
Oct	107.975	108.900	106.625	106.925	-.625	96,764	
Dec	113.050	113.925	111.425	111.775	-.1075	112,429	
Hogs-Lean (CME)	-40,000 lbs.; cents per lb.						
Oct	59.475	60.100	58.600	59.025	-.550	68,735	
Dec	56.700	57.250	56.325	56.525	-.250	93,703	
Lumber (CME)	-110,000 bd ft, \$ per 1,000 bd ft.						
Sept	400.90	411.70	400.90	409.20	10.80	31	
Nov	380.30	383.30	378.00	378.90	4,361	

	Contract					Open	
	Open	High	hilo	Low	Settle	Chg	Open interest
Corn (CBT)	-5,000 bu.; cents per bu.						
Sept	343.25	343.25	341.25	341.75	3.25	107	
Dec	353.00	356.25	352.50	354.25	2.75	802,965	
Oats (CBT)	-5,000 bu.; cents per bu.						
Dec	237.75	241.25	236.50	238.00	.25	4,820	
March'18	244.50	248.50	244.50	245.50	.25	1,034	
Soybeans (CBT)	-5,000 bu.; cents per bu.						
Sept	967.50	969.00	967.50	967.25	14.25	35	
Nov	961.00	978.25	960.50	976.00	15		

BIGGEST 1,000 STOCKS

How to Read the Stock Tables

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, ISYE and BATS. 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.

Footnotes:
 i-New 52-week high.
 l-New 52-week low.
 dd-Indicates loss in the most recent four quarters.
 FD-FIRST day of trading.
 h-Does not meet continued listing standards.
 If-Late filing
 q-Temporary exemption from Nasdaq requirements.
 t-NYSE bankruptcy.
 v-Trading halted on primary market.
 w-In bankruptcy or receivership or being reorganized under the Bankruptcy Code, or securities assumed by such companies.

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, September 14, 2017

NYSE		Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg		
ABB	ABB	24.43	.015	American	NLY	12.24	.05	American	BWA	48.27	.03	American	EPD	25.18	.03	American	HFC	32.15	-.058	American	SPB	105.21	.100	American	WYN	102.67	.017
AES	AES	11.26	.003	American	ADM	31.47	...	American	CBA	142.79	-.176	American	HTHC	49.65	-.050	American	MDC	159.38	-.064	American	XPO	40.62	-.043	American	KLAC	91.47	.02
Aflac	AFL	82.11	.07	American	AROM	20.45	-.010	American	BSFC	122.33	.237	American	EFX	49.66	-.233	American	COH	44.96	.038	American	EL	87.88	.088	American	HMC	29.23	.001
AGCO	AGCO	69.68	.031	American	ATM	18.75	-.297	American	BRK	26.29	.016	American	EFX	49.66	-.233	American	Cigna	21.25	-.239	American	EL	87.88	.088	American	KNE	53.73	.021
AT&T	T	36.32	.023	American	ATM	45.23	-.005	American	BMO	62.69	.040	American	EL	87.88	.088	American	FHL	30.91	-.042	American	NI	26.92	.024	American	NOX	25.98	-.001
AbbottLab	Abbott	51.69	.031	American	ATM	40.52	-.056	American	BMO	79.39	.031	American	ESS	262.16	.098	American	CTG	69.24	-.015	American	ESTEELAUDER	110.01	.035	American	NOK	6.01	-.001
AbbVie	ABBV	89.22	.075	American	ATM	26.99	-.024	American	BMO	83.65	.030	American	EV	63.05	.068	American	CLX	134.74	.066	American	Evereserve	29.29	-.043	American	HWY	25.56	-.030
Accenture	ACN	134.86	.008	American	ATM	41.24	-.053	American	BMO	83.65	.030	American	EX	38.10	.030	American	COH	41.62	-.047	American	Exelon	10.87	-.001	American	SPIRIT	7.75	-.010
AcuityBrands	ACI	177.99	.054	American	ATM	42.22	-.012	American	BMO	83.65	.030	American	FX	78.37	.147	American	CR	10.11	-.038	American	Honeywell	130.21	-.069	American	SQ	26.87	-.013
Adient	ADNT	76.46	.041	American	ATM	45.76	-.040	American	BMO	83.65	.030	American	G	79.88	-.051	American	CCE	40.87	-.051	American	ExxonMobil	80.09	.052	American	NI	26.92	-.024
AdvanceAuto	AAU	100.02	-.008	American	ATM	49.43	-.033	American	BMO	83.65	.030	American	F	89.17	-.077	American	CFS	61.18	-.048	American	Nox	25.98	-.001	American	Nox	25.98	-.001
AdvSemInsy	ASX	5.97	.011	American	ATM	32.62	-.003	American	BMO	83.65	.030	American	FA	21.09	.049	American	CFS	61.18	-.048	American	Nox	25.98	-.001	American	Nox	25.98	-.001
AgileTechs	AEG	5.72	-.008	American	ATM	16.78	-.048	American	BMO	83.65	.030	American	FB	28.97	.004	American	CF	72.83	-.054	American	Fluor	40.44	-.026	American	P	12.07	-.001
AerCap	AER	49.01	-.043	American	ATM	16.78	-.048	American	BMO	83.65	.030	American	FT	28.97	.004	American	CO	72.83	-.054	American	Fluor	40.44	-.026	American	P	12.07	-.001
AffiliatedMtrs	AMG	178.57	.132	American	ATM	45.56	-.024	American	BMO	83.65	.030	American	FT	28.97	.004	American	CF	72.83	-.054	American	Fluor	40.44	-.026	American	P	12.07	-.001
AgileTechs	AEG	5.68	-.024	American	ATM	45.56	-.024	American	BMO	83.65	.030	American	FT	28.97	.004	American	CF	72.83	-.054	American	Fluor	40.44	-.026	American	P	12.07	-.001
Aig	AIG	102.29	.084	American	ATM	45.56	-.024	American	BMO	83.65	.030	American	FT	28.97	.004	American	CF	72.83	-.054	American	Fluor	40.44	-.026	American	P	12.07	-.001
Airbus	AIR	56.71	-.250	American	ATM	45.56	-.024	American	BMO	83.65	.030	American	FT	28.97	.004	American	CF	72.83	-.054	American	Fluor	40.44	-.026	American	P	12.07	-.001
Allstate	ALL	90.50	-.044	American	ATM	45.56	-.024	American	BMO	83.65	.030	American	FT	28.97	.004	American	CF	72.83	-.054	American	Fluor	40.44	-.026	American	P	12.07	-.001
AllyFinancial	ALLY	22.24	-.041	American	ATM	45.56	-.024	American	BMO	83.65	.030	American	FT	28.97	.004	American	CF	72.83	-.054	American	Fluor	40.44	-.026	American	P	12.07	-.001
AlticeUSA	ATUS	29.48	-.021	American	ATC	29.01	-.003	American	BMO	83.65	.030	American	FT	28.97	.004	American	CF	72.83	-.054	American	Fluor	40.44	-.026	American	P	12.07	-.001
Altis	ALTS	62.28	-.043	American	ATM	45.56	-.024	American	BMO	83.65	.030	American	FT	28.97	.004	American	CF	72.83	-.054	American	Fluor	40.44	-.026	American	P	12.07	-.001
Altria	MO	62.28	-.043	American	ATM	45.56	-.024	American	BMO	83.65	.030	American	FT	28.97	.004	American	CF	72.83	-.054	American	Fluor	40.44	-.026	American	P	12.07	-.001
AlumofChina	ACH	22.08	.049	American	ATM	45.56	-.024	American	BMO	83.65	.030	American	FT	28.97	.004	American	CF	72.83	-.054	American	Fluor	40.44	-.026	American	P	12.07	-.001
Ambev	ABEV	6.74	-.005	American	ATM	45.56	-.024	American	BMO	83.65	.030	American	FT	28.97	.004	American	CF	72.83	-.054	American	Fluor	40.44	-.026	American	P	12.07	-.001
America	AEE	6.79	.079	American	ATM	45.56	-.024	American	BMO	83.65	.030	American	FT	28.97	.004	American	CF	72.83	-.054	American	Fluor	40.44	-.026	American	P	12.07	-.001
Ametek	AMK	65.26	.025	American	ATM	45.56	-.024	American	BMO	83.65	.030	American	FT	28.97	.004	American	CF	72.83	-.054	American	Fluor	40.44	-.026	American	P	12.07	-.001
Amphenol	APH	82.21	.049	American	ATM	45.56	-.024	American	BMO	83.65	.030	American	FT	28.97	.004	American	CF	72.83	-.054	American	Fluor	40.44	-.026	American	P	12.07	-.001
Autoliv	ALV	127.15	.130	American	ATM	45.56	-.024	American	BMO	83.65	.030	American	FT	28.97	.004	American	CF	72.83	-.054	American	Fluor	40.44	-.026	American	P	12.07	-.001
Aviation	AV	78.77	.004	American	ATM	45.56	-.024	American	BMO	83.65	.030	American	FT	28.97	.004	American	CF	72.83	-.054	American	Fluor	40.44					

BANKING & FINANCE

Bitcoin Prices Sink As Exchange to Shut

Beijing follows through on its promise to close trading venues for the digital currency

By PAUL VIGNA AND CHAO DENG

Bitcoin prices fell sharply after China's second-largest digital-currency exchange by volume said it would shut down its domestic trading operations, the latest development in Beijing's attempts to impose control within its borders over the stateless currency.

Bitcoin was down 10%, at \$3,490, after bitcoin-exchange operator BTCC said Thursday on its Twitter account that it would shut down its Chinese trading business by Sept. 30. Bitcoin has declined about 25% from its peak of \$5,014 on Sept. 2.

The bitcoin community initially had doubts about whether China would make good on a call to ban bitcoin exchanges. BTCC's announcement banished those.

"I'm honestly shocked," said Jimmy Song, a prominent bitcoin developer.

That surprise was mirrored in the wider cryptocurrency market. Of the top 20 digital currencies by market value, 18 were down on Thursday. Ether fell about 11%, to \$237; Bitcoin Cash was down roughly 9%, at \$439; and litecoin dropped about 20%, to \$48.

The falls also underscored how volatile small, illiquid cryptocurrency markets can be. In July, bitcoin fell 35% and ether fell more than 50%, only to bounce back in August.

China has in recent years become a big market for bitcoin, with traders there drawn to both the currency's specula-

tive nature and its potential as a conduit to move money outside the country. About a year ago, bitcoin trading in yuan comprised about 98% of all bitcoin trading. That fell to less than 15% by this month as Chinese authorities have clamped down.

Government authorities earlier this year compelled bitcoin exchanges to comply with "know your customer" and anti-money-laundering rules. This drove away a large chunk of the trading volume in the country.

This month, Chinese authorities also issued a blanket ban on initial coin offerings, or offerings of digital tokens, which have been used as a new fundraising method for companies.

According to reports from Chinese media on Thursday, regulators in Shanghai gave verbal instructions to ex-



Other digital currencies besides bitcoin fell across the board after the announcement.

change operators to shut down.

BTCC wasn't immediately available for comment. OK-Coin, the largest of the three biggest exchanges, didn't respond to a request for comment.

Huobi, the third largest,

said it hadn't been contacted by authorities and was operating normally.

The swift, negative reaction to BTCC's announcement reflects the angst that has been building in recent weeks around cryptocurrencies after their torrid rise this year.

Even after its sudden decline, Bitcoin is still up about 270% this year.

Prices for all sorts of digital currencies had risen on a wave of money coming into the currencies as new markets have emerged in Japan and South Korea.

Initial Coin Offerings Leave Venture Capital Adrift

BY YULIYA CHERNOVA

Seemingly out of nowhere, the surge of initial coin offerings that have helped fledgling software startups haul in hundreds of millions of dollars in recent months has forced the venture-capital industry to confront a potential riddle: Are venture-capital firms becoming irrelevant?

Many early-stage venture firms are still catching up with the explosion of cryptocurrency deals. The boom has left them uncertain about their role, and whether to treat ICOs as a threat, an opportunity or just a passing quirk employed by founders looking for a fast way to seed their ambitions.

But in 2017, amid a blistering pace of coin offerings, a growing group of venture investors have concluded that the rise of blockchain-focused startups and their novel ways of gathering cash signals an opportunity that is too compelling to pass up. And they are determined to get a piece of the action.

"If all the best, smartest technologists were building stuff around the iPhone in 2008 and 2009, they are all building stuff around blockchains and crypto" now, said Nick Chirils, general partner at Notation Capital, a New York preseed venture firm.

"Our view is that we have to find a way to participate in that."

Union Square Ventures, Bessemer Venture Partners and Sequoia Capital all have reacted—using investor funds—



WIN MCNAMEE/GETTY IMAGES

Brad Burnham's Union Square Ventures has taken stakes in a number of blockchain startups.

by buying digital tokens directly or by putting money into hedge funds that buy tokens. Some venture investors, such as Nick Tomaino of Runa Capital, left their firms to set up crypto hedge funds.

"If you are in the business of investing in the future you probably have to change the style of investment to accommodate novel ideas and opportunities," said Brad Burnham, managing partner at Union Square Ventures.

His firm purchased tokens in the landmark offering of Fi-

lecoin, taken stakes in several blockchain startups and invested in the crypto-focused hedge funds **Polychain Capital** and **Metastable Capital**.

"If you are rigid," Mr. Burnham added, "you may miss some significant opportunities." He cautioned, however, that "ICO got out of hand."

World-wide, some 120 businesses have raised about \$1.5 billion through coin offerings this year, up from about \$256 million by 43 companies last year, according to CoinDesk's ICO Tracker.

ICOs have prompted many entrepreneurs to bypass venture firms because this funding method offers cheap, non-dilutive capital with few strings attached. The offerings also amount to a new kind of crowdfunding, with buyers who double as a base of potential users of software products developed by the startups.

Protocol Labs Inc.'s Filecoin file-storage software network raised some \$250 million without even a prototype. Other cryptotoken-based

concepts have been proposed or are in the works on a wide range of digital alternatives for blogging, mobile messaging, identity verification, internet browsing and even clinical-trial management.

"In a traditional venture world, venture investors are used to being the gatekeepers to capital," said Olaf Carlson-Wee, founder of Polychain Capital, a hedge fund that invests in cryptotokens.

"Now it's very easy for these decentralized networked projects to raise capital through a crowdsale through the internet."

Still, U.S. early-stage venture funding in seed and first rounds continues growing and totaled \$6.61 billion in the first half of the year, up from \$5.76 billion in the same period last year, according to Dow Jones VentureSource.

David Wu, general partner at the consumer-focused early-stage firm **Maveron**, said the entrepreneurs his firm is speaking to haven't contemplated ICOs. "There's enough value-add that the VC community brings to consumer startups in shaping their brand that it's not a good route for them to do tokens," Mr. Wu said.

VCs who have sat out the current boom said it was in part to avoid the regulatory or legal risks that accompany coin offerings, some of which have fetched stratospheric offerings for back-of-the-napkin-stage crypto startups.

"It's highly unlikely we'll invest in an ICO...I think they are crazy," said Kathleen

Utecht, managing partner at fintech-focused Core Innovation Capital.

Some VCs lack a mandate from their investors, known as limited partners, to invest in these startups.

And even if they could, many venture investors say they are put off because the risk is too high, there are no governance rights, and often there isn't even a finished product.

The main reason to do an ICO is to use the token as a means of exchange for a real blockchain technology for some tradable digital asset, but many startups are using ICOs just to raise capital, said Ethan Kurzweil, a partner at Bessemer.

"There's certain types of companies where there's a network effect with a lot of developers on platforms, and you want that network effect," Mr. Kurzweil said. "We think it's very transformative. It's just an overreaction today."

Although ICOs work well for founders that don't want extra services from venture firms, some still see an important role for them.

"We feel more traditional VCs actually bring a lot of value," said Muneeb Ali, co-founder of Blockstack, which has a platform for blockchain startups and has raised venture funding. "They look for a lot of signals and do due diligence before giving their money. They help build companies that are sustainable for the long run."

—Tomio Geron contributed to this article.

FINANCE WATCH

PUERTO RICO DEBT

Judge Blocks Bid To Install Receiver

The judge overseeing the restructuring of Puerto Rico's public power monopoly blocked creditors from installing a receiver to stop what they say is mismanagement of one of the largest U.S. utilities.

U.S. District Judge Laura Taylor Swain said Thursday that appointing a receiver to manage the indebted public electricity provider known as Prepa was "facially inconsistent" with the terms of Puerto Rico's federal rescue package.

Hedge funds, mutual funds and bond insurers had applied for permission from Judge Swain to seek the installation of a receiver in a Puerto Rico court, as provided under the utility's debt agreements. Judge Swain said she wouldn't transfer control of Prepa without consent from the federal oversight board charged with reviving Puerto Rico's economy.

—Andrew Scurria

CENTRAL BANKING

Swiss Tweak View On Strong Franc

Switzerland's central bank on Thursday softened its longstanding warning about the strong franc but still said that it was "highly valued," suggesting Swiss officials aren't fully satisfied yet with the franc's depreciation

against the euro.

In a policy statement accompanying an announcement that it would keep its key deposit rate at minus 0.75%, the SNB noted that the franc has weakened against the euro and strengthened against the dollar since its last meeting three months ago.

"Overall, this development is helping to reduce, to some extent, the significant overvaluation of the currency," the SNB said. "The Swiss franc nevertheless remains highly valued, and the situation on the foreign-exchange market is still fragile," it said.

—Brian Blackstone

DEAL MAKING

HgCapital Considers The Sale of Ullink

HgCapital PLC, a Europe-based buyout firm, is considering the sale of Ullink in a deal that could value the provider of electronic-trading software at about €700 million (\$832.7 million), according to people familiar with the matter.

The potential sale comes as investors and brokers come under pressure to cut trading costs and meet new regulatory requirements to boost transparency and mitigate risk taking.

Paris-based Ullink offers an electronic network that links about 1,500 investors and brokers, providing access to about 90 trading venues globally, according to the company's website.

—Ben Dummett



The streets of Fajardo, Puerto Rico, last week as Hurricane Irma passed over. Investors want a monitor for the territory's electrical utility.

JOSE JIMENEZ/GETTY IMAGES

MARKETS

Blue Chips Clinch Third Record in a Row

By MICHAEL WURSTHORN

The Dow Jones Industrial Average hit its third record close of the week, even as other major U.S. indexes edged lower.

Stocks hovered between small gains and losses for much of the **THURSDAY'S** day, marking **MARKETS** a pause after the Dow industrials, S&P 500 and Nasdaq Composite hit fresh highs together for two consecutive sessions.

Tensions between the U.S. and North Korea had lessened somewhat recently. However, after the markets closed, South Korea and Japan said that North Korea fired a missile over Japan. Political gridlock in Washington has appeared to ease, also helping stocks generally climb this week.

Still, some investors said they are avoiding new bets while they wait for clarity on a

number of potential risks—including signs of rising inflation, a coming Republican tax proposal and the start of the next earnings season.

"The market continues to hit all-time highs, yet there are a myriad of excuses for it to sell off," said Michael Scanlon, a portfolio manager at Manulife Asset Management. "Until we get to the next earnings season and see a draft of the tax proposal, markets may cool."

The Dow industrials rose 45.30 points, or 0.2%, to 22203.48—its 38th record of the year.

The S&P 500 declined 2.75 points, or 0.1%, to 2495.62, while the Nasdaq Composite fell 31.10 points, or 0.5%, to 6429.08.

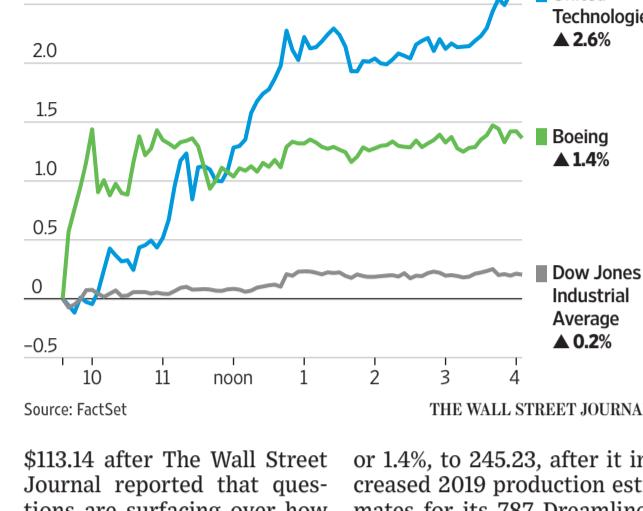
United Technologies and **Boeing** were among the biggest contributors to the Dow industrials' climb, adding roughly 42 points to the index on Thursday.

Shares of United Technologies rose \$2.86, or 2.6%, to

Edging Forward

Gains in the shares of United Technologies and Boeing helped push the Dow industrials higher.

Performance Thursday, in five-minute intervals



Source: FactSet

THE WALL STREET JOURNAL.

\$113.14 after The Wall Street Journal reported that questions are surfacing over how antitrust authorities will treat its deal for Rockwell Collins.

