

THE WALL STREET JOURNAL.

DOW JONES | News Corp *****

FRIDAY, SEPTEMBER 7, 2018 ~ VOL. CCLXXII NO. 57

WSJ.com

★★★★ \$4.00

DJIA 25995.87 ▲ 20.88 0.1%

NASDAQ 7922.73 ▼ 0.9%

STOXX 600 373.47 ▼ 0.6%

10-YR. TREAS. ▲ 7/32, yield 2.877%

OIL \$67.77 ▼ \$0.95

GOLD \$1,197.90 ▲ \$3.00

EURO \$1.1624

YEN 110.75

What's News

Business & Finance

CBS board members are negotiating with CEO Moonves on his potential exit while also seeking assurances of autonomy from controlling shareholder National Amusements. **A1**

◆ **S&P Global** is developing a custom credit-rating scale for China that will likely mean more triple-A's. **B1**

◆ **Emerging markets** plunged into bear territory, marking investors' retreat from risky assets. **A1**

◆ **The S&P 500** fell again on tech-share weakness, closing down 0.37% at 2878.05. The Dow rose 20.88 points to 25995.87. **B12**

◆ **The Justice Department** is probing possible fraud in Wells Fargo's wholesale banking unit, after revelations that employees improperly altered customer information. **B1**

◆ **Third Point** plans to launch a proxy fight to replace Campbell Soup's entire board after it was unimpressed by the firm's plan to sell two business units. **B1**

◆ **Ford** is recalling about two million pickup trucks after reports of a seat-belt-gear malfunction that could cause smoke or fire. **B1**

◆ **Volkswagen** could have to pay up to \$11 billion in damages related to its emissions cheating if a German court sides with investors. **B3**

◆ **Novartis** said it would sell parts of its Sandoz generic-drugs business in the U.S. for up to \$1 billion. **B3**

◆ **The Academy** won't offer a new prize for "popular film" during the next Oscar ceremony. **B1**

World-Wide

◆ **Top Trump** administration officials raced to deny authorship of an anonymous opinion column critical of the president, and senior White House aides said privately they were unlikely to uncover the writer. **A1**

◆ **Kavanaugh's** final day before the Senate panel considering his nomination to the high court erupted in further partisan battling. **A1**

◆ **Prosecutors** are investigating whether Weinstein broke wire-fraud or other laws in any efforts to silence women who accused him of sexual misconduct. **A2**

◆ **The Trump** administration said it wants to effectively end a policy that bars long-term detention of immigrant children when families are arrested for trying to enter the U.S. illegally. **A3**

◆ **China accused** Britain of violating its sovereignty after a British warship sailed close to disputed islands in the South China Sea. **A7**

◆ **Rescue workers** searched for survivors of an earthquake on Japan's northern Hokkaido island that killed at least nine people. **A7**

◆ **India's high court** ruled that gay sex isn't a crime, providing a victory for millions who have been exposed to harassment and bias under a colonial-era law. **A16**

◆ **The U.S. unveiled** charges against a North Korean in connection with cyberattacks, including the 2014 Sony Pictures hack. **A16**

◆ **Died:** Burt Reynolds, 82, Oscar-nominated actor. **A10**

CONTENTS Opinion A13-15
Business News B35-6 Sports A12
Crossword A10 Streetwise B1
Head on Street B12 Technology B4
Life & Arts A10-11 U.S. News A2-6
Mansion M1-12 Weather A10
Markets B11-12 World News A7-8,16

36537>
0 78908 63141 1

© 2018 Dow Jones & Company, Inc.
All Rights Reserved

Moonves Negotiates Exit at CBS

Broadcaster's board also looks to ease grip of Redstones if longtime CEO departs

By JOE FLINT
AND KEACH HAGEY

Board members of CBS Corp. are negotiating with Chief Executive Leslie Moonves on his potential exit while also seeking assurances

of autonomy from controlling shareholder National Amusements Inc., people familiar with the matter said.

The fast-moving talks come as CBS and National Amusements, led by Shari Redstone, are trying to settle a legal dispute over control of the media company that is scheduled for trial in Delaware next month.

If terms can be reached on an exit for Mr. Moonves, CBS Chief Operating Officer Joe Ianniello would become in-

terim chief executive while a search for a permanent successor is launched, the people said.