Boeing extended its gains from Wednesday, rising 3.30,

or 1.4%, to 245.23, after it increased 2019 production estimates for its 787 Dreamliner passenger jet.

Declines in consumer-discretionary shares weighed on the S&P 500, with **Tiffany** fall-

ing 4.56, or 4.8%, to 90.95 and **Nordstrom** falling 1.00, or 2.1%, to 46.74.

Meanwhile, energy stocks in the S&P 500 rose 0.4%, heading toward their biggest one-week gain since September 2016. U.S. crude for October delivery rose 1.2% to \$49.89 a barrel, logging its fourth consecutive session of gains, as data pointed to falling global oil supplies and stronger demand.

Many investors continue to debate the durability of the market's run, with some arguing that strong earnings and economic growth will continue to support stocks, and others saying the rally's length makes them nervous. Future interest-rate increases could add to volatility in the stock market, investors and analysts said.

"We're entering more and more into an environment where you may want to avoid passive investments," said Tom Stringfellow, chief investment officer of Frost Investments. "The risk is there,

which could be a larger-than-expected rate hike or some significant geopolitical event."

Investors' expectations for an interest-rate increase jumped Thursday after data showed U.S. consumer prices rose last month by the most since January.

Federal-funds futures, used by investors to place bets on the Federal Reserve's rate-policy outlook, showed Thursday a roughly 55% chance of a rate increase by the end of the year, up from 31% a week ago, according to data from CME Group. Muted inflation readings throughout the year have made many investors question the Fed's plans to move forward with normalizing monetary policy.

Early Friday, stocks in Asia were calm after the latest North Korean missile launch. Japan's Nikkei was up 0.2%, while South Korea's Kospi was down 0.2%.

—Marina Force contributed to this article.



STEPHEN BRASHEAR/GTET IMAGES

Boeing was among the biggest contributors to the Dow industrials' advance on Thursday. One of its airliners rested on a Washington production line in June.

Treasurys Inch Down After Inflation Data

By GUNJAN BANERJI

U.S. government-bond prices weakened for a fourth consecutive day after a key measure of consumer prices rose in August.

The yield on the benchmark 10-year U.S. Treasury note edged up to 2.199%, from 2.194% on

CREDIT MARKETS Wednesday,

notching its longest streak of increases since early July. Yields rise as bond prices fall.

Yields initially spiked after Labor Department data showed that U.S. consumer prices rose last month at the strongest pace since January. The consumer-price index ticked up 0.4% in August from the prior month, spurred by an increase in gasoline prices after Hurricane Harvey caused a temporary shutdown in Texas refineries.

The latest data could be a sign that inflation is picking up after months of weakness, and arrives ahead of the Federal Reserve's scheduled meeting next week to contemplate the future path of interest rates. Inflation is a threat to government-bond prices because it erodes the purchasing power of their fixed payments and makes it more likely the Fed will raise interest rates.

In one signal that the market's expectations for long-term inflation is slightly higher than it was several weeks ago, the 10-year break-even rate—the yield premium of the 10-year Treasury note to the 10-year Treasury inflation-protected security—was roughly 1.85 percentage points on Thursday, according to Tradeweb. That indicates investors expect an annual inflation rate of 1.85% over the next decade, up from around 1.66% in June.

Thursday's data initially lifted optimism about the in-

fation picture, but a separate Labor Department report showing Americans' average weekly earnings fell 0.6% in August from a month earlier may have damped investors' enthusiasm, said George Rusnak, co-head of global fixed-income strategy for Wells Fargo Investment Institute.

"The income data is an important component of inflation," Mr. Rusnak said.

Other data from the Labor Department showed that the number of Americans applying for new unemployment benefits fell last week, while remaining higher than two weeks ago, because of the impact of Hurricane Harvey.

Given the recent storms' potential influence on economic data, Mr. Rusnak said that he is taking Thursday's measures "with a grain of salt."

Treasury Auctions

The U.S. Treasury Department will auction \$89 billion in securities next week, comprising \$36 billion in new debt and \$53 billion in previously sold debt. Details (all with minimum denominations of \$100):

♦ **Monday:** \$42 billion in 13-week bills, a reopening of an issue first sold on June 22, 2017, maturing Dec. 21, 2017. Cusip number: 912796MH9.

Also, \$36 billion in 26-week bills, dated Sept. 21, 2017, maturing March 22, 2018. Cusip number: 912796NX3.

Noncompetitive tenders for both issues must be received by 11 a.m. EDT Monday and competitive tenders, by 1:30 a.m.

♦ **Thursday:** \$11 billion in nine-year, 10-month 0.375% Treasury inflation-protected securities, a reopening of an issue first sold on July 31, 2017, maturing July 15, 2027. Cusip number: 912828L3.

Noncompetitive tenders are due by noon EDT Thursday; competitive tenders, by 1 p.m.

Oil Gains After Bullish Reports

By CHRISTOPHER ALESSI AND ALISON SIDER

Oil prices rose for a fourth straight day on shrinking global inventories and a bullish forecast for demand.

Crude for October delivery gained 59 cents, or 1.2%, to \$49.89 a barrel, on the New York Mercantile Exchange on

Thursday, its highest settlement since July 31. Brent, the global benchmark, rose 31 cents, or 0.6%, to \$55.47, on ICE Futures Europe.

The difference between the two benchmarks recently had widened to about \$6 a barrel after Hurricane Harvey took several refineries in the U.S. offline, but analysts said that U.S. crude is poised to close some of the gap as refineries ramp up and exports from Gulf Coast ports resume.

And data indicating higher demand and falling output from major oil exporters have

bolstered prices all week.

The International Energy Agency on Wednesday said that global oil supplies dropped for the first time in four months in August, by 720,000 barrels a day, while raising its oil demand growth forecast to 1.6 million barrels a day for the full year.

"Everyone obsesses about supply, but the demand side has been blowing and going," said John Saucer, vice president of research and analysis at Mobius Risk Group. That, combined with several other bullish data points this week, has helped oil prices rise, he said.

The IEA report came on the heels of a bullish monthly report from the Organization of the Petroleum Exporting Countries, which said the group's output had fallen in August for the first time since April. The decline was primarily driven by a drop in Libyan production following renewed civil unrest, as well as higher compliance with an OPEC

agreement to rein in output.

OPEC and 10 producers outside the group first agreed late last year to cap production at about 1.8 million barrels a day lower than peak October 2016 levels, part of an effort to alleviate the global oil glut and boost prices. But the deal, which was extended through March 2018, hasn't

\$49.89
Nymex crude's settlement, its highest level since July 31

had as significant an impact on the market as hoped.

That is partly because of a continued surge in U.S. shale production, along with unexpected increases in production from Libya and Nigeria, two OPEC members exempt from the deal because their oil industries had been disrupted by

political instability.

OPEC and non-OPEC signatories to the deal have been discussing whether to extend the cuts past the March deadline.

While those talks are a welcome step, an extension is unlikely to be particularly effective without caps on Libyan output that would bring down overall production, said Tamas Varga, an analyst at brokerage PVM Oil Associates Ltd. "At the current level, rebalancing will remain slow and painful," Mr. Varga wrote in a note Thursday.

Meanwhile, the U.S. Energy Information Administration said Wednesday in its weekly report that U.S. gasoline stockpiles fell by 8.4 million barrels in the week ended Sept. 8, the largest weekly drop on record. Crude stockpiles rose by 5.9 million barrels during the same week.

Gasoline futures fell 1.86 cents, or 1.1%, to \$1.6287 a gallon, its lowest settlement since Aug. 23.

CFTC Chief to European Peers: Back Off

By GABRIEL T. RUBIN

The top U.S. derivatives regulator urged European policy makers to back off from a proposal to regulate U.S. clearinghouses that do business in Europe, while also making a broader plea for countries to defer to the rules of others when regulating international companies.

Commodity Futures Trading Commission Chairman J. Christopher Giancarlo, speaking at the Eurofi Financial Forum in Tallinn, Estonia, on Thursday, warned European authorities for the second time in a week that he wasn't inclined to reopen a 2016 agreement that established equivalence between U.S. and European regulation of clearing-

inghouses.

Mr. Giancarlo went further than he has in previous remarks, saying that the CFTC would seek to "go further" in its deference to comparable rules in other jurisdictions.

"It is my intention to have the CFTC make more explicit in our cross-border rules that the CFTC will defer to the rules of comparable foreign jurisdictions," he said, according to his prepared remarks. "Such an approach will bring the CFTC back to its traditional approach to cross-border regulation and accord with the spirit of the Dodd-Frank Act."

In particular, he said the CFTC and European Commission are making progress on an agreement for margin requirements for swap dealers as

well as the regulation of swap trading venues. Efforts to better align swaps data reporting across jurisdictions have made progress as well, he said.

Regulatory equivalence agreements, like the 2016 accord on clearinghouses, allow U.S. entities such as CME Group Inc. and Intercontinental Exchange Inc. to do business with European banks while adhering to U.S. regulatory standards, because both the U.S. and the EU accept each other's rules as equivalent.

The European Commission said in June that it would take a tough line on the issue of clearinghouses and access to financial-services markets during Brexit negotiations. It proposed plans that could force clearinghouses that do a large amount of euro-denominated

of business in euros to move into the EU. In a draft law, the European Commission also said that large, or "systemic," clearinghouses operating outside the EU would be subject to tougher oversight, including on-site inspections and access to financial accounts.

EU officials are considering changing the accord because of Brexit. The U.K. currently accounts for the bulk of clearing in Europe, but because the country is leaving the EU, the bloc's officials want to institute rules spelling out that euro-denominated clearing must take place inside the EU.

The proposal stopped short of requiring an automatic relocation of clearinghouses that clear lots of euro-denominated contracts.

MARKETS

Utilities Stocks' Appeal Turns Dimmer

Lead over S&P 500 narrows as rising bond yields draw some investors away

By CHRIS DIETERICH

Utilities stocks, which for much of this year have beaten the broader U.S. stock market, suddenly are looking shaky as interest rates tick higher and inflation shows some life.

Many portfolio managers consider utilities shares a stodgy investment because of their usually modest, if steady, returns in a highly regulated industry. But these stocks have gained favor for their relatively high dividend payouts during a period of lackluster growth and ultralow interest rates.

The S&P 500's utilities sector closed Monday at a record, beating the index this year by 3 percentage points.

But the shares declined 1.7% on Tuesday, utilities companies' largest drop since February, even as major benchmarks hit new highs. The sector was the market's worst performer again Wednesday, falling another 0.5%. While these stocks rebounded a bit on Thursday, the sector's year-to-date lead over the S&P 500 narrowed to 1 percentage point.

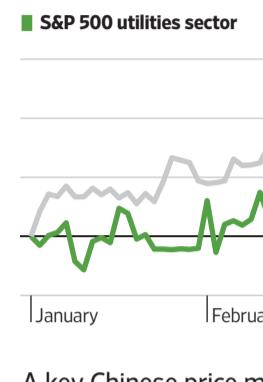
Utilities' sudden slump has coincided with a selloff in the Treasury market. Yields on benchmark 10-year Treasury notes jumped to 2.199% Thursday from 2.058% last Friday. Rising rates pose a risk to utilities stocks, which become less alluring as bond yields rise.

While a pause in geopolitical risk related to North Korea and the passing threat of hurricane damage in Florida contributed to the selling, rising inflation expectations have hurt, too. Inflation suggests a stronger economy and the prospect for higher interest rates.

On Thursday, a reading on

Rising Tide

Utilities shares strongly outpaced the S&P 500 earlier this year, but they have fallen off recently as U.S. inflation expectations have picked up and global growth projections have become more optimistic.



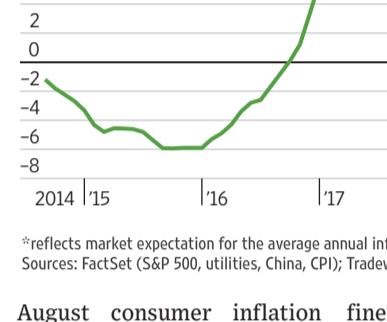
A key Chinese price measure hit a four-month high in August.

U.S. price gains excluding food and energy have been more muted.

Inflation expectations are rising again after a midyear dip.

U.S. rates have declined in 2017 but are up this month.

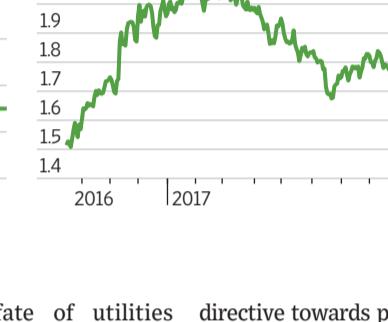
Change in China producer-price index



Change in U.S. core consumer-price index



10-year breakeven inflation rate*



10-year Treasury yield



*reflects market expectation for the average annual inflation rate over a coming multiyear period
Sources: FactSet (S&P 500, utilities, China, CPI); Tradeweb (breakeven); Ryan ALM (yield)

fineries.

The 10-year break-even rate on Thursday suggested 1.87% annual inflation over the next 10 years, up from 1.76% two weeks ago and 1.68% on June 20, according to Tradeweb. The figure reflects the difference between the yields on Treasury inflation-protected securities and nominal Treasurys.

A continuation of this trend would make Fed officials more confident in the U.S. economy and more likely to boost interest rates.

For years, money has chased higher-yielding shares,

tying the fate of utilities stocks closely to expectations for higher interest rates. Companies including Duke Energy Corp. sport bondlike dividend yields north of 3.50%. That is well above the 1.87% annual yield for the S&P 500 and the yield on the 30-year Treasury bond, at 2.782% on Thursday.

Rick Rieder, chief investment officer of BlackRock Inc.'s global fixed-income unit, said August's inflation reading reflects that pricing power is showing signs of returning.

"A sixth straight weak release would have called into question the Federal Reserve's

directive towards policy movement away from emergency conditions," he said.

Inflation suggests a stronger economy and the prospect for higher interest rates.

Other analysts say higher prices around the globe could migrate back to the U.S.

Michael Purves, chief global strategist at brokerage

Weeden & Co., points to a strong relationship in recent years between 10-year U.S. break-evens and prices for manufactured goods in China. Last week's reading of factory-gate prices in China rose 6.3% in August, beating expectations and resuming an uptrend that began in the middle of 2016.

Mr. Purves said that if producer prices continue to rise in China, Americans will find themselves paying more to purchase foreign-made factory goods, a boost to inflation that could portend trouble for bond-like utilities stocks in the U.S.

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

WSJ.com/Heard

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Oracle's Cloud Is a Rainmaker

Big ships don't turn quickly, but they do turn with the proper amount of patience.

That patience has been paying off for Oracle. Its legacy corporate software business has long been a reliable cash generator, but as more large companies move to cloud-based services, Oracle's prospects looked vulnerable. Revenue fell 3% for the company's fiscal year that ended in May 2016. That was Oracle's first decline since recovering from the tech industry's meltdown in 2002.

Last May also marked a turning point. Oracle's revenue has grown each quarter since then as its cloud services made up a greater percentage of the total. That culminated in fiscal first-quarter results Thursday that solidly beat Wall Street's estimates. Revenue for the period ended Aug. 31 rose 7% year over year to \$9.2 billion.

It marked the company's best quarterly growth in six years, even excluding a small boost from favorable exchange rates. Adjusted per-share earnings came in at 62 cents, up 12% year over year.

Much of this is due to the growth of the company's cloud business. Total cloud revenue rose 51% year over year to \$1.47 billion for the quarter. Most notably, cloud services made up 16% of the company's total revenue for the period. Two years ago, that number was just 7%.

Oracle's stock price has surged 37% this year and it stumbled after hours Thursday as the company's outlook for the current quarter disappointed.

Oracle is rightly steering its ship into the cloud. That doesn't free the company from having to weather some storms. —Dan Gallagher

Inflation's Slump May Be Ending

Sawed Buck

Change in the value of the dollar against a broad, trade-weighted basket of currencies



is intensifying competition for resources. All those things should have pushed inflation higher, but for much of this year, prices went basically nowhere.

It was a situation that was starting to give the Federal Reserve fits, raising the possibility that inflation's long-term trend—its rate when the U.S. is at full employ-

ment—had fallen well below the central bank's 2% target. Thursday's report should allay that worry. The possibility the Fed might raise rates in December is stronger now.

Low inflation while unemployment fell, the weakened dollar and a pickup in global growth were reminders of the so-called Goldilocks economy of the late 1990s,

when a not-too-hot-not-too-cold economy kept profits flowing and the Fed at bay. The difference is that inflation has been so much cooler and interest rates so low.

Thursday's report probably marks the beginning of a run of stronger price data. The gasoline price jump has yet to be fully reflected in inflation readings, and the aftermath of hurricanes Harvey and Irma will probably drive up prices for other items, such as lumber and used cars. Those are temporary things, but they could alter investor and consumer perceptions around inflation.

If inflation goes higher, allowing the Fed to keep gradually raising rates, the environment would still count as benign. Just not ridiculously so. That could lead investors to rethink the high prices they have been shelling out for stocks and the low yields they have been accepting for bonds.

—Justin Lahart

OVERHEARD

Kmart is trying something new, but will it be fabulous?

The chain is renaming "plus size" clothing for women—generally anything above a size 12—as "fabulously sized," according to the publication Women's Wear Daily.

It certainly is a large demographic. A study says the average American woman is now a size 16 to 18.

While it is too soon to say if the move will work, something needs to stick.

Kmart parent Sears Holdings reported last month that its same-store sales plunged by 11.5% in the quarter through July 29 and that it would shut down 28 more Kmart locations on top of 150 Sears and Kmart stores already slated for closure.

All the stress has taken a toll.

Sears Holdings has shrunk from a size \$30 billion to less than a size \$1 billion in the past decade.

China Slows Again: Hedge Growth Bets, but Don't Panic

Steel Yourself

Chinese data, change from a year earlier



*For non-financial firms & households

gaining to bite.

In one sense this is a welcome development: The biggest slowdown last month was in infrastructure investment, which ticked down to 11% growth year over year from nearly 16% in July. Infrastructure projects of dubious merit are arguably the

biggest source of China's bad debt problem. More than half of all new liabilities at state-owned firms built up between 2007 and 2015, some 40 trillion yuan (\$6 trillion), were infrastructure- and public-service related according to Andrew Batson, China Research Director at Gavekal Dragonomics. Many of those projects are uneconomic and now spend their time weighing down bank balance sheets rather than contributing to growth.

The problem is that Chinese infrastructure is a huge driver of both domestic industry and demand for materials world-wide.

In line with slowing investment growth, most key Chinese industrial indicators moved lower last month:

Steel output slowed while cement production dropped outright on the year, falling at its fastest rate since 2015. Electricity production growth nearly halved, while coal power output dropped from 10.5% growth in July to just 3.5% in August. Numbers like that will likely put a damper on recent rallies in iron ore and coal.

While this all sounds unpleasant, there are a few reasons for guarded optimism. First, real-estate investment in August ticked up again to 7.8% growth from the same time a year ago, reversing its drop to just 4.8% in July. The July figure was the lowest in a year and a bearish signal on the single most important sector for Chinese growth and commodity demand. Sec-

ond, credit growth picked up again in July, in a sign that policy makers are also concerned that investment is now slowing too quickly.

With debt servicing costs at coal and steel plants still high, China's economic mandarins are unlikely to permit an overly sharp slowdown in investment that could tank commodity markets, particularly right ahead of the twice-a-decade Communist Party leadership shuffle kicking off in mid-October.

China is slowing again, which means the giddy part of the global commodities—and associated reflation trades—is likely over. It isn't time to run for the hills yet, but now would be a good time to start taking profit.

—Nathaniel Taplin



MANSION

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THE WALL STREET JOURNAL.

Friday, September 15, 2017 | M1

FOOD & WINE AT HOME

The Time Is Ripe in Bordeaux

Luxury-home sales in southwestern France have emerged from the cellar of the recession, thanks to its culinary and cultural offerings and a high-speed train to Paris.



ANTOINE DOYEN FOR THE WALL STREET JOURNAL

CHATEAU IN BORDEAUX Le Château Pardaillan, above, one of the many vineyards surrounding the city of Bordeaux. The average price of a property in Bordeaux was up 21% in January compared with a year ago. Luxury-home buyers here have options: from city-center apartments in buildings that are 300 to 400 years old, to farmhouses, châteaux and hobby wineries on its fringes.

BY RUTH BLOOMFIELD

IN BORDEAUX, the wine cellar of France, 2017 is shaping up to be a vintage year for luxury property.

Median real-estate prices are up 15.5% in the first quarter of the year compared with the same period in 2016, according to the Notaires de France, which tracks national price trends. The increase is notable for a country that has barely recovered from the recession.

The bump has been helped by the launch of a new high-speed train in July, which has cut travel times for the 360-mile journey to Paris

(where prices increased 5.5% in the same period) to just over two hours.

"There is, of course, the new high-speed train, but the city has also completely changed in the last 10 years, in terms of architecture, culture and nightlife and people want to live here," said Etienne Delpech, a broker at Sotheby's International Realty.

Bordeaux's global fame stems from its wine industry, which dates back to the third century. It has around 287,000 acres of vineyards and produces almost a million bottles a year, ranging from table wines to some of the finest labels in the world: Châteaux Margaux, Lafite-Rothschild, Latour, Haut Brion and Mouton-Rothschild.

But as Mr. Delpech suggests, this city on the Garonne river in southwest France is more than a giant winery. It is a Unesco World Heritage city, with some magnificent 18th-century buildings and no fewer than 362 historic monuments.

Alongside all that wine, Bordeaux has a thriving gastronomic scene. Some of the world's best-known chefs, including Joël Robuchon and Gordon Ramsay, have restaurants in the city.

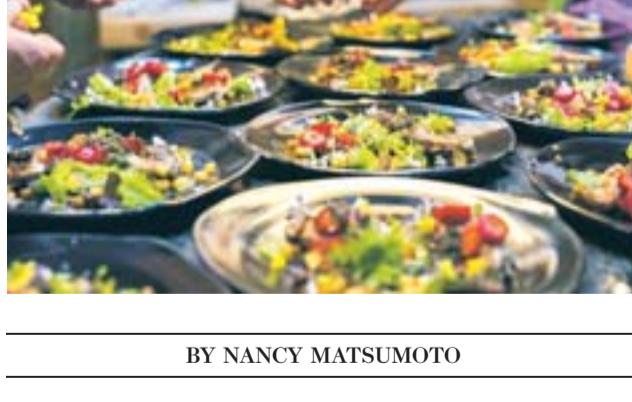
Property buyers can take their pick from city center apartments in buildings that are 300 to 400 years old, to farmhouses, châteaux and hobby wineries on its fringes.

According to research from Knight Frank, the
Please turn to page M8

AT THIS CHEF'S HOME, DINNER IS SERVED

INSIDE

From the forests of southern Ontario, Michael Stadtlander and his wife, Nobuyo, host multicourse dinners at their eclectic farmhouse; bartered meals (and a Texas Red Wattle pig) helped cover the costs of renovations.



BY NANCY MATSUMOTO

WHEN CHEF Michael Stadtlander and his wife, Nobuyo, bought their Victorian redbrick farmhouse in Ontario, they named it "Eigensinn," a German word that means obstinate. It signaled, says Mrs. Stadtlander, their intention "to do things our way."

Every inch of their 3,000-square-foot home in Singhampton bears their creative imprint. Since purchasing the property in 1993—along with 100 acres of forested land—for about \$250,000, the couple has continuously

worked on making improvements, spending another \$140,000. These include the addition of a professional kitchen with commercial-grade appliances. From here, they prepare multicourse dinners served to customers at the farmhouse throughout the year.

The couple's path to the forests of southern Ontario was circuitous. They met in the early 1980s when he was chef at the landmark Toronto fine-dining restaurant Scaramouche and she was a newly arrived pastry chef



WINE AND DINE In the kitchen, above left, plates are prepared for a recent dinner for 14. Above, Nobuyo Stadtlander pours wine in front of a stone hearth made by the home's previous owners.

there. A stint in Japan studying with natural-farming guru Masanobu Fukuoka in the early '90s confirmed their desire to buy a farm of their own. They chose southern Ontario, where Mr.

Stadtlander, 60, says the lakes and rivers remind him of his childhood home in Lübeck, Germany.

Upon moving into the 1904 farmhouse, the couple immediately began hosting

farmhouse dinners, even though the house wasn't yet equipped with a kitchen and they had a 2-week-old son to care for. "With no stove and no fridge, we cooked for 16

Please turn to page M6



BROOKLYN BOURNE
Matt Damon buys a Brooklyn condo M2



HOME BREW
A Sake maker's house in Japan M4



FOOD STAR'S RISE

How Danny Meyer learned hospitality M3

MANSION

PRIVATE PROPERTIES

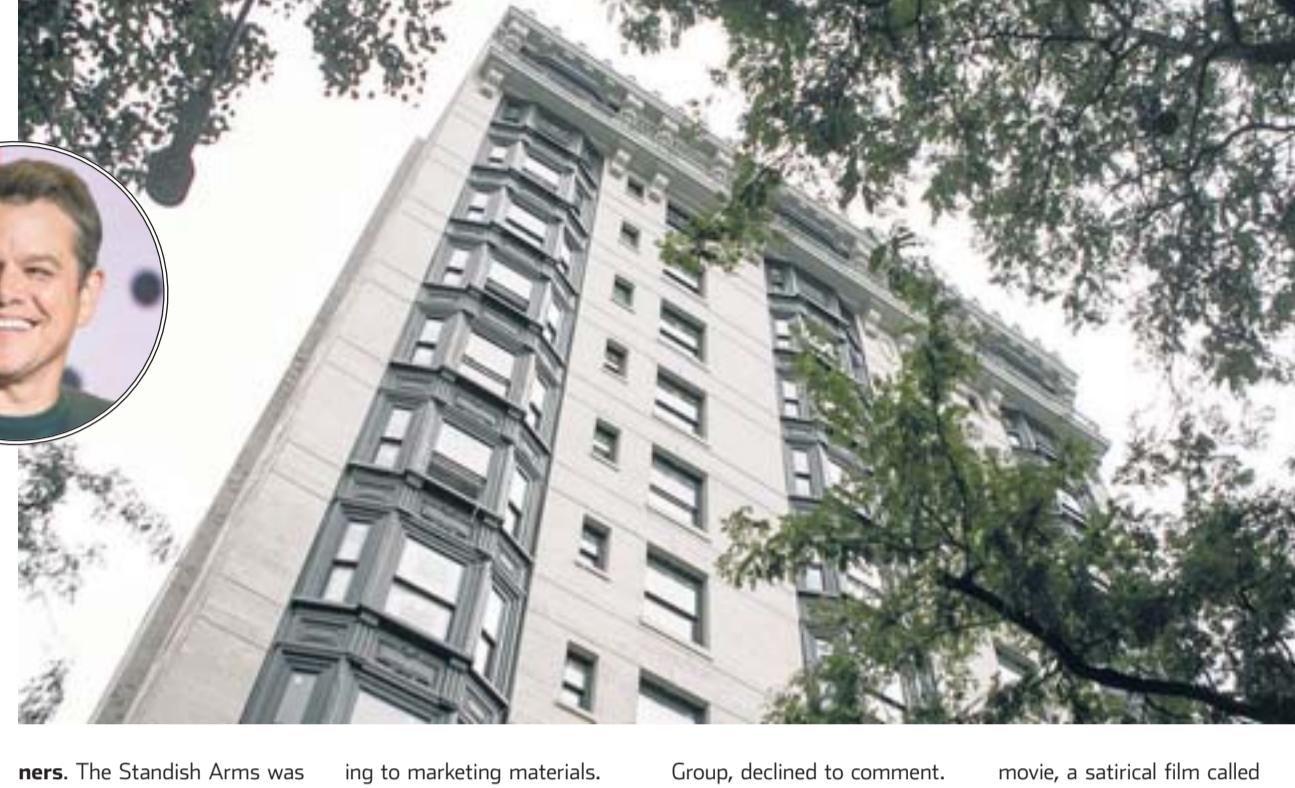
Matt Damon Buys Brooklyn Condo

Actor Matt Damon is in contract to buy a Brooklyn Heights penthouse, according to people with knowledge of the deal.

The apartment, which tops a condominium project known as the Standish on Columbia Heights, was last seeking \$16.645 million. If the deal closes for that price, it would be the priciest residential sale ever to take place in Brooklyn, according to public records. That record was last set by the \$15.5 million sale of a townhouse on Pacific Street in Cobble Hill in 2015.

The spread is a combination of several apartment units and has its own terrace and Austrian white oak flooring, according to people with knowledge of the deal.

The building, which formerly housed the Standish Arms Hotel, was recently converted to condominiums by developers DDG and Westbrook Part-



ANGELA OWENS/THE WALL STREET JOURNAL; GEOF ROBINS/AP/GETTY IMAGES (INSET)



LAWYER'S PALM BEACH ESTATE ASKS \$46 MILLION

An oceanfront Palm Beach property owned by the estate of prominent attorney Robert Montgomery is going on the market for \$46 million.

Mr. Montgomery died in 2008. The house is involved in a dispute between the trust to which Mr. Montgomery's widow Mary Montgomery, who is in her 80s, is the beneficiary; and the Montgomerys' daughter Courtney, 53. In April, the trustees filed a petition for a court order that would confirm their right to sell the property, according to Palm Beach court records.

Courtney Montgomery has since filed an objection to the petition on the basis that a sale would not be in her mother's best interests, according to her civil attorney Jennifer Carroll.

The case is slated to go before a Palm Beach circuit judge in October, and the judge will rule on whether a prospective sale of the property can go ahead, Ms. Carroll said. Mary Montgomery couldn't be reached for comment.

Named Sans Souci, which translates to "carefree," the property is located along South Ocean Boulevard, a thin ribbon of land which stretches from the edge of the Atlantic Ocean across the island of Palm Beach to the Intracoastal Waterway. It is 3 miles from Mar-a-Lago, the Palm Beach resort owned by President Donald Trump.

The property has nearly 300 feet of water frontage on both sides and comprises a main house and a guesthouse, totaling a combined 24,000 square feet of living space. The houses were designed by American resort architect Addison Mizner, whose Spanish-style architecture is popular throughout South Florida. There are seven bedrooms and 1½ bathrooms, as well as two swimming pools and a private dock.

Listing agent Jim McCann of the Corcoran Group Palm Beach said he didn't believe the house had sustained damage from Hurricane Irma.

—Katherine Clarke

ners. The Standish Arms was used as Clark Kent's Metropolis home in the "Superman" comic book series. The building has a limestone base and a Beaux Arts style brick facade, accord-

ing to marketing materials. Amenities include a fitness center and a children's playroom.

Both the developers and the project's marketing firm, Corcoran Sunshine Marketing

Group, declined to comment. Mr. Damon didn't respond to a call seeking comment.

The actor is best known for his role as Jason Bourne in the action film franchise. His latest

movie, a satirical film called "Downsizing" directed by Alexander Payne, was screened at the Toronto International Film Festival last weekend.

—Katherine Clarke

A BEL-AIR HOME BY BILLIONAIRES: \$45 MILLION

A Bel Air house previously owned by Hollywood director Michael Bay—then subsequently renovated by a Britain-based developer owned by two billionaire brothers—is going on the market for \$45 million.

The approximately 15,000-square-foot mansion sits on a roughly 1-acre promontory, providing a 280-degree view from the Hollywood Hills to the ocean, said James Harris, who is co-listing the property with partner David Parnes of the Agency. The five-bedroom house has a wellness center with a sauna, steam room, indoor Jacuzzi, juicing area and massage area.

"Don't believe everything you read," said Ian Livingstone, who serves as co-chairman with his brother Richard.

Developer London & Regional Properties, with U.S.-based VE Equities, purchased Mr. Bay's house for \$11.45 million in 2014, according to public records.

The developers then took the house down to the studs and rebuilt it. It's an unusual project for L&R, which has a roughly \$11.5 billion property portfolio and whose owners—self-made billionaire brothers—are often described in the British press as "secretive" and "reclusive."

"We are interested in the U.S.," he said.

—Katy McLaughlin



TECH ENTREPRENEUR LISTS UTAH ESTATE FOR \$30 MILLION

A technology entrepreneur is listing an estate in small-town Utah for \$30 million.

The property includes a 16,800-square-foot mansion built along the contours of the Weber River. The 8-bedroom, 9-bathroom house is unusual because it is built right on the river with no setback, said listing agent Paul Benson of Engel & Völkers.

The 1,918-acre property is in Oakley, Utah, about a 25-minute drive from Park City, where eight-figure estates aren't unusual: Actress Katherine Heigl has a ranch nearby, according to public records.

The seller is Vinny Smith, 53-year-old former chief executive and chairman of Quest Software who now runs Toba Capital, a San Francisco and

Newport Beach-based family office and venture-capital firm.

Mr. Smith bought the house in 2012 plus additional parcels, creating a 1,918-acre property, he said. He also bought additional parcels, which will be sold separately, he said. Mr. Smith said he spent \$30 million total.

Mr. Smith, his wife Victoria and their five children vacationed there in both winter and summer, said Ms. Smith, 44. The couple, who has lived in Newport Beach, Calif., but moved to Jackson Hole, Wyo., this year, also have homes in Cabo San Lucas, Mexico and Aspen, Ms. Smith said. Mr. Smith said he is selling because "I only have one life to live and you can't be everywhere." —Katy McLaughlin

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TRY AGAIN: TOMMY HILFIGER RELISTS 'ELOISE' PLAZA CONDO

Fashion designer Tommy Hilfiger is relisting his Plaza Hotel penthouse, which has been on and off the market since 2013, for \$50 million, a 37.5% discount to its original \$80 million asking price.

The penthouse was most recently relisted for \$58.9 million in November, 2016, before being taken off the market in April. "It's a dose of reality for Mr. Hilfiger," said Nikki Field of Sotheby's International Realty, the fifth listing agent to tackle the listing since 2013.

Mr. Hilfiger and his wife, Dee Ocleppo, bought two units from the building's developer in 2008 for \$25.5 million and combined them to create the

home. The roughly 5,600-square-foot space includes a dome and a private terrace overlooking Central Park.

The couple put approximately \$20 million into renovating and designing the unit, Ms. Field said. They commissioned the original illustrator of the "Eloise" children's books, Hilary Knight, to design an "Eloise"-themed mural for the interior of the dome.

Mr. Hilfiger said he is selling because the couple is spending most of their time at their home in Greenwich Conn., and in Palm Beach, Fla. He added he's motivated to sell the Plaza unit, but not desperate.

—Katherine Clarke



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HALSTEAD

NEW YORK CITY | HAMPTONS | CONNECTICUT | NEW JERSEY | HUDSON VALLEY



Tribeca, NYC

EPIC SKY SANCTUARY

\$6,800,000 | Web#17257139

Kleopatra Phili 212.381.2260



Montauk, NY

SLEEK COMPOUND WITH OCEAN VIEWS

\$6,495,000 | Web#46621

Timothy O'Connor 917.273.7099



Upper East Side, NYC

GRAND & ELEGANT 6-STORY TOWNHOME

\$17,500,000 | Web#15426447

Louise Phillips Forbes 212.381.3329



Midtown West, NYC

FAMED PARC VENDOME 4 BR WITH VIEWS

\$5,200,000 | Web#17359347

Cheryl Daly 212.381.2310

East Hampton, NY

MODERN FARMHOUSE WITH POOL

\$4,250,000 | Web#33491

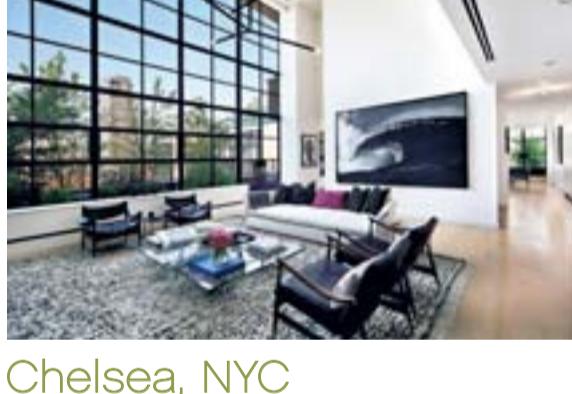
Timothy Burch 917.275.3303 | John Scott Thomas "JT" 917.693.0942

Hoboken, NJ

SPECTACULAR ONE-OF-A-KIND PENTHOUSE LOFT

\$2,470,000 | Web#17194186

Matt Brown 201.478.6709 | Peter Cossio 201.478.6710

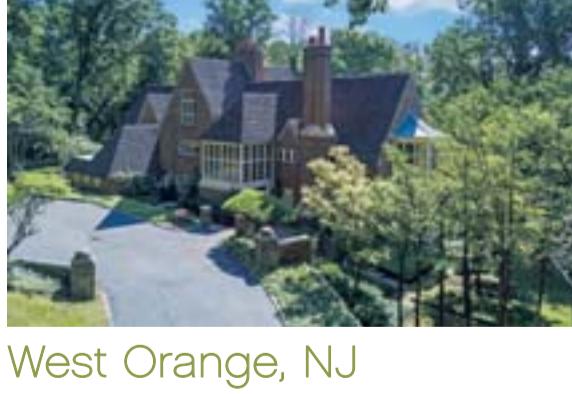


Chelsea, NYC

STRIKING PENTHOUSE LOFT

\$9,200,000 | Web#17323465

Richard Orenstein 212.381.4248



Greenwich, CT

SPECTACULAR & DRAMATIC VIEWS IN BELLE HAVEN

\$16,975,000 | Web#99177771

Christopher B. Finlay 203.969.5511

West Orange, NJ

ENCHANTING ESTATE IN LLEWELLYN PARK

\$2,345,000 | Web#16494173

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EAST SIDE



▲ **UNDISCOVERED TREASURE** East 60s/Fifth Ave. Co-Excl. 25' limestone Beaux-Arts mansion, 11,550SF+/-, 8+ bedrooms, exquisite finishes, extraordinary light. \$36.5M. WEB# 16612140. Paula Del Nunzio 212-906-9207

778 PARK AVE-17RM MASTERPIECE Park Ave/E. 73rd. Co-Excl. Renovated 11th floor residence w/ 39 windows and four exposures. 12' ceilings, floor-to-ceiling windows. \$39.5M. WEB# 16805056. John Burger 212-906-9274

FIFTH AVE PREWAR FULL FLOOR Fifth Ave/E. 83rd. Exceptionally grand residence with 20' ceilings and 14' windows facing 5th Ave in top building. \$27.5M. WEB# 16094718. John Burger 212-906-9274

LUXURY 3,500SF+ CONDO W/ VIEWS Midtown East. Hi floor Olympic Tower 3BR, 4.5 bath w/ panoramic Central Park & city views. Double LR, huge DR, W/D. \$9.7M. WEB# 17244683. Daniella G. Schlesser 212-906-9348
Danielle V. Rivoir 212-906-9276
Matthew D. Hughes 212-906-9351
ESTATE SALE AT IMPERIAL HOUSE 69th/Lexington. 3BR + staff room, 3.5 baths at sought after Co-op. Gracious layout and large room sizes. \$3.35M. WEB# 17143038. Wolf Jakubowski 212-588-5630
Jennifer H. Cooke 212-588-5684



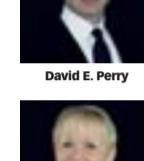
Angela Ferrante



Carol A. Raskin



Daniel G. Farris



David E. Perry



Elizabeth Wohl

WEST SIDE



▲ **GRAND 20' TOWNHOUSE-PARK BLOCK** West 80s/off CPW. 5-story brownstone. 7,560SF+/-, 34' great room. 12' ceilings. 6-7BRs. South garden + 2 terraces. \$10M. WEB# 17278035. Nancy Candib 212-906-9302
Kristin M. Clark 212-906-9261

APTHORP PERFECTION UWS. Old World grandeur, 21st century convenience. 7BRs, 8.5 baths. Elegantly renovated at the highest level. \$21.995M. WEB# 16384849. Felise G. Gross 212-588-5681

MANSION IN THE SKY WITH A POOL West Side. 7BR, 8.5 bath duplex w/ stunning river and city views, walls of glass, terrace & private pool. Best amenities. \$15.9M. WEB# 16283512. Lisa K. Lippman 212-588-5606
Mike Lubin 212-317-3672



Gillian F. Boyer



Ginnie Gardiner



Jason Schuchman



Joan Goldberg



Joseph Ralph Lorino



Lawrence Sicular



Masekela 'Kela' Davis



Nicole Flowers



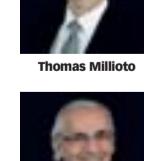
Patricia A. Cannon



Roy C. Beason III



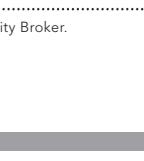
Simone Mallman



Stewart D. Clarke



Thomas Millioti



Tobias B. Schapiro

DOWNTOWN



▲ **HUGE SOPHISTICATED LOFT** Chelsea. Fully renovated, bright, large, flexible-7 room, full-floor apt w/ great room, library, FDR, EIK, LR, 2BRs, 2 baths. \$4.95M. WEB# 17353438. Kathryn Steinberg 212-396-5868
Armin B. Allen 212-396-5851

UNPARALLELED 3BR/3.5 BATH CONDO Tribeca. Co-Excl. Corner res w/ river views. Custom finishes, incredible master suite, chef's kitchen. FS building w/ DM, gym, garage. \$8.35M. WEB# 16259843. Juliana Frei 212-396-5886
Drew Glick 212-396-5883
Hiroko Murase 212-452-6208

BEAUTIFUL CONDO LOFT Meatpacking District. Renovated with 3BRs & 3.5 baths and private terrace in the heart of the Meatpacking District. \$4.495M. WEB# 16756549. Leonel Piraino 212-906-9363
Rafael Salas 212-906-9286



▲ **GRAND 2BR HOME W/ BALCONY** Downtown. Garden view, floor-to-ceiling windows, window seat and a windowed kitchen and breakfast room. \$1.9M. WEB# 17053184. Elaine Clayton 212-906-9353
Sara Beth Shrager 212-906-9315

TRIPLE MINT LOFT CONDO Stuyvesant Park. High floor 2BR, 2 bath loft w/ double height living room. Approx 1,630SF, high-end renovation, very bright, 3 exposures. \$2.895M. WEB# 15649702. Anne S. Young 212-452-6204

OPPORTUNITY IS KNOCKING West Village. Make your prewar dream-home come true. 2BR, 2 bath Condo, S/W exp, W/D, wood floors, window kitchen/bath. \$2.1M. WEB# 17320611. Nicole Flowers 212-452-6206

CLASSIC AND CONVENIENT West Village. New to market. Prewar Condo in prime West Village location. Light, details and lots of class. \$1.17M. WEB# 17284713. Deborah E. Gimelson 212-906-0572

ROYALTY West Village. 2BR, 2 bath, 10' ceilings, high ceilings, high-end finishes, high-end fixtures. \$2.1M. WEB# 17284714. Roy C. Beason III 212-452-6207

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THE PERFECT HOUSE Park Slope. Meticulously renovated 6,200SF single-family home. Prewar details, central AC, much, much more. \$9.25M. WEB# 16254860. Terry Naini 212-452-6267

MODERN LIMESTONE Park Slope. Located on tree-lined street, this magnificent 20' wide 4BR, 4.5 bath townhouse encompasses 4,500SF. \$4.95M. WEB# 13975967. Saul Evan Shapiro 718-399-4118
Anne Rose 718-399-4137

CLASSIC TOWNHOUSE Fort Greene. Shelter magazine perfect. Newly renovated owner's duplex over garden level rental. Lovely. \$4.25M. WEB# 17270379. Mary Priebe 718-613-2760

FIRST SALE IN 70 YEARS Carroll Gardens. Amazing location. Front garden block 4-story, 4-family 3,300SF+ plus basement. Easy 1, 2 or 3 fam. \$2.995M. WEB# 17041873. Sal "Cappi" Capozucca 718-399-4103
Victoria Capozucca 718-399-4164

ESTATE SALE - GREAT OPPORTUNITY Cobble Hill. Spacious 1BR, 1.5 bath, 800SF+ unit. Large outdoor space, hardwood floors, working fireplace. \$699K. WEB# 17224663. Sal "Cappi" Capozucca 718-399-4103
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FOOD & WINE AT HOME

HOUSE CALL | DANNY MEYER

A Troublemaker Turned Risk Taker

The restaurateur learned about business from his father's mistakes; at home today in a Manhattan duplex

In the late 1960s, when I was 9, my father sat the family down in our den to tell us that the travel agency he had started was filing for bankruptcy. With offices in New York, Chicago, Los Angeles and cities in Europe, he had expanded too quickly.