Mr. Moonves is being investigated by law firms appointed by CBS's board over sexual-harassment allegations reported by the New Yorker. His relationship with Ms. Redstone has become antagonistic over the past year as the two have battled over her desire to merge CBS and Viacom Inc.

One of the key issues in the

talks, one of the people familiar with the matter said, are terms of the Redstone family trust that limit the ability of CBS and corporate sibling Viacom to be sold to a large buyer after the death of Ms. Redstone's father, 95-year-old Sumner Redstone. National Amusements has said the trust can be amended.

CBS wants assurances it could pursue deals without fear that Ms. Redstone would stand in the way, the person

said.

National Amusements has denied standing in the way of deals and is open to all opportunities that are in the best interest of CBS shareholders, another person familiar with the situation said.

CNBC earlier reported the board's exit negotiations with Mr. Moonves. CBS shares rose

Please turn to page A2

◆ Heard on the Street: Some adult behavior from CBS... B12

Senior Officials Deny Writing Anonymous Attack on President



GETTY IMAGES; (1) EPA/SHUTTERSTOCK; (3) AGENCE FRANCE PRESSE/GT/GETTY IMAGES; (6) ASSOCIATED PRESS/6)

Some of the Trump administration officials who denied penning the critical op-ed, clockwise from top left: Vice President Mike Pence, Secretary of State Mike Pompeo, HUD Secretary Ben Carson, White House Counsel Don McGahn, NSA Director Gen. Paul Nakasone, Education Secretary Betsy DeVos, Energy Secretary Rick Perry, U.S. Trade Representative Robert Lighthizer, Director of National Intelligence Dan Coats, Commerce Secretary Wilbur Ross, U.N. Ambassador Nikki Haley and Defense Secretary Jim Mattis.

Search for Trump Critic Intensifies

By MICHAEL C. BENDER
AND VIVIAN SALAMA

WASHINGTON—Top Trump administration officials raced on Thursday to deny authorship of an anonymous opinion column critical of the president, and senior White House aides privately acknowledged they are unlikely to root out the person they view as an in-

ternal saboteur.

President Trump was watching closely, according to a person familiar with the matter, as the stream of denials poured in from senior officials and confidants, including Vice President Mike Pence, who sought to distance themselves from the New York Times column that described a secret resistance movement

inside the administration aimed at curtailing Mr. Trump's "worst inclinations."

At a rally in Montana Thursday night, Mr. Trump criticized the Times for publishing the column and said it was likely a "low-level" staffer in the administration. "Virtually you know it's treason," he said.

An informal search for the author was being led in part

by White House chief of staff John Kelly, but no formal investigation was under way inside the West Wing, a senior White House official said.

The official said there were open questions about available legal remedies, and that the White House counsel's office, which would otherwise lead a more formal probe, was consumed

Please turn to page A6

WASHINGTON—Supreme Court nominee Brett Kavanaugh wrapped up what is likely to be the toughest part of his confirmation process Thursday, completing two 13-hour days of public questioning in which senators often spent their time sparring with one another.

Senators battled each other over confidential documents, with Democrats threatening civil disobedience and Republicans warning of severe consequences, and Judge Kavanaugh for a time becoming a spectator at his own confirmation. That followed a Wednesday session in which Democrats repeatedly tried to force a vote on adjourning the hearing.

When senators did press Judge Kavanaugh, they often were rebuffed. They invited him to criticize President Trump's attacks on judges, prosecutors and the press, but he spent his final day before the Senate Judiciary Committee deflecting those efforts as well as attempts to draw out his views on abortion rights, campaign finance regulations and same-sex marriage.

With the Republicans' 51-49 Senate majority likely to ensure Judge Kavanaugh's confirmation

Please turn to page A4

◆ Disruptions mark hearing on nomination A4

Menus Feature Odd Meats An Offal Lot

* * *

Foodies discover hearts, feet and headcheese tacos

By BENJAMIN PARKIN

Will Harris's farmhands used to heave the entrails of butchered cattle and pigs into a compost heap on his farm in Bluffton, Ga.

Now grass-fed beef heart, lamb tongue and pork ears are appearing on so many dinner plates he has started a waiting list for customers. "We can't keep up," he says.

Exponents of "nose-to-tail" eating are driving up demand for animal parts long dismissed by many Americans as icky. Even the name—offal—is a synonym for garbage. These days, prices are climbing for high-end offal and other "variety meats" such as snouts and feet.