It was horribly painful. Through his tears he had to acknowledge his failure. I had no idea what bankruptcy meant. I just knew that I admired him and suddenly learned he was fallible.

My father had been in business with his brother, so when the agency went under, it also seemed to split them apart. My uncle and aunt along with my cousins moved to Washington, D.C., to start over. I missed them.

I grew up in Ladue, Mo., a suburb of St. Louis. Our first home was a brick ranch-style house across from a big hill that led up to a high-school football field. I played sports from an early age, so having that kind of access was great.

When I was 10 we moved to a two-story brick house. I shared a room with my brother, and we played a lot of knee hockey on the floor. Up on the wall we had black-light posters and the famous one of Farrah Fawcett.

We also had tons of baseball cards, Mad magazines and stickers on the windows. But our room was never a mess. Our mother would never let it get that way. We were well trained to make our beds.



I'm the middle of three children. I have an older sister and a younger brother. My sister, Nancy, was a remarkable student. I didn't have her academic prowess. My brother, Tommy, was the angel. Getting in trouble seemed as good a way as any for me to stand out.

By the time we had moved into the second house, my father had invested in the hotel business in Italy.

He bought leases for two hotels in Rome, but he soon found that dealing with them from the States was problematic. Eventually he had to find a buyer, and he took a huge loss.

My mother coped as best she could with my father's ventures and his extended absences from home tending to business.

She was beloved in our community and was the one who taught me the most about hospitality. My dad taught me about gastronomy. When he was home, he was the grill guy and showed me how to cook.

The food that I ate at my grandparents' house in the Central West End section of St. Louis made me happy. They had a cook named Edna who made the most amazing baked ribs. She also made my favorite dish—roast prime rib of beef.



ILLUSTRATION BY ROBIN DAVEY

FRONT OF THE HOUSE

Danny Meyer at the Union Square Cafe in New York, left; and holding the cards, above, with his brother and grandfathers.

day and that I didn't want to be a lawyer.

He said, "You're crazy. Do you know how long you're going to be dead? Longer than you're alive. All you've ever talked about is food. Why not just open a restaurant?" His observation changed my life.

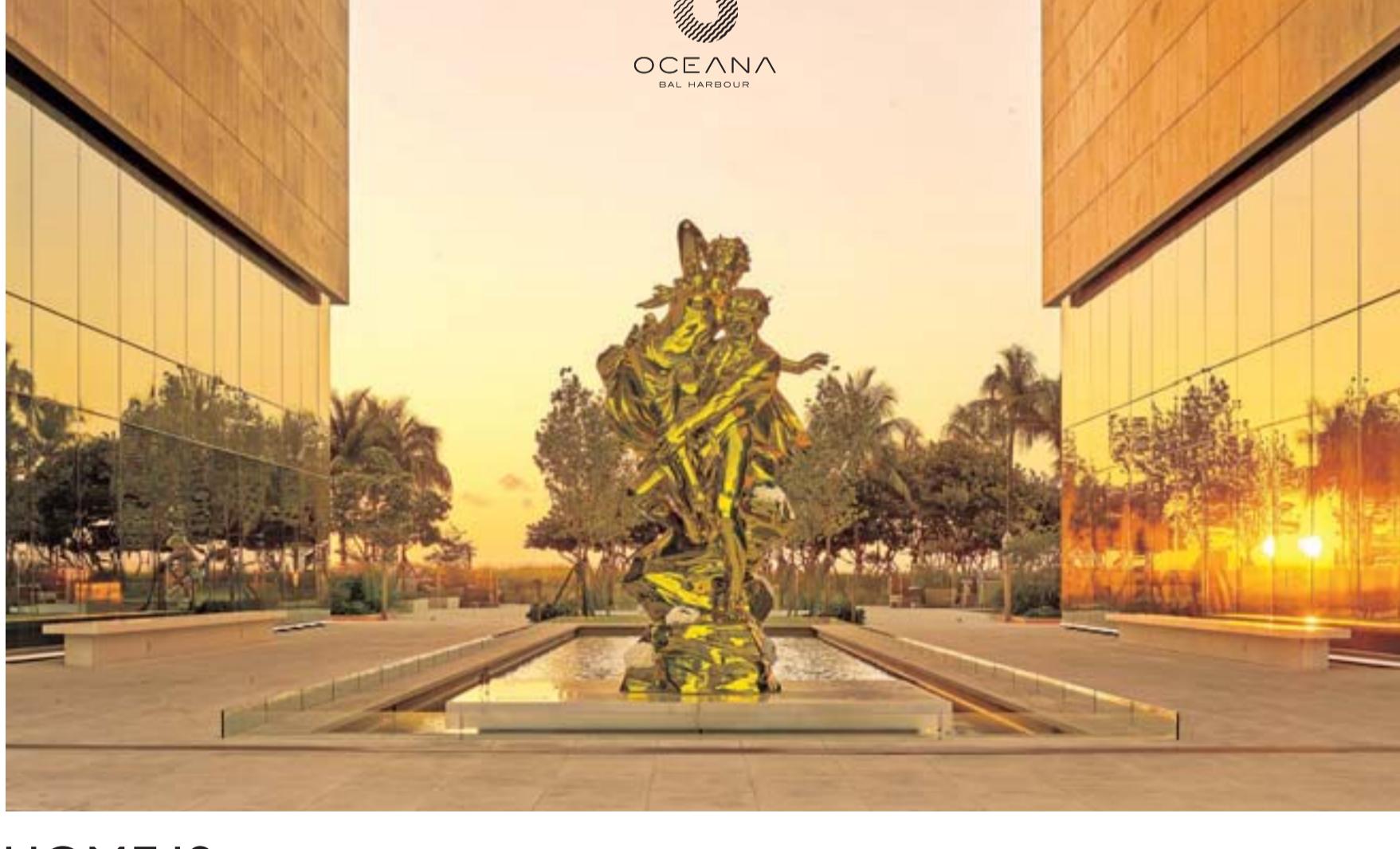
Today, my wife, Audrey, and I live in a five-bedroom duplex apartment in Manhattan's Gramercy Park area. We moved there nearly 20 years ago and subsequently renovated to create enough bedrooms for our four children, who now are young adults.

Our kitchen is awesome. It's not large but it's the family's living room. Wine is important to us. We have a small temperature-controlled wine closet just off our kitchen that holds about 300 bottles. It's rare that we dine at home without opening one.

My father's business mistakes became lessons for me as my company has grown. As a reminder of our bond, I have on my desk at work an odd little statuette that sat on his office desk. It's a happy little bird whose body is a spoon and whose wings are two forks.

—As told to Marc Myers

Danny Meyer, 59, who recently won the Julia Child Award, is the founder and CEO of Union Square Hospitality Group, which operates 14 restaurants, including New York's Union Square Cafe and Gramercy Tavern. He is the author of "Setting the Table" (Harper Perennial).



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FOOD & WINE AT HOME

A Sake-Brewers' Home Steeped in Tradition

A 200-year-old Japanese house has evolved for modern lifestyles but stays true to its heritage

BY NANCY MATSUMOTO

TETSUO YAMAGUCHI'S home is located just steps from the "office," a sake brewery founded by his family 180 years ago in the Japanese city of Kurume.

And like the fermented-rice beverage, the Yamaguchi home is steeped in tradition. The family's presence in Kurume, Kyushu, dates back to 1737 and the home to about 1800. That's when Rishichi Yamaguchi, a rice distributor and banker, had the home erected by local craftsmen. Back in its 19th-century heyday, the traditional, cedar-beamed house bustled with domestic and commercial activity.

Sited on the same lot as the brewery, five of its 30 rooms were used to billet sake-brewery workers, their extended families and live-in help. Five kitchens kept both family and staff fed. "There were a lot of kids and grandparents," says Tetsuo Yamaguchi, the 11th-generation heir.

Now, just Mr. Yamaguchi, his wife and two children, and his mother, Reiko, live there. Only five of the original 15 bedrooms remain, the rest converted for other uses. In the late 1960s, when Reiko came to the home as a new bride, westernizing old Japanese homes was in vogue: exposed roof beams would be concealed with drop ceilings, tatami-matted floors and earthen walls were covered.

The Yamaguchi family kept its Japanese-style decor. Today, by contrast, families with traditional homes "want to treasure them and keep them as they are," says Mr. Yamaguchi, who is 48 years old.

Where most traditional Japanese homes have just one rough-hewn central pillar, or *hashira*, Mr. Yamaguchi proudly notes his home's five cedar pillars. These were traditionally erected first, followed by tie beams and the



HOME BREWED The Yamaguchi home, above, on Japan's southwestern island of Kyushu. Below left, Reiko Yamaguchi and her son, Tetsuo, outside the home. Below right, the largest room of the house can seat up to 50 guests.



roof. The pillars are still considered objects of beauty—proof of the carpenter's craftsmanship. Polished to a high gloss, they are a focal point of the main tatami-matted sitting/dining room.

In homes with more than one *hashira*, the pillars had to be spaced widely enough apart so that if the area flooded, boats could navigate through the home and around the pillars. Their symbolic significance is contained in

another name for them: *daikoku bashira*, meaning "head of the household," or "the person who supports the family structure."

The largest pillared room hosts formal occasions, such as the dinners for 50 that the Yamaguchis hold occasionally for guests and clients. But when the family is alone, they gravitate to the

kitchen. There, Mr. Yamaguchi points out the family's cherished 100-year-old wood-burning stove. Concessions to the modern age go only as far as an electric rice cooker, says Reiko Yamaguchi, who is famous throughout the region for her expertise in culinary arts and crafts.

She has perfected the art of cooking over the many geothermal vents in the area, dehydrates and preserves food, and produces a line of her own artisanal and disaster-relief food products. Reiko, who is 72 years old, is also renowned for her skills as a quilt designer and teacher. It was a craft she picked up as a new bride, she says, wanting to offer something "hand-crafted and from the heart" as traditional New Year's gifts to clients and distributors. "They were not popular," she says wryly. "People wanted department-store wrapped gifts."



Mr. Yamaguchi says he doesn't know how many sake-brewer's houses remain in Japan's Fukuoka Prefecture, just one of the many regions in Japan that produce top-quality sake. There are very few, he ventures, that are still home to three generations, as his is.

Old sake brewery houses like his "are very much in demand," he says, sometimes for dismantling and rebuilding elsewhere, or to be plundered for prized "old wood" to incorporate into new construction. Mr. Yamaguchi says he has been offered large sums for his home, offers he declines because of his belief that "in Japan, when homes are over 100 years old, there are gods that dwell in them, and family ancestors have left their mark." He adds, "You can't exchange gods for money."

The only time sake-brewery homes come up for sale, he adds, is when the brewery itself ceases to operate—a common occurrence across Japan as the overall sake market shrinks even as global appetites for premium sake rises.

The Yamaguchis have no plans to move from their small craft brewery, Niwa No Uguisu, named after the nightingales that once flitted about the courtyard. Here, the family produces 20 different kinds of small-batch sake using locally grown rice and spring water.

Future renovations are in the offing, although limited to making the home more user friendly. One plan is to have dedicated areas where shoes do not have to be shed—still the norm in Japanese homes and even inside the brewery, where street shoes are traded for sanitized rubber work boots.

"As much as possible," says Mr. Yamaguchi, "we want to hang on to traditional ways, and preserve this space."

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FOOD & WINE AT HOME



JENNIFER ROBERTS FOR THE WALL STREET JOURNAL (6); ILLUSTRATION BY ROBIN DAVEY



CREATIVE TOUCHES Michael Stadtlander and his wife, Nobuyo, on their 100-acre property in Singhampton, Ontario. Top left, the outside of the farmhouse. Left, in the recently added sunroom, family and friends helped with the graffiti on the walls.

AT THIS CHEF'S HOME, DINNER IS SERVED

Continued from page M1
people out of the pantry, washing dishes between courses," recalls Mrs. Stadtlander, 50.

In 1996, they removed the Jacuzzi from what would become their kitchen, installing a 10-burner Garland stove they purchased at auction from a nearby culinary school for \$2,800, and a Salamander, walk-in refrigerator, cooler and under-counter fridge for \$3,500. They spent another \$20,000 on labor, installing electrical outlets and converting the gas stove to a propane-fueled model. For the rest of the kitchen, "we did a lot of trades," recalls Mr. Stadtlander, including bartering a Texas Red Wattle pig for the installation of wall and floor tile by "an Italian guy who liked to butcher pigs."

Mr. Stadtlander constructed a 16-seat dining table and gazebo out of cedar wood rescued from the dump, and chairs made with remnants of pinewood left over from an earlier project. Though never formally trained in carpentry, he explains, "When you live on a farm, it's kind of like arts and crafts. You can't always hire someone, so you learn by doing and by observing other people."

In 2000, the Stadtlanders embarked on another round of renovations, adding a 275-square-foot log cabin-style breakfast room using pine harvested from their forest



FARM TO TABLE On a wood and stone island, top, the chef and his apprentices prepare the appetizers. Above left, the cheese course features all Quebec cheeses. Above right, another course is garnished with wildflowers from the garden.

year later, he brought another German carpenter to build Eigensinn Farm's log cabin breakfast room in exchange for room and board. "No money changed hands," says Mr. Stadtlander proudly, though he nearly had to set up "a pipeline to Creemore [a local beer brewer] because they drank like fish."

Last year, the Stadtlanders took down a small, poorly insulated family room and constructed a new one, cutting ash floorboards from trees on the farm that had fallen prey to an invasive pest. For one wall, Mr. Stadtlander used a jigsaw to cut wavy-edged panels from elm wood, also from his forest. The couple sprang for a \$4,000 Blaze King wood-burning stove that heats the entire house. The final components were a breezeway that connects the room to Mrs. Stadtlander's small office and a bedroom on the second floor.

Also in 2016, Mr. Stadtlander's dairy supplier connected him with local Amish craftsmen, who handled construction of a new sunroom off the dining room. One wall of the sunroom is covered with graffiti by the Stadtlanders and their friends, ranging from political and philosophical slogans to one line from Mrs. Stadtlander expressing her exasperation with certain unreliable millennial apprentices: "Fly by night—no thanks!"

The Amish craftsmen also built a sturdy treehouse in the forest that the chef incorporates into his 10- to 12-course indoor and roving outdoor feasts.

At a recent dinner for 14, rain kept guests from enjoying aperitifs and canapés in the garden, but they happily dined in on sautéed pickerel with lobster tarragon sauce, Eigensinn Farm barbecue piglet with garden vegetables, and Canadian Black Forest cake with Lübecker marzipan strawberry ice cream.

With cooler weather on the way, the kitchen staff has been making jams out of the last of summer peaches and apricots, pickling green beans and caramelizing root vegetables. Down the road, Eigensinn's sister restaurant, Haisai, is planning its fall menu as well.

Renovation, especially in wintertime is disruptive and difficult, says Mr. Stadtlander, but worth it in the end. "Our farmhouse is old, so we need to look after it like an old body and make it as comfortable as we can. At some point, we would like to renovate the kitchen. But Eigensinn Farm is and always will be a work in progress."



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The lakes and rivers of Southern Ontario remind Mr. Stadtlander of his childhood home in Germany.

as well as redwood planks previously used in the sub-floor of the Ontario Parliament building. The tongue-and-groove floorboards had been removed during a renovation, landing in the yard of a friend. Again, a bartered dinner was all it took to make the boards theirs. Serendipity also played a role in bringing them carpenters for the log-cabin project. A year earlier, Mr. Stadtlander had spotted several itinerant German carpenters at the Hamburg airport, recognizing their signature black hats, black vests and trousers. A medieval throwback, German craft guilds offer free apprenticeships to young people, after which, Mr. Stadtlander explains, "they must travel at least 50 kilometers away from home for three years, three months and three days in search of work."

The carpenters were on their way to Canada, so Mr. Stadtlander told them he needed a barn door fixed. Three days later one of the carpenters showed up at the farm and fixed the door. A



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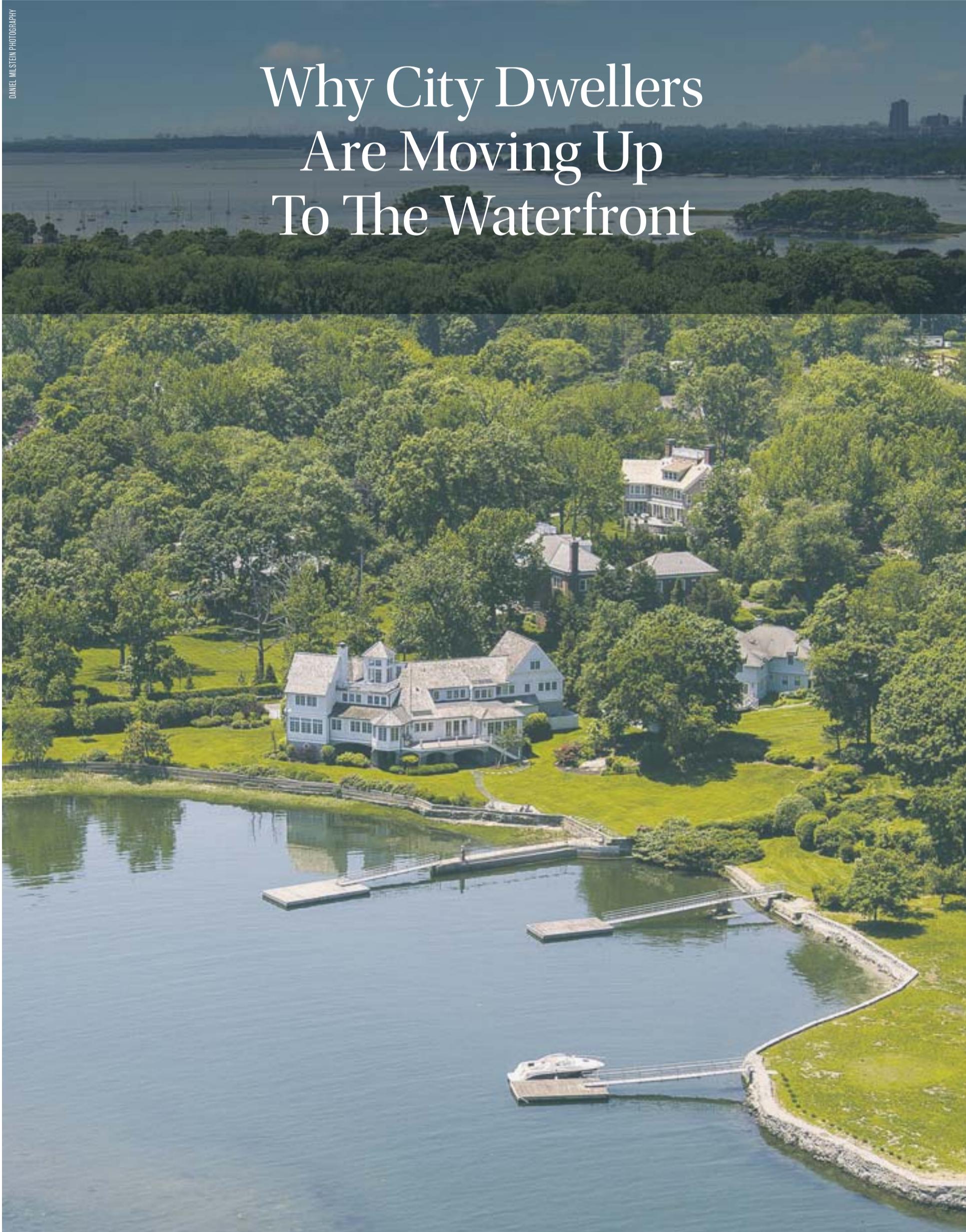
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The Commute: Less of an Issue Today?

HOW LONG A JOURNEY TO THE OFFICE IS TOLERABLE? THIS HIGHLY SUBJECTIVE ISSUE MIGHT DISAPPEAR ALTOGETHER

By Joseph Dobrian

In suburban areas like Westchester and Fairfield Counties, the commute into Manhattan has always been a concern for home-buyers. Some communities are more convenient than others for trains and buses; some offer better highway access than others. Some families put up with spending more than an hour getting to work, and the same going home, for the sake of living in an otherwise ideal place. Others will compromise on the property, so long as it's close to the train station.

However, as it gets easier to work from home, more remotely located properties could gain popularity. At any rate, proximity to a train station or an Interstate exit may become less of a factor in the buying decision.

HIGH-SPEED RAIL

The commute from Connecticut, historically time-consuming, might one day get easier. The Federal Railroad Administration currently plans to build a high-speed rail route between Washington and Boston—which would run through Fairfield County. However, several communities are trying to prevent the route from disturbing historic areas. Final disposition is still far away.

The current plan also will reroute tracks from New Rochelle, N.Y., to Green's Farms on a new path alongside Interstate 95—which could mean disruptive construction

in some communities but would ultimately represent significant time savings for many commuters.

Three major train lines currently serve Westchester County: the Harlem, Hudson, and New Haven. The commute to Lewisboro is the longest of all Westchester communities—54 miles by train, or a 70-minute drive—but residents insist that living there is worth it. Express-stop towns such as White Plains, Tarrytown and Dobbs Ferry are popular with commuters who crave convenience.

"AS IT GETS EASIER TO WORK FROM HOME, MORE REMOTELY LOCATED PROPERTIES COULD GAIN POPULARITY."



Express-stop towns are popular.

THE BEST OF WESTCHESTER, FAIRFIELD COUNTIES

Which communities in a given area are the "best" is, of course, a personal view. But a couple of recent surveys—one by StreetAdvisor.com on Westchester County, N.Y. and another by Niche.com on Fairfield County, Conn.—give some idea of which communities are local favorites. Here are the surveys' findings for the top five of each.



WESTCHESTER

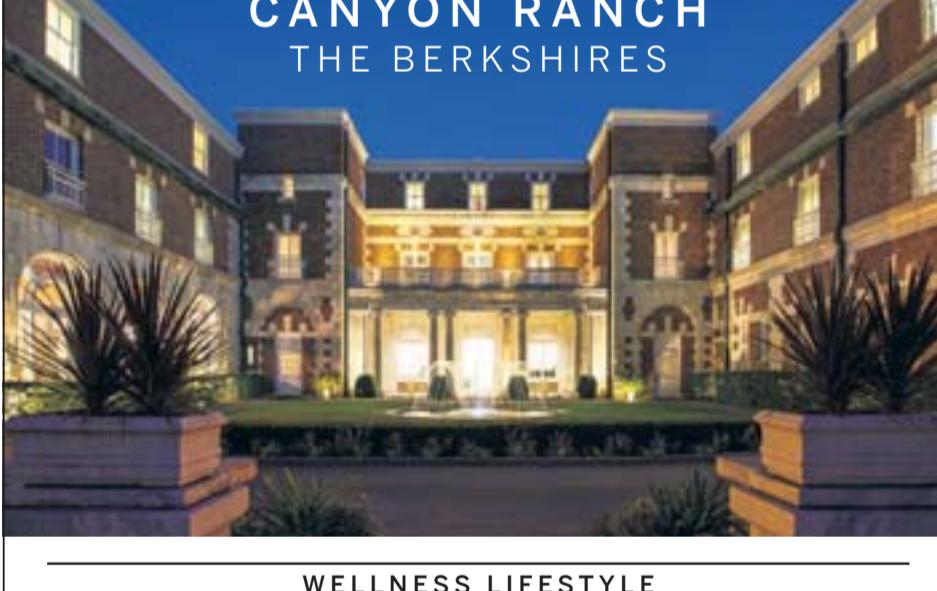
- Lewisboro:** In the northeastern corner of the county, on the Connecticut border, Lewisboro offers lakes, horse farms and open meadows, ageless stone walls, hiking trails and nature preserves. It's part of the Katonah-Lewisboro School District.
- Peekskill:** Once considered a hard-scrabble, blue-collar community, Peekskill has reinvented itself as a haven for artists, artisans and some innovative retailers and restaurateurs. It's still lower-priced than many communities in the area, and has a picturesque history.
- Tarrytown:** A bustling community situated close to urban New York, Tarrytown has a woodsy, bucolic appearance and offers wonderful views of the Hudson River and the Tappan Zee Bridge. It's known for its landmark buildings, and for inspiring the tales of Washington Irving, the 19th-century author who is its most famous historic resident.
- Katonah:** This is an upscale community, with some exciting shops and restaurants, a popular museum and a variety of year-round festivals. It's a small, tight-knit, child-friendly community, close to various amenities, and the train station is within easy walking distance.
- Bedford:** Katonah is one of three hamlets that constitute Bedford, the others being Bedford Hills and Bedford Corners. Bedford Hills is home to some very famous names from the stage and screen, while Bedford Corners is quiet and offers easy access to wooded areas.

FAIRFIELD

- New Canaan:** Known for its highly rated schools and family-friendly events, New Canaan also offers a variety of dining options. One survey respondent calls it "a suburban ideal," with a strong sense of local identity and community pride, where job opportunities abound.
- Old Greenwich:** Locals call Old Greenwich a friendly, diverse community that's always peaceful and quiet. They're especially proud of the beach—Todd's Point—the range of dining options, and the conveniently located retail.
- Weston:** Weston is best known for its bucolic scenery and its commitment to staying small and tight-knit. It's a quiet community with lovely houses and highly rated schools. There's not much activity, but it's adjacent to Westport, a livelier town.
- Ridgefield:** A town with a reputation for friendliness and its variety of amenities. Locals warn that Ridgefield hasn't much nightlife, but the town bustles in the daytime and offers plenty of dance studios, fitness clubs and prospering businesses. One respondent calls it "old-timey but upgraded."
- Greenwich:** One of Fairfield County's larger communities, Greenwich has a prosperous health-care industry, a number of parks and a strong retail mix. Its public library and the attached Cole Auditorium are highly praised, as are its many public and private schools.

— Joseph Dobrian

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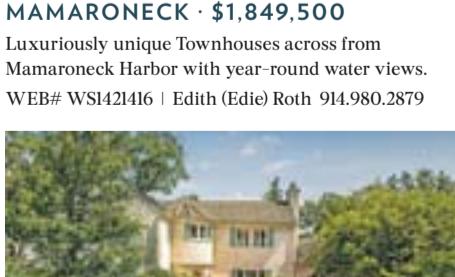
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Special Advertising Feature
WESTCHESTER AND FAIRFIELD COUNTIES

Water Attracts Home-Buyers to Suburbs

BUYERS FROM MANHATTAN AND FURTHER AFIELD FIND THEY CAN GET A LOT FOR THEIR MONEY

By Joseph Dobrian

Westchester County, N.Y., and Fairfield County, Conn., both attract home-buyers looking for properties beside or with easy access to a lake, river, or Long Island Sound. While waterfront properties are never cheap—and most observers say it's still a seller's market—some surprisingly good buys are available.

Sellers in these two counties can benefit from a relative lack of inventory, especially if their property is fairly new and in move-in condition. Even a fixer-upper will attract plenty of buyer interest if the seller is motivated.

Larry Palma, real-estate salesperson at William Pitt Sotheby's International Realty in Stamford, Conn., says Fairfield County offers a wide selection of waterfront properties facing lakes or the ocean at various price points, but he's particularly enthusiastic about a property he and his partner Robert Blosio are offering, that has just come on the market for the first time in 40 years. Saddle Rock House offers water on three sides, plus unobstructed views of the Manhattan skyline and the Stamford lighthouse.

OCEAN VIEWS

"It's the southernmost peninsula in the county," he says of the house's location on a gated 1.67-acre of landscaped grounds with 956 feet of direct waterfront and a boat launch. "The southernmost tip of the property features a turret, where a cannon was mounted during World War II to protect Stamford and New York harbors from submarines. There's a salt-water heated pool, cabana, and guest cottage.

"It's a quarried stone Richardsonian American Country Home, designed by Hunt & Hunt Architects in 1914. The living room has water views on both sides; the master bedroom has a generous balcony overlooking the lawn, with water views to the east, south and west. You might find houses in the area that are architecturally comparable, but none with views like this."

Another Sotheby's licensed real-estate salesperson, Jessica Murphy, of the Irvington, N.Y., office of Julia B. Fee, says waterfront properties abound in Westchester County, too, but they're hard to find for less than \$2 million.

"In the northern part of Westchester County, you can find a few properties with docks on the Hudson River, but on the other side of the county, in New Rochelle, Larchmont, Rye Brook and Rye, you'll find many more homes with access to Long Island Sound—though they'll come in at a high price point.

STEPHEN ROSSI



STEPHEN ROSSI



Saddle Rock House in Fairfield County offers direct water access to the east, south and west.

"We've seen a sizable increase in property values in the past five years. A property you may have built in the high \$500,000s or low \$600,000s might be worth close to a million today. But still, for \$1 million you can get square footage you'd pay more than \$2 million for in Manhattan. Because of that, we're in an inventory-poor area.

DOING DEALS

"It's still a seller's market, and we're anticipating a strong fall, since many buyers are waiting for inventory to come on the market," Ms. Murphy adds. "If you're looking to sell, bring it on. Buyers can be deal-hounds; they're willing to do cosmetic renovation on a home that's in good general condition. However, if you have a home that needs a lot of work, you'll have to price it to sell."

Bonnie Hut Yaseen, a licensed associate real-estate broker at Houlihan Lawrence, in Scarsdale, N.Y., says she sees prices at the top end of the market softening slightly in her markets—Scarsdale, Rye, Mamaroneck and Larchmont. The basic trends, however, remain in place: most buyers here want waterfront properties or premium, in-town locations; in either case, they all want well-priced homes in turnkey condition.

One property that's new to the market, on 0.41 acres of direct waterfront in Mamaroneck, meets all these criteria, Ms.

Yaseen says. The home is a four-bedroom slate-roof Colonial with a heated pool, semi-private beach and dock access, priced at \$3.475 million. Inside a gated community of 28 homes, it offers open views of sunrise over Long Island Sound and sunset over Larchmont Harbor. Entry is along a causeway past a sandy beach.

"The property has everything the luxury buyer is looking for: direct waterfront access, privacy in a low-key gated environment, and a 35-minute commute to Manhattan. It's like the Hamptons without the highway."

The owner of this house shares a large beach and a dock with all the other

homes on the point, and a smaller beach with three adjacent neighbors.

While many families nowadays stay in the city while they bring up their children, Ms. Yaseen says she's observing revived interest in Westchester County from city dwellers and newcomers to the area. Many house-hunters will be happy with a home that offers water views, even if it's not directly on the water.

"WHILE WATERFRONT PROPERTIES ARE NEVER CHEAP, SOME SURPRISINGLY GOOD BUYS ARE AVAILABLE."

"We're attracting interest from international buyers who are relocating, who see the water as an extra exciting bonus to their move," she says. "Buyers from the West coast—cities like Los Angeles and Seattle—who currently live on the water, are looking to duplicate their living experience here in Westchester. They're amazed at the beauty of Long Island Sound and the abundance of water activities such as sailing, power boating, paddle boarding and kayaking. I love educating people about all that Westchester has to offer." Access to water only ramps up the excitement of their purchase, she says.

Buyers coming from Manhattan have told Ms. Yaseen that the space, schools and land available for between \$3 million and \$5 million in Westchester far exceeds their expectations.

"Here you have award-winning public schools; weekend games of soccer, basketball and baseball; pools; libraries; easy commutes.

"My buyers are referring me to their friends who are still in the city, and my sellers are happy with the advice we give them on staging and pricing."

ROB SHAW



Brokers say \$1 million buys square footage here that costs over \$2 million in Manhattan.



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GOLF COURSE VIEWS | PRIVATE BACK YARD
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DESIGNED BY R. CANDELA | SMART HOUSE
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ALIX PRINCE 914.673.9324



9 Hilltop Road, Bronxville, NY

\$3,300,000 | 7 BEDS | 3.4 BATHS | 6,900 SQFT
MODERN LIVING | RESPLENDENT TUDOR
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Special Advertising Feature
WESTCHESTER AND FAIRFIELD COUNTIES

Open, Flexible Interiors Appeal to Buyers

DESIGN DEMANDS ARE CHANGING AS BUYERS FROM A WIDER CATCHMENT AREA MOVE IN

By Joseph Dobrian

Home-buyer tastes for exterior architectural styling may vary, but your home will sell faster if it has an open, urban-style interior, or at least the potential for that type of renovation. That's the verdict of real-estate agents in Fairfield County, Conn., and Westchester County, N.Y., say industry experts. Flexibility and all the modern conveniences are musts, as is proximity to transportation and retail.

Today's buyers are demanding value and require floor-plan flexibility and versatility, along with an increasing desire for the integration of "smart home" features, says Judy Szablak, realtor and associate broker at Coldwell Banker in Westport. "They expect craftsmanship, with specialty moldings and trims in upper-tier properties."

"More and more new construction in the more affluent areas of Fairfield County has showcased the 'transitional' Colonial, a traditional style with an understated contemporary flair. That means crisp lines, cool greys, chestnut and espresso tones."

NEW CONSTRUCTIONS

Inventory in Fairfield County is currently pretty thin, with 206 homes on the market that were built in 2016 or later. Most of the new constructions are in Greenwich, Westport, Fairfield and Danbury. There are around 433 waterfront homes (which include lakefront properties) available, according to the SmartMLS multiple listing service, with most of them located in Greenwich, Norwalk, Westport and Fairfield.

Individual vacant lots are becoming increasingly hard to come by in Fairfield County. "It's sometimes more effective to look for existing homes on marketable parcels, where the home can be torn down and then rebuilt to today's standards," Ms. Szablak adds.

In terms of which communities are the most desirable, she sees a trend toward commuter-friendly locations, with as many conveniences close to the home as possible, plus privacy. "But the higher home-pricing in towns closer to Manhattan has led some buyers to loosen their requirements on location."

EDBERG SOLUTIONS



This Dutch Colonial home's style made it sought-after, but proximity to rail transport sold it.

Jessica Murphy, licensed real-estate salesperson for Julia B. Fee Sotheby's International Realty, Irvington, N.Y., says she just sold a home in downtown Irvington that went from listing to contract in seven days, largely because of its walking-distance proximity to the Metro North train station. "Everyone wanted this Dutch Colonial with the mansard roof and sun porch, but the location really sold it.

We're seeing the highest demand for homes in the \$800,000 to \$1,200,000 range, and the more cash you can offer, the more likely you are to get the deal."

As for trends in architectural

styles, Ms. Murphy notes that for many years, the contemporary home—of the Frank Lloyd Wright-inspired style so popular in the 1960s and '70s—was almost unsellable, but she's now seeing an enormous resurgence of interest in that style, especially if the home has been modernized.

"It's a new thing in our market: buyers seeking out contemporaries," she says. "We'd barely heard of that even five years ago."

"More buyers are coming into this market from the five boroughs, so the urban aesthetic is carrying over. People

love an open floor plan, an open kitchen, family room, and dining room: real loft-style living. It's considered a downer when a floor is all chopped up [into smaller rooms], as used to be the fashion. When people buy older homes, they want one that's been opened up, or they're budgeting to do that themselves."

"Buyers might want the quaintness of an old stone cottage," she notes, "but when they go inside they want it to look like a loft in TriBeCa."

LOCAL RETAIL

Jeremy Ezra, executive vice president at RKF (a New York-based real-estate services firm that specializes in retail), notes that Westchester and Fairfield are two of the wealthiest counties in the U.S., and their residents demand local retail options. Most notable of these,

YOLANDA PEREZ PHOTOGRAPHY



Jessica Murphy

EDBERG SOLUTIONS



Buyers seek open-plan kitchens and family rooms—loft-style living is the trend.

he says, is the Westchester Mall, which offers a traditional mall experience with recently expanded dining.

"In Fairfield County, Grant Avenue in Greenwich remains an extremely important retail street, and many retailers have locations both there and in the Westchester Mall," he adds.

"Then there's Main Street in Westport, which attracts more of a local customer. It's not so much of a regional shopping experience, but it has that New England charm, super-easy access to parking, and a great mix of retailers."

"TODAY'S BUYERS ARE DEMANDING VALUE, FLOOR-PLAN FLEXIBILITY AND VERSATILITY, ALONG WITH AN INCREASING DESIRE FOR 'SMART HOME' FEATURES."

General Growth Properties is currently developing a mall in South Norwalk, scheduled to open in late 2019 or early 2020; Mr. Ezra says retailers are uncertain as to how it might impact the overall market.

"We see so many unique new retailing concepts coming out of the city," he concludes, "and Westchester and Fairfield both have several shopping venues that will attract those concepts."

Joseph Dobrian is a freelance writer specializing in real estate matters.

WILLIAMPITT.COM NAMED REAL TRENDS BEST DESIGNED WEBSITE IN THE NATION



At williampitt.com, we offer an incredible user experience that entices buyers to visit one of the country's top-ranked real estate websites, providing all the information they need to find their next home. With access to 10 local MLSs, our site showcases approximately 100,000 active listings in Connecticut, Westchester County, N.Y., Berkshire County, Mass. and many other international communities.

Our website is optimized for full compatibility across all devices—desktop, tablet and mobile, which attracts three million visits and 12 million page views annually. Visitors to williampitt.com come from more than 190 countries making our international features highly desirable. International guests have the ability to choose from 18 languages and dialects, and convert prices into more than 50 currencies. Home buyers also have the ability to search listings by area school districts and elementary schools, travel times to Grand Central in New York City and more.

William Pitt and Julia B. Fee Sotheby's International Realty is proud to announce that the company has been honored with several awards for its website design and layout by the trusted real estate news source REAL Trends, including No. 1 Best Design in the country, No. 2 Best Overall Website and No. 2 in Property Detail Pages. This is the second time in three years that the firm has been honored by REAL Trends after the company took home a handful of honors in 2015.

This year, the REAL Trends web consultants reviewed nearly 700 residential real estate websites solely based on their excellence in the following categories: Best Mobile Experience, Best Use of Video, Best Community Pages, Best Property Detail Pages, Best Design and Best Overall. Websites were submitted online and those brokerages on the REAL Trends 500, a ranking of the top residential real estate brokerages around the country, were automatically entered.

REAL Trends recognized williampitt.com as the No. 1 real estate website nationally in the category of Best Design, which is based on user experience consisting of several variables including layout, clear navigation, usability and branding on a website. William Pitt and Julia B. Fee Sotheby's International Realty was one of two Sotheby's International Realty branded offices to make the Top 10 in this category.

It's easy to see why our website has received so many accolades, with features including full-screen, high-definition property and community videos, robust content on every listing page, 3D virtual tours built seamlessly into property detail pages, site customization according to the user's location, the ability to custom tailor with personal preferences, strong search functionality and more.

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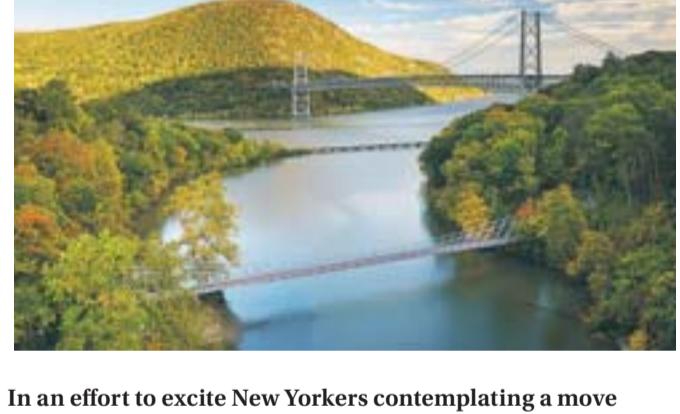
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INTERNATIONAL REALTY

EXPLORE NORTH OF NYC THIS FALL



In an effort to excite New Yorkers contemplating a move out of the city, Houlihan Lawrence, the leading real estate brokerage serving Gotham's northern suburbs, has released *NorthOf.NYC*, an interactive lifestyle guide that celebrates the people and places that make New York's Hudson Valley and Western Connecticut such exciting and thriving places to live, work and play.