Joe Fritze, a chef at Publican Quality Meats in Chicago, goes to Illinois farms to buy beef hearts to make tartare and pork brains to deep-fry. He mashes leftover offal into fancy dog treats. High-end beef tongue, he says, is a hot com-

modity. He and other chefs say, however, that it takes some creative cooking to win over customers. "Most Americans have really bad memories of when they were a kid and their grandparents would make them liver and onions," he says. "It scarred a

Please turn to page A2

Global Shift Sends Emerging Markets Into Bear Territory

Emerging markets tipped into bear territory, marking investors' retreat from risky assets amid growing concerns about the outlook for the global economy.

The MSCI Emerging Markets Index's 0.3% decline on Thursday, led by sell-offs in Russia and the Philippines, pushed that gauge of stocks in poorer countries 20% below its recent peak, the common definition of a bear market.

The drop deepened a swoon that began last month with

sharp falls in the shares and currencies of Turkey and Argentina, both of which are facing domestic economic and political crises.

The emerging-markets decline underscores the changing dynamics evident across financial markets, which have bene-

fited from years of central-bank stimulus and recently from a period of synchronized global growth but are now facing challenging conditions.

Tightening monetary policy, along with an upsurge of nationalism that has hampered global trade, is exacerbating the stresses in many developing countries, prompting investors to scramble to distinguish economies able to weather the storm from those too feeble to cope.

Please turn to page A8

Fall Preview Picks New York's Best



BOUNTIFUL: From concerts to new menu items, a preview of the best offerings in Greater New York for the season. A8C-F

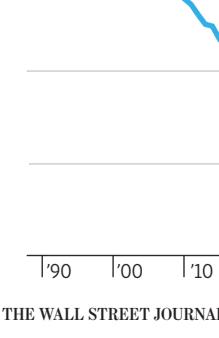
Ready, Set, Strive—Gen Z Is Coming

Battle-scarred, they are sober, driven by money and socially awkward; a 1930s throwback

College freshmen who think being well-off financially is important



College freshmen who spend any time partying



By JANET ADAMY

Sean McKeon was 11 years old when the 2008 financial crisis shot anxiety through his life in Hudson, Ohio. He remembers his father coming home stressed after the Federal Deposit Insurance Corp. took over the bank where he worked. A teacher asked classmates if their parents cut back that Christmas. They all said yes.

That unsettling time shaped the job plans he hatched in high school. "I needed to work really hard and find a career that's recession-proof," says Mr. McKeon, now 21. He set his sights on a

Big Four accounting firm. He interned at EY in Cleveland and will become an auditor there after graduating from Miami University in Oxford, Ohio, next year.

About 17 million members of Generation Z are now adults and starting to enter the U.S. workforce, and employers haven't seen a generation like this since the Great Depression. They came of age during recessions, financial crises, war, terror threats, school shootings and under the constant glare of technology and social media. The broad result is a scarred generation, cautious and hard-

Please turn to page A9

© 2018 Dow Jones & Company, Inc.
All Rights Reserved

U.S. NEWS

Weinstein Is Investigated for Possible Fraud

BY NICOLE HONG
AND BRADLEY HOPE

Federal prosecutors are investigating whether former Hollywood producer Harvey Weinstein violated wire fraud or other laws in any efforts to silence women who accused him of sexual misconduct, say people familiar with the matter.

The federal investigation has been active in recent weeks, people familiar with the matter said.

Benjamin Brafman, Mr. Weinstein's lawyer, said in a statement that he met with Manhattan federal prosecutors to "demonstrate that Black Cube was retained and supervised by prominent lawyers," who Mr. Weinstein "believed would never have authorized illegal activity of any kind."

Mr. Brafman said Mr. Weinstein's objective in hiring Black Cube was to "defend himself through legal action from serious and patently false allegations."

Federal prosecutors in Manhattan are investigating alleged

efforts by Mr. Weinstein to intimidate women and cover up the accusations against him using hush money, a person familiar with the matter said.

The federal investigation has been active in recent weeks, people familiar with the matter said.

Investigators may be pursuing federal fraud charges as a backstop to the state case, should the Manhattan district attorney's office fail to secure a conviction against Mr. Weinstein. Sex-crime cases are among the toughest to prove at trial, former prosecutors say.

A spokeswoman for the Manhattan U.S. attorney's office declined to comment.

Mr. Weinstein, who is out of jail on \$1 million bail after his arrest in May, faces state charges that include rape and predatory sexual assault, a felony that carries a minimum 10-year sentence and a maximum of life in prison.