The visually stunning micro-site is organized through the lens of six local lifestyles: the Villager, the Equestrian, the Trailblazer, the Waterfront, the Locavore and the Cosmopolitan. Each takes viewers on a photographic journey and profiles a local resident, business owner or influencer who shares their story. Another cornerstone of *NorthOf.NYC* is its interactive map, a hub for visitors to discover more than 250+ curated stops, restaurants, attractions and more. The map exclusively features independently-owned businesses, nodding to Houlihan Lawrence's local roots.

North of NYC is an ongoing campaign for Houlihan Lawrence that began with Instagram hashtag #northofnyc. Engaging local Instagrammers through photo contests and promotions, the feed for the tag today includes over 4,000 community-generated images from our area, providing a foundation for the full-fledged lifestyle guide. Through high-end technology, seamless design and creative direction, Houlihan Lawrence is proud to engage locals and city dwellers alike in order to initiate a digital narrative explaining why there's no place like its home for the past 125+ years.

Start your journey and look for the Harvest Season icon to explore seasonal recommendations: <http://northof.nyc>



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LIVING HISTORY

A 'Private Kingdom' in the Country

A sprawling English property offers room to roam and plenty of privacy



BY RUTH BLOOMFIELD

SUSSEX HOUSE FARM started its long life in the 16th century, as a humble shepherd's lodge.

Over the years that followed, it was extended by one owner after the next, developing gradually into a working farmhouse surrounded by agricultural buildings.

More recently, its owners—who have included an Academy Award-winning actor and an author of a series of beloved children's books—have repurposed the house and its grounds for pleasure.

One of Britain's most famous acting dynasties lived in the house for several years after World War II: the prolific film actor John Mills and his wife Mary Hayley Bell, a writer. Their two daughters, Hayley and Juliet, followed in their father's footsteps to become successful actresses.

During the 1980s, the writer Roger Hargreaves lived at property with his wife and their four children, writing several of the series of "Mr. Men" and "Little Miss" children's books there. He died in 1988 at age 53, and is buried in the local church, the spire of which is the only building visible from

the farmhouse.

Its current owners are Ginny Finegold, 50, and her husband Nick, 52, who bought the property in 1999 for £1.2 million.

At the time, the family was living in west London and Mr. Finegold was running a successful firm of stockbrokers. The original plan was to use the property, which is a 45 mile drive from central London, as a weekend getaway for their growing family. They now have four children—Gemma, 21, Ben 18, Hope, 17, and Jett, 11—as well as two dogs, Baxter and Brodie.

The property was far too large for their needs. In addition to the 6,665-square-foot main house there are three cottages, a barn and numerous outbuildings. But Mr. Finegold, born and brought up in London, was very taken with the property's more than 200 acres of land. "My husband loved the idea of having his own private kingdom," said Mrs. Finegold.

Then, in 2001, Nick was on a business trip to New York during the terror attacks of September 11. "He came home and said: 'I want to get the kids out of the city,'" said Mrs. Finegold. She had been brought up in Australia, the daughter of a cattle rancher, riding

horses and roaming the family's land. The idea of giving her children a similar experience appealed and by 2003 the family was living in the country full time.

During their 18-year tenure, the Finegolds have put their mark on the house and grounds. They converted the semiderelict barn into a structure that includes an office, staff accommodations and two guest rooms. They installed a tennis court and renovated run-down cottages on the property.

Then Mrs. Finegold's father decided—unilaterally—that Gemma needed a pony. He bought one and had it transported to the farm, to the surprise of her parents. One pony led to another, and soon the whole family was riding. With six horses to care for, the stables had to be renovated; old cattle pens were replaced by an indoor ménage and a cross-country course of jumps has been put up.

The house is a heritage building with exposed beams, inglenook fireplaces in several rooms, flagstone floors on the ground floor and wide ancient floorboards



above. So the couple made only one major change: replacing the small, dark, kitchen, in what was once the farmyard dairy, with a modern kitchen extension overlooking the swimming pool and the valley beyond.

Now, with their children growing older, the couple has decided to sell the large home and buy a smaller property nearby, plus a low-maintenance London home.

Sussex House Farm is jointly listed with RH & RW Clutton and



HORSE SENSE Rear view of the house, left; Nick and Ginny Finegold, above, with their dogs in their flower garden; the family kitchen in the rear extension of the house, below; Ruby the horse, inset.



Knight Frank for £5.5 million, or about \$7.3 million.

Mr. Finegold, who sold his stockbrokers' firm and set up an online financial information company five years ago, will miss the privacy afforded by the house.

"There is no noise," he said.

"We have been very spoiled in that way," Mrs. Finegold added. "You can do what you want and not worry about the neighbors. Gemma has just had her 21st birthday party, and they didn't turn the music off until 9 a.m."



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FOOD & WINE AT HOME

TIME IS RIPE TO BUY IN BORDEAUX



CAFE CULTURE Al fresco drinks at a bar near the Dijeaux Gate, one of the city's medieval gates.



SCENIC STROLL A woman walks her dog near the docks in the center of the city.



COBBLESTONE CHARM Place de la Bourse, a popular square in Bordeaux, was built between 1730 and 1775 and is located near the Garonne River.

ANTOINE DOYEN FOR THE WALL STREET JOURNAL (3); ILLUSTRATION BY ROBIN DAVEY; MAP BY JASON LEE

Continued from page M1
average price of a property in Bordeaux stood at €366, or \$439, per square foot in January. That's a 21% increase from the year before, when the average value was \$361 per square foot.

The most exclusive neighborhood in downtown Bordeaux is known as the Golden Triangle, a network of historic streets bounded by three elegant boulevards (Cours Clemenceau, Cours de l'Intendance, and Allées de Tourny).

Buyers come from all over

the world, said Dorothée Homberg, a broker at Groupe Mercure, but she notes an influx of buyers priced out of Paris. Many are entrepreneurs who can simply shift their businesses to the city.

Mr. Delpech estimates that apartments within the Golden Triangle's historic stone houses cost between \$780 and \$900 per square foot. Just north of the triangle and close to the city's public gardens, an almost equally desirable location, DPP Real Estate is listing a modern, three-bedroom, two-bathroom apartment measuring 1,572 square feet for \$1.127 million—or just under \$718 per square foot.

Kim Poole-Wright, who lives in London's Chelsea neighborhood, bought a two-bedroom apartment in the Golden Triangle for about

\$550,000 last year. "I wanted a foothold in Europe," she explained. "I do not want to live in London when I am older, and France is really convenient."

Ms. Poole-Wright, 53, plans to spend the next few years making regular visits to Bordeaux, learning French, as well as continuing to study for a doctoral degree in psychological medicine. She opted for Bordeaux over the French Riviera, saying that resorts like Nice are simply too "crazy busy" in summer time. She hasn't given up on the beach altogether, however; she will be able to make day trips to France's east coast from Bordeaux.

Just over a mile north of the Golden Triangle is Chartrons. It's close to the city's port, where international wine merchants once based themselves. The area fell into disrepair toward the end of the 20th century, and few buyers were interested in living there.

But over the past decade, Chartrons has enjoyed a quiet renaissance with antiques shops, cafes and restaurants springing up, pushing property values upward. Property costs have risen to about \$558 per square foot, compared with \$336 just four years ago, Mr. Delpech said.

Currently listed with Sotheby's International Realty for \$1.66 mil-

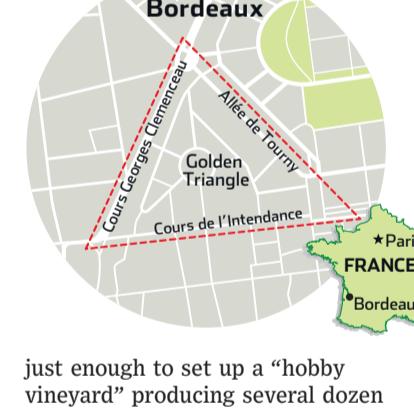
lion is a two-bedroom, two-bathroom apartment in Chartrons, with views of the Garonne River. The 1,786-square-foot property is in a 19th-century building and has been recently renovated.

Mr. Delpech believes the next neighborhood to pop will be Saint-Michel, just north of the Golden Triangle. The area has seen revitalization in recent years. "It is in the old part of Bordeaux, so you have got the old buildings which people love," said Mr. Delpech, estimating that property prices are around \$446 per square foot.

The countryside around Bordeaux draws buyers, too. Jane Vernon, an agent with Leggett, said many gravitate toward the small town of Saint-Emilion, around 30 miles west, where some of the world's finest wines are produced. The surrounding countryside features hills, woodland, and farmland growing everything from sweet corn to sunflowers.

Ms. Vernon's most recent clients have traveled from Switzerland and Sweden, and buyers are a global crew. "We get quite a few from Dubai, Spain, the U.S.A., and a lot from Paris because of the new trains," she said. "We also get quite a lot from England."

These buyers are typically seeking a maison de maître (master's house), a period country home with perhaps 5 to 7 acres of land,



just enough to set up a "hobby vineyard" producing several dozen cases a year.

In southwest France, Rory Ramsden, a property finder with Home Hunts, said his buyers typically have a budget of up to \$3.5 million and want a vacation home located where they might one day retire.

While immaculately presented properties are unusual in this region, they are not impossible to find. Some 30 miles southeast of Bordeaux, near the village of Sauternes, Sotheby's International Realty is listing a former hunting estate on about 277 acres. The main house is 5,381 square feet, with six bedrooms and five bathrooms, and is fully renovated. There is also a guesthouse, stables, a renovated barn and swimming pool. It is listed for offers above \$2.4 million.

While central Bordeaux's property market is booming, its sub-

urbs and surrounding towns and villages are still playing catch-up from the recession. "Prices which have been going down, are just beginning to solidify," said Mr. Ramsden. President Emmanuel Macron "has given the French more confidence to invest for the first time in a long time."

Of course Bordeaux is all about wine, and at the top end, buyers want a vineyard.

Most come with a château attached, plus at least 35 acres for grape growing, plus winery, and cost from around \$2.4 million.

"Chinese buyers often want a vineyard," said Ms. Vernon. "They just love their wine and they have got the budget. Sometimes they buy two or three."

Currently listed with Leggett is a large 12-bedroom château dating from the 18th century, which comes with 247 acre, just over half of which are under vine. The 11,840-square-foot property, near the town of Langorain and 18 miles southeast of Bordeaux, is listed for \$4.66 million, recently reduced from \$5.29 million.

These wine enthusiasts tend to be somewhat hands-off after buying a vineyard, usually keeping existing staff and selling their wines through the same suppliers.

"There is not a lot of money in it," said Ms. Vernon. "But what there is, is prestige."



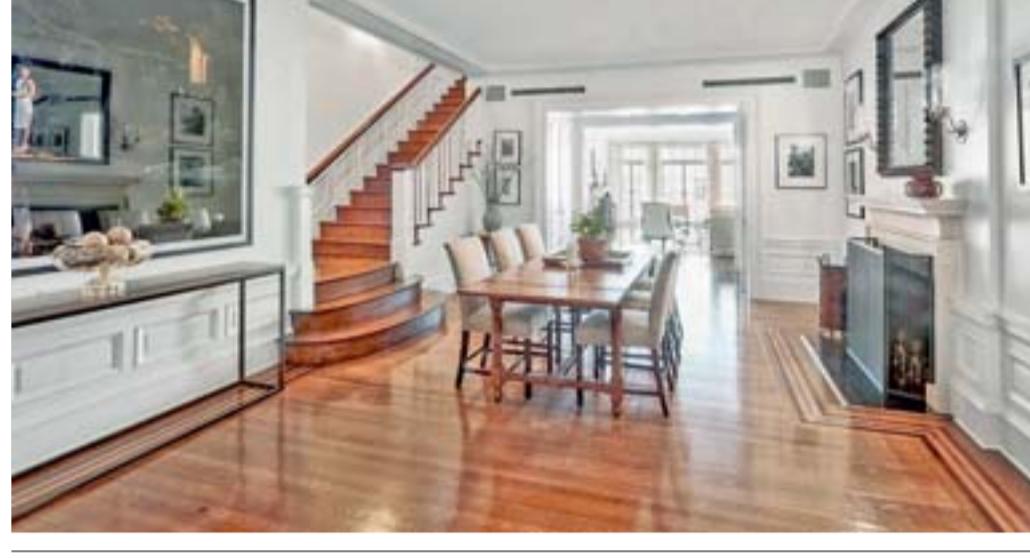
RIVER VIEWS A two-bedroom apartment in the popular Chartrons neighborhood is listed for \$1.66 million. The 1,786-square-foot property has views of the Garonne River.

COUNTRY HOUSE Currently listed for \$2.1 million is a country house that's about 10 miles from the center of Bordeaux. The seven-bedroom, five-bath house measures 6,458 square feet.

MODERN DÉCOR In central Bordeaux, this three-bedroom, two-bathroom apartment is listed for \$1.13 million. The 1,572-square-foot apartment is located close to the city's public gardens.

ESTD 1896
WARBURG

Uptown.



830 Park Avenue

An impeccable 9-room duplex, mint-condition apartment with a grand staircase, soaring ceilings, oversized windows and central air. | \$8,200,000.
Maria Daou, 212.439.4554



1 East End Avenue

Spectacular, waterfront 5-bedroom duplex. Gracious foyer. Living room and library with wood-burning fireplaces. | \$4,850,000.
Harriet Kaufman, 212.439.4575



408 East 79th Street

Split 2-bedroom, 2-bath, juliet balcony, high ceilings, floor-to-ceiling windows. | \$2,295,000.
Claire Groome, 212.439.4524
Angela Wu, 212.439.3819



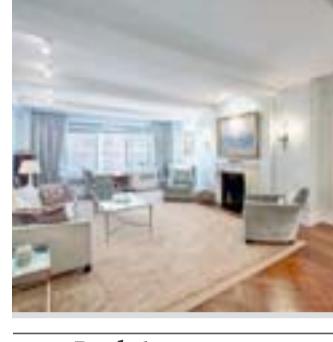
840 Park Avenue

Perfectly renovated light filled 3-bedroom, 2-bathroom home. Wood burning fireplaces in the living room and library. | \$4,895,000.
Jane Andrews, 212.439.4536



795 Fifth Avenue

Beautifully renovated 2-bedroom, 2-bathrooms, high ceilings, extensive living and dining rooms with storage galore. | \$4,795,000.
Mary Anne Fusco, 212.439.4579



1095 Park Avenue

Gracious 8-room residence with a fantastic layout and large, well-proportioned rooms. | \$5,995,000.
June Gottlieb, 917.826.9996
Steven Gottlieb, 917.575.1225



1035 Park Avenue

Sundrenched and beautifully renovated 3-bedroom, 2.5 bathroom, all bedrooms face Park Avenue. | \$3,495,000.
Lisa Larson, 212.439.5188



640 West End Avenue

Lovely, spacious 3-bed, 2-bath condo with high ceilings and open city views. | \$2,695,000.
Susan Abrams, 212.439.4537
Michael Abrams, 212.439.4559



177 East 77th Street

Gut renovated to perfection this 2-bedroom, 2-bathroom condo is ready for move-in. | \$2,500,000.
Bill Kowalcuk, 212.300.1846
Brett Compton, 212.300.1848



242 East 19th Street

Oversized living room with wood-burning fireplace, 3-bedroom, 2-bathroom. | \$1,995,000.
Rachel Lustbader, 212.439.5186
Bosco Diaz, 212.439.4574



30 West Street

Exquisite 2-bedroom, 2-bathroom with floor-to-ceiling windows, city and water views. | \$2,025,000.
Herbert Chou, 212.380.2417
Natalya Bowen, 212.380.2405



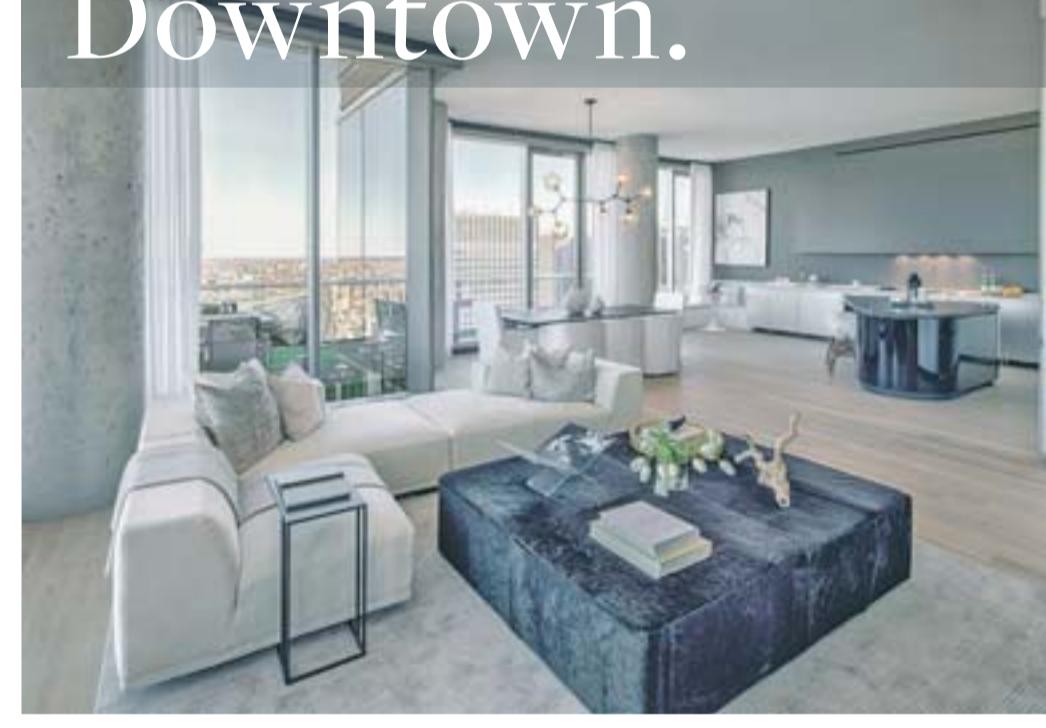
38-50 West 9th Street

Glorious 2-BR, 2-BA home with two WBPs, wonderful light and charming tree-line views of the Village. | \$2,750,000.
Rebecca I. Edwardson, 212.300.1826



250 Mercer Street

Unique loft with 11' ceilings and enormous windows. Stunning 1-bedroom plus spacious home office. | \$1,250,000.
Sheila Trichter, 212.439.4535



Downtown.