Mr. Weinstein has pleaded not guilty to the charges. He has previously denied all allegations of nonconsensual sex.

The state charges stem from incidents with three separate women, which took place in 2004, 2006 and 2013, according to prosecutors.

Federal prosecutors are looking at Mr. Weinstein's dealings with private investigators

incidents with three separate women, which took place in 2004, 2006 and 2013, according to prosecutors.

Black Cube and Boies Schiller haven't been accused of any illegal wrongdoing. Black Cube couldn't be reached to comment. A spokesman for Boies Schiller declined to comment.

To bring wire fraud charges against Mr. Weinstein, prosecutors would have to prove Mr. Weinstein engaged in a scheme to use deception to obtain money or property from a victim.

The charge, which covers many types of fraud, requires the use of a "wire," such as an email or phone call across state lines, to further the scheme.

The Wall Street Journal has previously reported another focus of federal prosecutors, whether Mr. Weinstein lured or

induced any women to travel across state lines for the purpose of committing a sex crime.

The judge in the state case hasn't yet set a trial date. Mr. Weinstein is expected to appear in state court for a hearing on Sept. 20.

In recent court filings in the state case, Mr. Weinstein's lawyers have included emails that they say show he had a long-time consensual relationship with one of the alleged victims. State prosecutors haven't yet filed their response.

Law-enforcement officials in multiple jurisdictions have been investigating sexual-assault allegations against Mr. Weinstein after media reports in October 2017 detailed financial settlements paid by Mr. Weinstein to women accusing him of assault and harassment.

Moonves in Exit Talks With CBS

Continued from Page One
3.2% to \$54.62 on Thursday.

The exit of Mr. Moonves, who has been at the broadcaster's helm since 2006, would be a stunning downfall for an executive who has earned praise from Wall Street and media rivals for making CBS the most popular broadcast network while navigating turmoil in the TV industry. On his watch, CBS's premium cable channel Showtime has also grown and the company has launched new digital properties such as subscription streaming service CBS All Access.

The New Yorker article published last month included allegations from multiple women that Mr. Moonves sexually harassed them during his career. He has said he regretted any behavior that made women uncomfortable but denied any physical assaults or doing anything to harm anyone's career when his advances were rebuffed.

The size of a potential payout to Mr. Moonves wasn't clear. Any exit agreement is likely to enable CBS to recoup some of the compensation if the law firms' investigation—which will continue even if Mr. Moonves leaves—finds evidence of sufficient wrongdoing, according to a person familiar with the matter.

His contract calls for a severance package of more than \$180 million if he were terminated "without cause," including \$117.5 million in salary and bonus awards, plus vesting of stock worth another \$65 million, according to a securities filing. This includes \$10 million that would be payable unless Mr. Moonves elects to work as a producer based at CBS.



Leslie Moonves with his wife, Julie Chen, in July. CBS-appointed law firms are investigating sexual-harassment allegations against him.

The terms would be similar if he were terminated "with good reason," except he would get slightly less in salary and bonus awards. Mr. Moonves's contract is up in June of 2021.

While the talks are progressing and an agreement could come within the next several days, people close to the matter warned there is no guarantee of a resolution.

Ms. Redstone has expressed concerns about Mr. Ianniello as a potential successor to Mr. Moonves, but the independent board members are advocating that he at least take the reins

on an interim basis. Mr. Ianniello has been one of Mr. Moonves's top lieutenants for nearly a decade.

The independent board members want assurances that Ms. Redstone won't use her family's ownership of nearly 80% of CBS's voting stock to overrule the will of the CBS board, according to the person. That overwhelming control gives her family the power to replace the entire CBS board.

In May, CBS sought to dilute

National Amusements' voting control to closer to 20% through a dividend of voting stock to all shareholders. National Amusements thwarted that move by changing CBS's bylaws so that such a maneuver would require a 90% supermajority vote. A trial to resolve the issues around control of CBS is set to begin in Delaware Chancery Court on Oct. 3.

The CBS board and the Redstones also are discussing settling that litigation as part of the broader detente, The Wall Street Journal reported Wednesday.

As part of the talks to end the legal dispute, Ms. Redstone and National Amusements are seeking to replace several CBS board members with new independent members, according to people familiar with the matter. Dick Parsons, a well-regarded media executive who has been nominated to the CBS board, is involved in a search for new directors.