56 Leonard Street

Magnificent 4-bedroom, 4.5-bathroom condo on a high floor with 12-foot ceilings and staggering views from every room. | \$12,995,000.
Gabriel Leibowitz, 212.327.9612

warburgrealty.com

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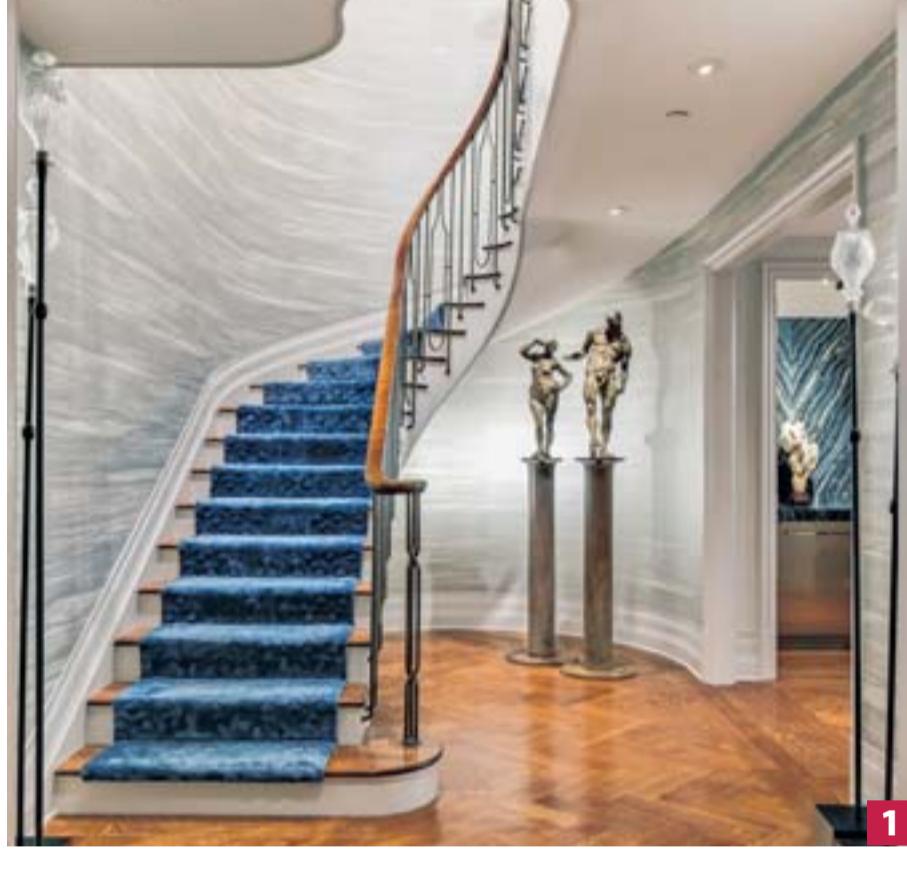
FLATIRON | 18 West 21st Street, NY, NY 10010 | 212.300.1850

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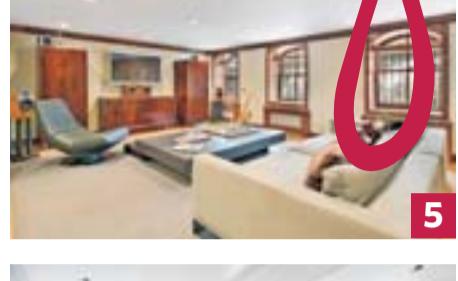
Stribling®



2



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EAST SIDE

2 Triple Mint Full Flr on 5th Ave. Direct CP vus fr finest FS co-op. Gallery, cmr LR w fplic, DR, panel libr, kit w top applis. \$19M. Web 17167735. Alexa Lambert 212.452.4408

1 Exquisitely Finished Townhouse-Style Condo on E 79th. 4803 sf duplex with 972 sf garden, 6BRs, 5.5 baths. \$18.995M. Web 17397143. Inez Wade 212.452.4439

Grand 12 Rm on Park Ave. 6 rms face Park Ave. 5BR, 4.5 bath, chef's kit. FS Carr Hill co-op. \$9.75M. Web 17372035. Cindy Kurtin 212.452.4406/Jill Bernard 212.585.4543

7 435 E 52nd, 14 Rm, 6000 SF Dpbk. 65' of E.Rvr views, 5BRs+, 7.5 bath. Balcony, 3 WBFPs, studio. White glove. \$8.25M. Web 17407080. Cornelia Eland 212.452.4384

Hi Floor 10 Rm Park Ave Duplex. 4-5BR, 4.5 bath prewar FS co-op w 4 fplics, library, EIK & Indry area. \$8.25M. Web 16245540. Merrill Curtis 917.412.7602/Megan Scott

Park Ave 3BR, 2.5 Bth PH Dplx w Terrs & Vus. WBFP, EIK. White glove co-op. \$7.995M. Web 16552573. Susan Ingram 212.452.4453/Bonnie Lindenbaum 212.452.4457

Candela Eleg on Park Ave. 8 rms facing Park Ave./73rd. Lrg LR, FDR + libr, 2-3BRs, 2 fplics, restored orig details, EIK. \$6.495M. Web 13842052. Kirk Henckels 212.452.4402

Ful Top Floor 4BR, 4 Bth on E 73rd. Related apts w hi cells, wrap terraces, & WBFPs. FS prewar co-op. \$5.495M. Web 17000830. Alexa Lambert 212.452.4408

3BR, 3 Bth Appx 3300 SF Dpbk. 17+ cells, WBFP, dbl-height wndws. Solarium, FDR w S views. E57th FS co-op. \$5.195M. Web 16720385. Pamela D'Arc 212.452.4377

Designer Renov Prwr 7 Co-op on E 72nd. 3-4BR, CAC, WBFP, pwdr rm. \$4.35M. Web 17269995. Melissa Ryan Kaiser 212.585.4554/Laurie Diamond 212.585.4553

Triple Mint 5th Ave Condo w 60' CP Views. Renov 3BR, 3 bath, custom kit. W/D. \$3.75M. Web 17460069. Merrill Curtis 917.412.7602/Megan Scott 212.585.4564

Sky High Luxury on E 69th! Walls of windows, skyline views, balcony, 3 exposures, renov kit. White glove condo. \$3.95M. Web 16833604. Ginger Shukrun 646.613.2761

840 Park Avenue - High Floor 2-3BR. Renov 2-3BR in a prestigious prewar co-op. 2 fplics, open views. FDR. \$3.95M. Web 13524200. Kirk Henckels 212.452.4402

John Saladino Renov 5 on E 70th. Side vus over the Frick to CP fr every rm. Lrg LR, DR, 2BR, 2.5 bath. FS co-op. \$3.35M. Web 17039622. Kirk Henckels 212.452.4402

Pristine Park Ave 3BR, 3 Bth. LR w Park Ave vus & WBFP, FDR, grmt EIK. W/D, CAC. White glove co-op. \$2.995M. Web 16396276. Linda Basilice-Hoerner 212.452.4435

Gracious Prwr 7 Steps off Park Ave. LR w WBFP, FDR. 3BRs, windowed kit, W/D, maid's rm. E 63rd FS co-op. \$2.75M. Web 15787912. Linda Maloney 212.585.4527

Mint Dplx 2BR, 2.5 Bth Condo in Savoy Bldg on E 61st. Views, 2 balcs, CAC, W/D. \$2.5M. Web 17372697. Laurie Diamond 212.585.4553/Melissa Ryan Kaiser 212.585.4554

175 East 62nd St. Grand & traditional 3-4BR with stunning city & skyline views in full service co-op. \$2.225M. Web 17450249. Christine Miller Martin 917.453.5152

High Floor Midtown, Sweeping Views. 3BR, 2.5 bath w 2 balconies, SW exposures. FS co-op. \$2.15M. Web 17418642. Shannon Helms Wisniewski 917.567.6394

Classic 6 w 2 Terraces on E 62nd. 2BR & den/ofc, 2.5 bth, 3 sunny expos, LR w WBFP, FDR, renov kit. FS co-op. \$2.15M. Web 17080791. Knight Meem 917.318.6242

Spacious Renov Prewar Classic 6 on E 57th. Generously proportioned rooms, exquisite prewar details. \$1.995M. Web 17450200. Christine Miller Martin 917.453.5152

Hi Flr Classic 6 on Lex. 2BRs, 3 expos, views. LR w WBFP, FDR. FS co-op. 50% fin. \$1.995M. Web 16886566. Robert Treanor 212.585.4571/Tim Desmond 212.452.4380

Floor-thru 2BR, 2 Bath at The New Yorker. Open views, o'sized windows, hi flr, custom EIK & bths, W/D. FS condo. \$1.695M. Web 16245569. Jennifer Callahan 212.434.7063

WEST SIDE

CPW Penthouse with 2 Wrap Terraces. 360 degree views. Living room with WBFP, library, eat-in kitchen. 4 bedrooms. White glove co-op. \$16.5M. Web 16127982. Alexa Lambert 917.403.8819/Merrill Curtis 917.412.7602

4 Huge 10 Rm Home! Renov hflr 10 rm in FS WEA prwr co-op. Pvt elev, grand proportions. 4BR + libr, EIK, CAC, 2 fplics. \$8.5M. Web 17419723. Marcy Grau 212.452.4361

The Beresford 3 Bedroom on Central Park West. Grand 75 rooms with Museum views. 2.5 baths. Living rm with WBFP, eat-in kitchen, breakfast room. White glove co-op. \$5.75M. Web 16422112. Valerie Artzt 212.585.4525

1805 SF 2BR, 2.5 Bth on W 77th. Keyed elev, loft-like LR/DR/custom kit, Juliette balcony. W/D, CAC. FS condo. \$3.9M. Web 16523602. Nicole Heffner 917.692.7477

3BR, 2.5 Bth w Set-back Terr, CP/Dakota Vus. Custom kit, 3 expos. FS co-op. \$3.65M. Web 16316468. Jennifer Price 917.968.9200/Shane Rosen-Gould 646.613.2666

Hi Flr 2BR, 2 Bth w CPW Views. CPW & 66th St. Sunken LR, din area, wind kit, cmr MBR. FS co-op near Lincoln Ctr. \$2.85M. Web 17100985. Marcy Grau 212.452.4361

1800 SF 3BR + Office at W 72nd/RS Park. High floor, RS Park & Hudson views, 2 bths, Irg EIK. FS prewar co-op. \$2.495M. Web 17194539. Jocelyn Gold 212.570.5110

Renov 4BR, 2.5 Bth on W 109th. LR w office area, DR, chef's kit. Flex plan. Intimate prwr co-op steps to CP. 80% fin. \$1.875M. Web 17026492. Valerie J. Artzt 212.585.4525

Prewar PH, Prime Midtown. 1BR, 1.5 bth, terr, WBFP, 3 expos. FS condo. \$2.25M. Web 17194257. Shannon Helms Wisniewski 917.567.6394/Sim Meem 917.536.5220

900+SF 1BR, 2 Bth on CPS. 2 units in eleg, 24-hr drmn condo bldg across from CP. Pied-a-terre ok. Update needed. \$1.4M. Web 17102461. Marion Miner 646.613.2719

Renov Prwr Classic 5 2BR Co-op. Hi 9.5 cells, prwr details. Oak flrs. Dual S/N expos. \$1.35M. Web 17423982. Jason Lanyard 212.434.7091/Nicole Grandelli 212.585.4547

Hi Flr 1BR Condo, Balcony w Vus. FS lux bldg! pool, gym & roofdeck TOP UWS loc. \$999K. Web 17424903. Jeffrey Levitt 212.570.6242/Madeline McKenna 212.570.6224

400 CPW. Dazzling direct CP views, southern sun, high flr, enormous 650 sf alcove studio. \$875K. Web 1746158. Jason Lanyard 212.434.7091/Nicole Grandelli 212.585.4547

675 West End Avenue. Prewar full service 1 bedroom co-op on high floor, bright open view, excellent condition. \$699K. Web 17305733. Stacey Bradie 212.585.4545

DOWNTOWN

West Village Full Floor 3BR + Den. 360° city views. 3.5 bth, CAC, open custom kit, Crestron, laundry rm. FS cond. \$10.2M. Web 16747596. Ellen Cohen 212.585.4548

Tribeca New Development Resale! Stunning 5BR/4.5 bth loft. 12' ceilings. FS 24-hour drmn condo w gym, roofdk. \$6.995M. Web 16627722. Tracie Golding 212.452.4394

6 Village Jewel Box in the Sky. 1BR high up in tower of 1 of Ave w spectacular views, renov wht quality finishes. \$6.75M. Web 17406332. Jennifer Callahan 212.434.7063

Mint Tribeca PH Loft w Rfdk. 1965 sf 1BR+, 2 bth, 14 wndws, 1WTC views, open kit, CAC, W/D. Boutique co-op. \$4.25M. Web 17047129. Pamela D'Arc 212.452.4377

3800 SF Live/Work Loft. 335 West 38th. 3BR/3 bath, Chef's kitchen. Central AC, outdoor space. Freight elevator. \$3.7M. Web 16544159. Peter K. Browne 347.234.8709

TriBeCa Split-2BR, 2.5 Bth w 158 SF Loggia. 30th flr. 10' ceilings, W/D. Grt condo amens. \$3.295M. Web 17397624. Inez Wade 212.452.4439/Peter Gewirtz 212.452.4387

Live/Work Flatiron 2000 SF Condo Loft. 2BR/2bth. Hi flr, cmr LR w open view. Swall of wndws, open kit. CAC. \$924 CCs. \$3.2M. Web 17153780. Peter Browne 347.234.8709

2125 SF Loft on Prince in Historic Soho. 1BR, chef's kit. W/D. Boutique co-op. \$2.495M. Web 16892185. Leslie Davidson 646.613.2692/Mary Ellen Cashman 646.613.2616

W.Chelsea 2BR Dplx PH. Grt rm w 12' ceilings, o'size wndws, 2 terrs w 1WTC views, 2 bths, W/D. Conv b'stone condo. \$2.495M. Web 17243555. John Barbato 917.254.7630

Live/Work Flatiron 2000 SF Condo Loft. 2BR/2bth. Hi flr, cmr LR w open view. Swall of wndws, open kit. CAC. \$924 CCs. \$3.2M. Web 17153780. Peter Browne 347.234.8709

2125 SF Loft on Prince in Historic Soho. 1BR, chef's kit. W/D. Boutique co-op. \$2.495M. Web 16892185. Leslie Davidson 646.613.2692/Mary Ellen Cashman 646.613.2616

Charming Park Ave 2BR, 1 Bth. Hi flr, iconic city views. 9.5' ceilings, prwr dtls. LR w WBFP, din area, windowed kit. FS co-op. \$849K. Web 16356915. Marcy Grau 212.452.4361

2125 SF Loft on Prince in Historic Soho. 1BR, chef's kit. W/D. Boutique co-op. \$2.495M. Web 16892185. Leslie Davidson 646.613.2692/Mary Ellen Cashman 646.613.2616

Corner Prewar 1BR on Madison Ave. 20' long LR/DR/ open EIK, new windows. Murray Hill co-op. Pied-a-terre ok. \$685K. Web 17256521. John Barbato 917.254.7630

Murray Hill. Off Park Avenue. Sundrenched 1BR/1 bath. Spacious rms w 2 expos, open views over landmark THs. Pets ok. \$679K. Web 17042251. Julie Perlis 212.452.4373

Murray Hill High Floor Prewar 1BR. High ceilings, SW expos, ESB view. Sep dining area, windowed kit. FS co-op. \$659K. Web 16872064. Janice Silver 212.570.6689

London Terrace Towers - Alcove Studio. Newly renov condop w separated kitchen; 24-hr drmn, roofdeck, pool, gym. \$589K. Web 17448349 Paul Devlin 646.401.1494

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ANNOTATED ROOM

A Brooklyn Loft Made 'Sew' Affordable

The founder of a custom-sewing service and her architect-trained fiancé design on a \$5,000 budget



CLARE ESPARROS (2)

ELLA ROONEY CALLS HERSELF a "mini factory." The 26-year-old is the founder of Stitchd, a custom-sewing service for cushions and other interior furnishings that she runs from her home in a onetime soda-bottling factory in Brooklyn's Williamsburg neighborhood.

Ms. Rooney and her fiancé, Brandon Hall, 33, who works in real-estate development project management, moved into the \$3,900-a-month apartment in February. The couple was attracted to the original exposed brick and 12-foot raw-wood ceilings, kitchen cabinets made of wood salvaged from the building, and a Spanish-tile backsplash—offbeat finishes that are rare in rentals.

"We just wanted to keep the bones of the factory-type feel and then make it a little more warm," Ms. Rooney said. The mix of natural and industrial elements, particularly pieces with wood and metal, is a nod to Ms. Rooney's love of wood and Mr. Hall's preference for modern design.

Mr. Hall, whose background is in architecture, worked out a layout for the almost 875-square-foot loft. He used their sectional sofa to block off space for the dining table and Ms. Rooney's sewing area and a curtain to create a sleeping alcove. Meanwhile, Ms. Rooney relied on her design skills and a keen eye to save on the \$5,000 décor project, including reupholstering a headboard she found and painting two artworks herself. Here, a look at some of the apartment's key elements. Prices may vary with the project.

—Leigh Kamping-Carder

1. Ms. Rooney commissioned a kitchen island from Chris June, a Trenton, Ohio-based furniture maker whose work she had admired on Etsy. The wood-top island has steel poles for legs, a storage shelf and a pole to hang pots and pans.
Price: \$350

Rooney's and Mr. Hall's tastes.

Price: \$1,399

2. With its white-lacquer top and reclaimed-pine drawers, the media console from West Elm satisfies both Ms.

Mod is spacious enough for guests. A bonus: It is covered in woven polyester that camouflages any mess the couple's two dogs might make.

Price: \$1,200

3. The CB2 bookshelves are made from engineered wood with a powder-coated aluminum frame. Standing on two legs, they seem to float off the wall. "I'm obsessed with these bookshelves," Ms.

Rooney said.

Price: \$399

4. The sleek Midcentury Modern sectional sofa from Lex-

Mod is spacious enough for guests. A bonus: It is covered in woven polyester that camouflages any mess the couple's two dogs might make.

Price: \$1,200

5. Ms. Rooney decorates the sofa with a rotating assortment of pillowcases she sews from leftover fabric, sometimes layering a few and swapping them out depending on the season. "That's an easy way to switch it up very

simply without using a lot of money," she said. The pillowcases are for sale, with proceeds going to charity.

Price: \$45 to \$60 depending on size

6. A business near Mr. Hall's former workplace in lower Manhattan was moving out of its office space and throwing out this coffee table. Instead, Mr. Hall hauled it home. The table is wood with a leather-like top.

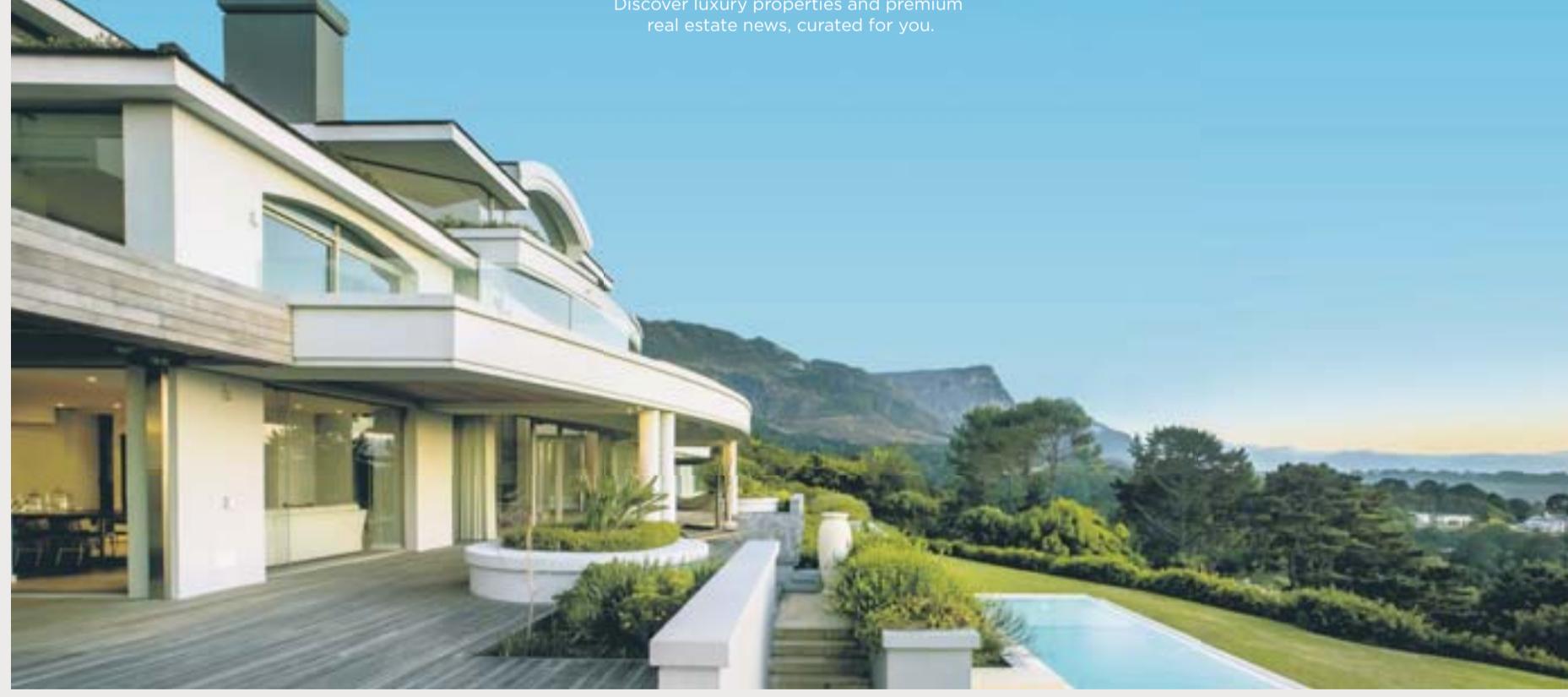
Price: Free



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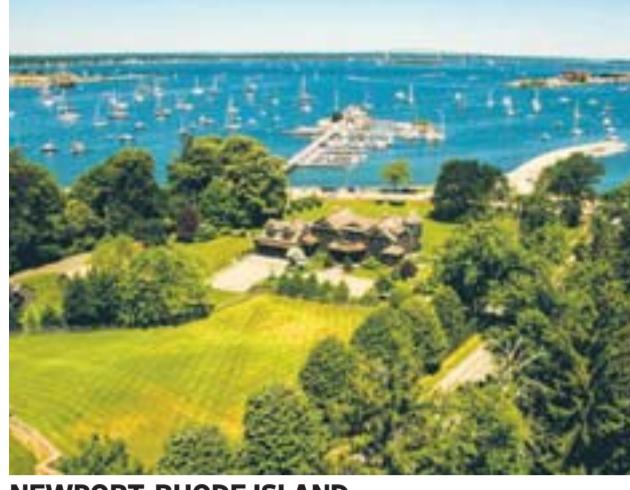
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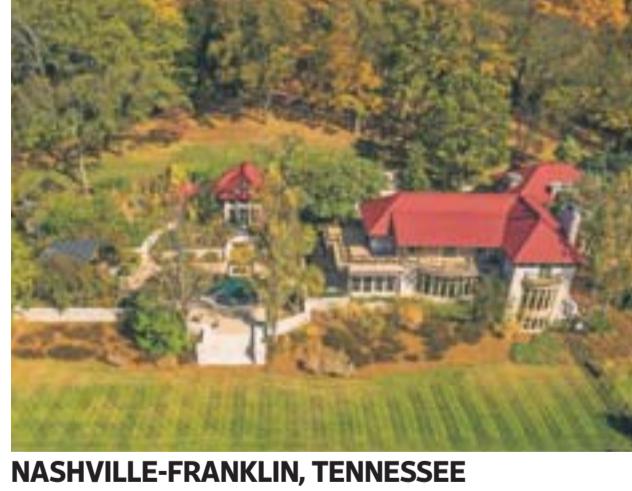
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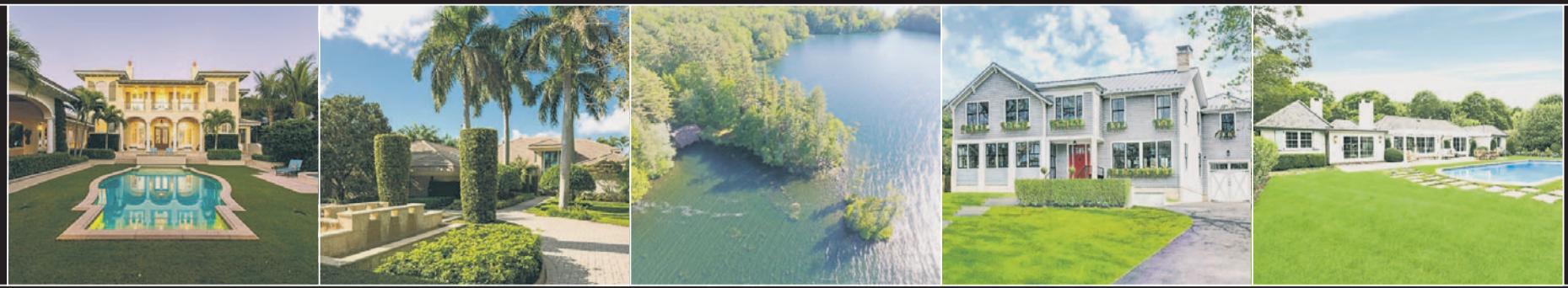
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Classic architecture influenced a 1990s home designed to connect to its surroundings on 54 acres

BY EMILY NONKO

THE FLOORPLAN was inspired by the works of 18th-century British architecture critic Robert Morris. The dining room nods to Thomas Jefferson's designs at Monticello. But the house, located on 54 acres in Washington, Conn., was built less than 20 years ago.