There has been concern at CBS and within its board that Ms. Redstone would try to stack the board with people close to her, according to people familiar with the matter. Currently, there are three CBS board members with ties to Ms. Redstone or National Amusements on the 14-member CBS board.

People close to CBS and the independent board members said Ms. Redstone and National Amusements have indicated that the new members would be truly independent, from both management and the controlling shareholder.

CBS independent board members have also been concerned about the revelation, first reported by the Journal, that the trust that will control Viacom and CBS when Mr. Redstone dies or is deemed incapacitated prohibits the trustees from entering into any merger that would leave National Amusements with less than 30% of the voting control of the resulting business.

National Amusements has said that the trust can be amended, but the board members want more assurances, according to one of the people familiar with the matter.

U.S. WATCH



A woman is comforted by authorities outside a hospital emergency room following the shooting.

PRODUCTIVITY

Worker Productivity Is Revised Upward

U.S. worker productivity rose this spring at the best quarterly pace in more than three years, newly revised numbers confirmed, though growth from a year earlier was more subdued.

The productivity of nonfarm workers, measured as the output of goods and services for each hour on the job, increased at an annualized and seasonally adjusted rate of 2.9% in the second quarter from the prior three months, the Labor Department said Thursday. It was the best quarterly growth rate since the first three months of 2015.

The new report, updating last month's initial release, did little

to change the view of worker efficiency. Both output and hours worked were revised up, but the overall rate of productivity gain was unchanged and matched economists' expectations.

The second-quarter reading "represented a significant rebound" from the first quarter's slight increase, said Gregory Daco, chief U.S. economist at Oxford Economics. "However, on a year-on-year basis, productivity growth remains tepid."

From a year earlier, productivity advanced 1.3%. That matched the average annual rate recorded from 2007 to 2017, and was less than the 2.1% annual average recorded since the end of World War II.

Productivity has advanced at a 1% year-to-year pace or better

for seven straight quarters. It is the longest such stretch since the period that ended in the fourth quarter of 2010.

—Eric Morath

NORTH CAROLINA

Voting Records Deadline Postponed

Federal prosecutors postponed a deadline for North Carolina election officials to provide voting records requested by federal immigration officials until after the Nov. 6 election.

The U.S. Attorney's office for the Eastern District of North Carolina said in a letter that prosecutors would postpone the deadline until January and consider modifying the request, as long as election officials verified in writing that they wouldn't destroy any relevant records.

Prosecutors, at the request of immigration officials, had originally requested more than 20 million county and state records covering an eight-year period to be turned over by Sept. 25. North Carolina election officials had argued the effort required to collect the records would jeopardize their ability to prepare for this fall's election.

The subpoenas are part of an investigation into voter fraud in which 19 foreigners were charged or indicted, according to a federal law-enforcement official.

The Justice Department has said the investigation was led by U.S. Immigration and Customs Enforcement, operating under the agency's newly created Document and Benefit Fraud Task Force.

—Valerie Bauerlein

THE WALL STREET JOURNAL

(USPS 664-880)

(Eastern Edition ISSN 0099-9660)

(Central Edition ISSN 1092-0935)

(Western Edition ISSN 0193-2241)

Editorial and publication headquarters:

1211 Avenue of the Americas,

New York, NY 10036

Published daily except Sundays and general legal holidays. Periodicals postage paid at New York, NY, and other mailing offices.

Postmaster:

Send address changes to The Wall Street Journal, 200 Burnett Rd., Chicopee, MA 01020.

All Advertising published in The Wall Street Journal is subject to the applicable rate card, copies of which are available from the Advertising Services Department, Dow Jones & Co. Inc., 1211 Avenue of the Americas, New York, NY 10036. The Journal reserves the right not to accept an advertiser's order. Only publication of an advertisement shall constitute final acceptance of the advertiser's order.

Letters to the Editor:

Fax: 212-416-2891; email: wsjtrs@wsj.com

NEED ASSISTANCE WITH YOUR SUBSCRIPTION?

By web: customercenter@wsj.com;

By email: wsjsupport@wsj.com

By phone: 1-800-JOURNAL (1-800-568-7625);

Or by live chat at wsj.com/livechat

REPRINTS & LICENSING

By email: customreprints@dowjones.com

By phone: 1-800-843-0008

GOT A TIP FOR US? SUBMIT IT AT WSJ.COM/TIPS

U.S. NEWS

New Push on Detentions At the Border

Administration seeks a way to hold illegal crossers together until their cases are decided

BY ALICIA A. CALDWELL
AND SADIE GURMAN

The Trump administration said it wants to effectively end a decades-old legal settlement that bars long-term detention for immigrant children when families are arrested for trying to enter the U.S. illegally.