Owner Tom Pearsall, who paid \$250,000 for the land in 1998, deliberately turned to classic sources for the home's design. He hired architecture firm Fairfax & Sammons to design a house "that would look settled," Mr. Pearsall says. "We chose materials we knew would age well."

Mr. Pearsall, an investor who had previously lived in New York City for 35 years, was ready "to see what it's like out in the country"



when he bought the land. After the home was completed, he settled into the property full time.

With three bedrooms and 3½ baths, the 4,112-square-foot home aims to create strong connections between the interior and the surrounding landscape. In the living



CUSTOM MADE The home's exterior, left, and living room, above, which features custom moldings.

room, three French doors offer some of the best views of the property. Mr. Pearsall keeps the kitchen's Dutch door open in the summer, offering a view of the outdoors from the table.

A garden courtyard connects the main house to the 650-square-foot

summer house, which holds exotic plants.

While the gardens close to the house are formal, the rest of the property remains natural with a stream, two meadows and hiking trails through the woods.

Mr. Pearsall, age 82, recently

listed the home with Rick Distel and Fred Bond of Sotheby's International Realty for \$6.5 million.

He is selling to move to New York because "I've had my 20 years out in the country," he says. "But I've loved every minute up here."

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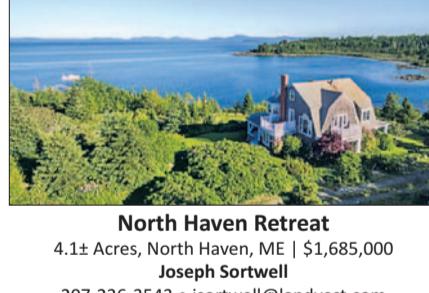
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This beautiful one of a kind 3 Bed & 3.5 Bath 4,570 sq. ft. Waikiki penthouse residence boasts panoramic views from the Majestic Ko'olau Range to the Blue Pacific Ocean.

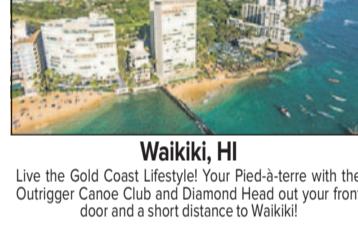
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Waikiki, HI

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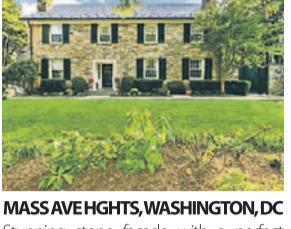
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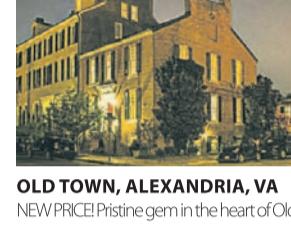
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BETHESDA, MARYLAND
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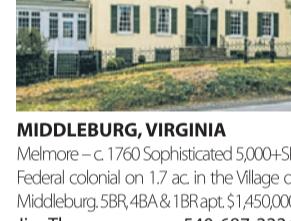
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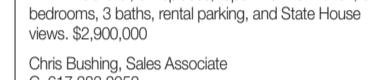
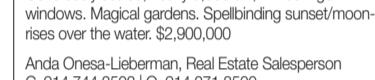
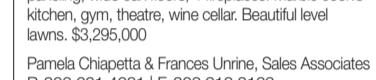
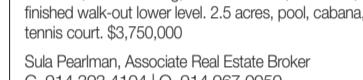
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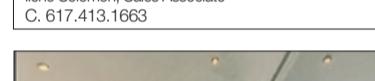
Timber peg construction waterfront, on 3+ acres w/ Candlewood Lake vistas, screened porch, decks & dock. Great room, chef's kitchen, master suite, theater & 2-car garage. \$2,295,000

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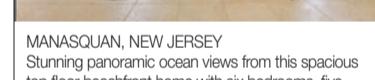
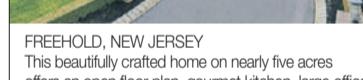
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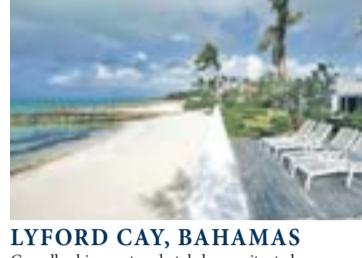
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St. Barth's most spectacular estate. 9 bedrooms including a caretaker residence. Panoramic views including the islands of Saba and Statia and year round sunset. Private five bedroom main residence, two bedroom guest house, and two pools. \$46,000,000. tom@stbarth.com

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+1 508.570.4481 | sothebysrealty-stbarth.com



BRENTWOOD, CALIFORNIA
Private park-like grounds, 5 bedrooms, 5 bathrooms on one of the Westside's most sought-after streets by Brentwood Country Mart. \$7,950,000. Barbara Boyle. barbara.boyle@sothebyshomes.com

Sotheby's International Realty
Pacific Palisades Brokerage
+1 310.255.5403 | 536Moreno.com



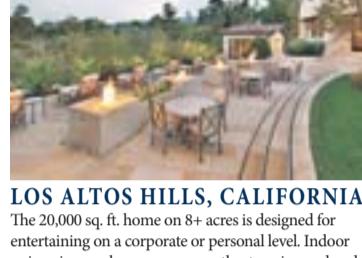
LA JOLLA, CALIFORNIA
Unobstructed coastline views captivate from this gated hilltop estate, set on ½ acre of prime land in an exclusive neighborhood. Live the villa life or build your dream home. Renderings by Will & Fotsch Architects. \$4,998,888-\$5,998,888. Brett Dickinson.

Pacific Sotheby's International Realty
+1 858.204.6226 | pacificsothebysrealty.com



LAGUNA BEACH, CALIFORNIA
Striking floor to ceiling glass and angular architecture complement the panoramic ocean views from this dramatic contemporary beach front home. 4,200 sq. ft., 4 bedrooms, 5 baths, prime Laguna Village location. \$13,500,000. John Stanaland. john@johnstanaland.com

HOM Sotheby's International Realty
+1 949.689.9047 | homgroup.com



LOS ALTOS HILLS, CALIFORNIA
The 20,000 sq. ft. home on 8+ acres is designed for entertaining on a corporate or personal level. Indoor swimming pool, massage room, theatre, vineyard and wine room. Freestanding office building for business needs. Easy access to airports make the home a perfect West Coast hub. \$68,000,000. Michael Dreyfus.

Golden Gate Sotheby's International Realty
+1 650.485.3476 | ggssir.com



SAN DIEGO, CALIFORNIA
Newly constructed coastal Mediterranean masterpiece, uniquely positioned on the southernmost waterfront lot in Del Mar, neighboring Torrey Pines State Reserve, providing unparalleled, unobstructed ocean views. \$24,900,000. Eric Iantorno, Clinton Selfridge and Lindsay Dunlap.

Pacific Sotheby's International Realty
+1 858.256.7005 | PacificSothebysRealty.com



SAN DIEGO, CALIFORNIA
Private, oceanfront Midcentury style on nearly half an acre. Incredible courtyard complete with pool and spa. Impressive interiors boasting natural layers of wood, stone, beams and floor to ceiling windows framing a 60 ft. waterfront deck. \$19,950,000. Eric Iantorno, Kathy Herington and Clinton Selfridge.

Pacific Sotheby's International Realty
+1 858.256.7005 | PacificSothebysRealty.com



SAN DIEGO, CALIFORNIA
A gorgeous, waterfront three building estate overlooking the San Diego harbor and offering one of the best views of the city's skyline. During the day enjoy harbor activity and when the sun sets, the quiet, magical glow of downtown. \$13,900,000. Clinton Selfridge and Eric Iantorno.

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SAN RAFAEL, CALIFORNIA
This waterfront estate offers grand living with approximately 14,675 sq. ft. of interior space, expansive living, entertaining areas, gourmet kitchen and San Francisco Bay views from nearly every room. \$6,195,000. Bill Bullock and Lydia Sarkissian.

Golden Gate Sotheby's International Realty
+1 415.517.7720 | globalestates.com



ATLANTA, GEORGIA
Built in 1940, this almost 6-acre estate is rich in history. The privacy this home affords is a rare find in Atlanta's Buckhead community. A true entertainer's delight with lush gardens, pool and guest house. \$3,800,000. Ally May. ally@atlantafinehomes.com

Atlanta Fine Homes
Sotheby's International Realty
+1 404.874.0300 | atlantafinehomes.com



RINGGOLD, GEORGIA
A rare find on 48 ± acres, this elegant four-sides brick home offers a desirable combination of luxury, comfort and privacy. Immaculate, tranquil and moments from historic Chattanooga, Tennessee. Michelle Pittman. michellepittman@atlantafinehomes.com

Atlanta Fine Homes
Sotheby's International Realty
+1 770.442.7300 | atlantafinehomes.com



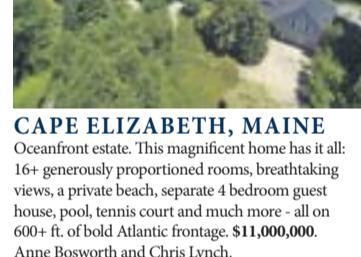
CHICAGO, ILLINOIS
This urban oasis defines modern luxury. Completely redesigned in one of the city's most sought after addresses, this condo features over 3,000 sq. ft. of sleek, open design living w/ 180 degree views. This turn-key residence is enhanced with cutting-edge technology and furnished to entertain. \$4,750,000. Kelly Angelopoulos.

Jameson Sotheby's International Realty
+1 312.636.5652 | jamesonsir.com



CHICAGO, ILLINOIS
Extraordinary brand new condo boasts breathtaking, panoramic lake and city views, an incredible 72 ft. wall of windows and dramatic 13+ ft. ceilings. Over 4,300 sq. ft. of perfection, thoughtfully designed with the finest materials available. \$4,450,000. Nancy Tassone.

Jameson Sotheby's International Realty
+1 312.215.9701 | jamesonsir.com



CAPE ELIZABETH, MAINE
Oceanfront estate. This magnificent home has it all: 16+ generously proportioned rooms, breathtaking views, a private beach, separate 4 bedroom guest house, pool, tennis court and much more - all on 600+ ft. of bold Atlantic frontage. \$11,000,000. Anne Bosworth and Chris Lynch.

Legacy Properties Sotheby's International Realty
+1 207.233.3175 | legacysir.com



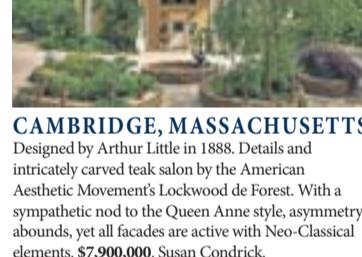
GIBSON ISLAND, MARYLAND
This breathtaking, designer shingle house features 1.43 acre lot with beautiful views of the Magog River, 3-level floor plan with 5 bedrooms, 5 baths, exquisite finishes throughout, high ceilings, gourmet kitchen, gorgeous outdoor spaces. \$2,990,000. Sarah Kanne and Corey Burr.

TTR Sotheby's International Realty
+1 410.255.1341 | ttrsir.com



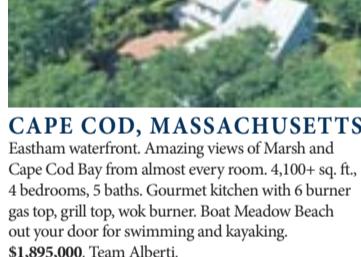
GIBSON ISLAND, MARYLAND
Private, gated, enchanting island in Chesapeake Bay with 200 homes (11 presently for sale), freshwater lake, one hour from Washington, 20 minutes from BWI/Amtrak, private country club (by invitation) with yachting, golf and more. Prices upon request. Sarah Kanne and Corey Burr.

TTR Sotheby's International Realty
+1 410.255.1341 | ttrsir.com



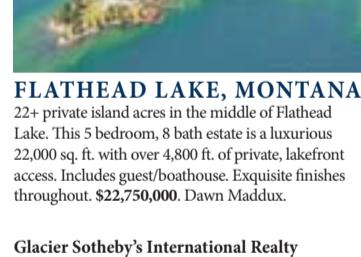
CAMBRIDGE, MASSACHUSETTS
Designed by Arthur Little in 1888. Details and intricately carved teak saloon by the American Aesthetic Movement's Lockwood de Forest. With a sympathetic nod to the Queen Anne style, asymmetry abounds, yet all facades are active with Neo-Classical elements. \$7,900,000. Susan Condrick.

Gibson Sotheby's International Realty
+1 617.842.4600 | 168BrattleStreet.com



CAPE COD, MASSACHUSETTS
Eastham waterfront. Amazing views of Marsh and Cape Cod Bay from almost every room. 4,100+ sq. ft., 4 bedrooms, 5 baths. Gourmet kitchen with 6 burner gas top, grill top, wok burner. Boat Meadow Beach out your door for swimming and kayaking. \$1,895,000. Team Alberti.

oldCape Sotheby's International Realty
+1 508.776.7002 | oldcape.com



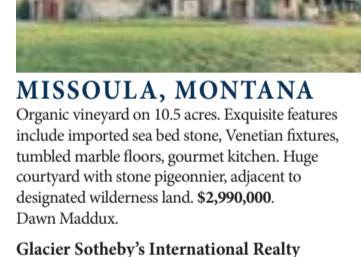
FLATHEAD LAKE, MONTANA
22+ private island acres in the middle of Flathead Lake. This 5 bedroom, 8 bath estate is a luxurious 22,000 sq. ft. with over 4,800 ft. of private, lakefront access. Includes guest/boathouse. Exquisite finishes throughout. \$22,750,000. Dawn Maddux.

Glacier Sotheby's International Realty
+1 406.550.4131 | glacierrsir.com



HAMILTON, MONTANA
17 acre estate. 10 bedroom main house, multiple private guest quarters. Unique features including grotto style pool, underground shooting range and 4 stall horse barn. Exclusive/private Stock Farm amenities include Tom Fazio golf course. \$27,500,000. Dawn Maddux.

Glacier Sotheby's International Realty
+1 406.550.4131 | glacierrsir.com



MISSOULA, MONTANA
Organic vineyard on 10.5 acres. Exquisite features include imported sea bed stone, Venetian fixtures, tumbled marble floors, gourmet kitchen. Huge courtyard with stone pierciner, adjacent to designated wilderness land. \$2,990,000. Dawn Maddux.

Glacier Sotheby's International Realty
+1 406.550.4131 | glacierrsir.com



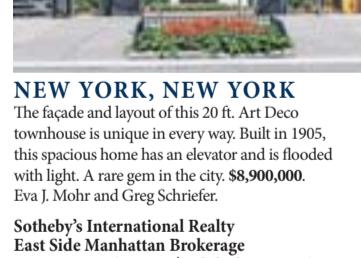
NEW YORK, NEW YORK
Over 25 ft. in width, the Emily Trevor mansion has over 10,000 sq. ft. of space and a gorgeous rooftop terrace. Designed by Mott Schmidt, constructed in 1928 and thoroughly renovated in 2010. Elevator to all floors. \$23,500,000. Randall Gianopoulos & Stan Ponte.

Sotheby's International Realty
East Side Manhattan Brokerage
+1 212.606.7622 / 212.606.4109 | 15e90.com



NEW YORK, NEW YORK
Enjoy breathtaking views of Central Park and the city skyline from the terraces of this high-floor corner apartment with 7 gracious rooms perched over 5th Avenue. 1 East 66th Street is a premier full-service building. \$12,950,000. Meredith Hull Smith.

Sotheby's International Realty
East Side Manhattan Brokerage
+1 212.606.7683 | sothebyshomes.com/00111244



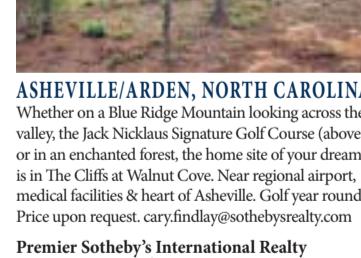
NARRAGANSETT, RHODE ISLAND
Oceanfront post and beam home with large open rooms, soaring ceilings, 5 bedrooms, and 5 baths on nearly 5 private acres. Oversized glass doors and windows provide panoramic views of the picture-perfect coast. \$3,100,000. Eva J. Mohr and Greg Schriener.

Sotheby's International Realty
East Side Manhattan Brokerage
+1 212.606.7736/606.7788 | sothebyshomes.com/00111719



KIAWAH ISLAND, SOUTH CAROLINA
This beautiful ocean front "Nantucket Style" home is situated on a very private, nearly two-acre homesite in Kiawah's prestigious Vanderbilt Plantation. 8 bedrooms, 9 baths, 7,482 sq. ft. \$12,500,000. Middleton Rutledge. MRutledge@danielravenelsir.com

Daniel Ravenel Sotheby's International Realty
+1 843.723.7150 | DanielRavenelSIR.com



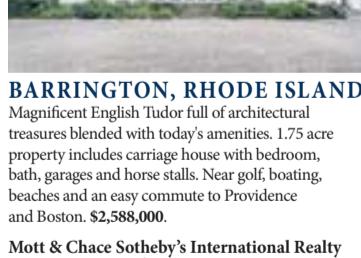
AUSTIN, TEXAS
The Milburn Estate offered privately for the first time. Situated on 5 beautifully manicured acres with towering oaks and English gardens in the hills of Westlake overlooking Austin's gorgeous skyline. \$10,000,000. Kumara Wilcoxon. kumara@sothebysrealty.com

Kuper Sotheby's International Realty
+1 512.423.5035 | milburnestate.com



TRYON, NORTH CAROLINA
Whether on a Blue Ridge Mountain looking across the valley, the Jack Nicklaus Signature Golf Course (above) or in an enchanted forest, the home site of your dreams is in The Cliffs at Walnut Cove. Near regional airport, medical facilities & heart of Asheville. Golf year round. Price upon request. cary.findlay@sothebysrealty.com

Premier Sotheby's International Realty
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BARRINGTON, RHODE ISLAND
Magnificent English Tudor full of architectural treasures blended with today's amenities. 1.75 acre property includes carriage house with bedroom, bath, garages and horse stalls. Near golf, boating, beaches and an easy commute to Providence and Boston. \$2,588,000. Mott & Chace Sotheby's International Realty
+1 401.245.3050 | mottandchace.com

Jackson Hole Sotheby's International Realty
+1 307.739.8149 | JHSIR.com