Department of Homeland Security and Health and Human Services officials said Thursday that they want to circumvent the so-called Flores agreement, a 1997 court settlement that prevents authorities from detaining children for more than 20 days.

The proposal, announced as a rule change in the Federal Register, signals that officials are looking for ways to detain families together until their immigration cases are decided amid the administration's efforts to crack down on illegal border-crossers.

The proposal is almost certain to face legal challenges. The administration earlier this year asked a federal judge in California to let officials detain families together beyond the 20-day limit and was denied.

Immigration authorities have struggled to adhere to the Flores settlement's terms while trying to impose a zero-tolerance policy that aims to prosecute all adults who cross the southern border illegally.

The new proposal would allow families, most of whom are seeking asylum, to be detained together throughout the duration of their lengthy immigration proceedings.

"Today, legal loopholes significantly hinder the Department's ability to appropriately detain and promptly remove family units that have no legal basis to remain in the country," Homeland Security Secretary Kirstjen Nielsen said in a statement. "This rule addresses one of the primary pull factors for illegal immigration and allows the federal government to enforce immigration laws as passed by Congress."

The rule would satisfy the



Migrant women and their children wait after being caught illegally crossing into the U.S. on Aug. 29.

basic purpose of the agreement "in ensuring that all juveniles in the government's custody are treated with dignity, respect, and special concern for their particular vulnerability as minors, while doing so in a manner that is workable in light of subsequent changes," the proposal says.

The zero-tolerance policy resulted this year in the separations of children from their families who were arrested at the border. President Trump, facing a widespread outcry, then ordered an end to the separations.

The government has reunited nearly 2,000 once-separated children but is still trying to reconnect almost 500 children whose parents have been deported.

Under Flores, immigrant

children must be held in licensed child-care facilities. The government has been unable to obtain such licenses for the two largest family detention centers in Texas and has bed space for more than 3,000 people. A smaller facility in Pennsylvania is licensed to care for children but has room for only about 100 people.

The administration wants to now "create an alternative to the existing licensed program requirement for family residential centers, so that ICE [Immigration and Customs Enforcement] may use appropriate facilities to detain family units together during their immigration proceedings, consistent with applicable law."

The proposal is scheduled to be published in the Federal Register on Friday and the public

will have 60 days to comment.

The administration's practice earlier this summer of separating children from their parents had sparked rare, forceful pushback from Republicans on Capitol Hill.

House Speaker Paul Ryan (R., Wis.) told reporters Thursday: "My position's been really clear about this: We should not be separating people at the border." He added: "I believe that's what the administration also agrees."

Immigration advocates and others were swift to condemn the proposal.

"It is sickening to see the United States government looking for ways to jail more children for longer," said Omar Jadwat, director of the American Civil Liberties Union's Immigrants' Rights Project.

Perilous Passage

Monthly total apprehensions at the Southwest border



Note: Fiscal year ends Sept. 30.
Source: U.S. Customs and Border Protection
THE WALL STREET JOURNAL.

"That's the complete opposite of what we should be doing."

Also Thursday, the administration said ICE deported more than 191,000 immigrants between October and the end of June, a 9% increase from the same time last year. During the Trump administration's first year, 226,199 immigrants were deported, a nearly 6% decrease from the last year of the Obama administration.

The agency has also made nearly 120,000 arrests, a 16% increase since last year.

About 55% of those arrested were convicted criminals, said Nathalie Asher, the ICE official running the agency's enforcement and removal operations. She said the majority of non-criminal immigrants arrested "came to ICE's attention due to criminal charges."

California Blaze Closes Stretch of Busy Interstate

BY JIM CARLTON

A fast-moving wildfire has shut down a nearly 50-mile stretch of one of the busiest freeways in Northern California, after it torched at least two big rigs and forced motorists to flee cars and trucks as the state endures one of its worst fire seasons.

The Delta Fire broke out shortly after noon on Wednesday about 10 miles north of Redding, Calif. It is the same area where the Carr Fire broke out in late July, destroying hundreds of homes and killing three firefighters.

No injuries were reported in the latest inferno, which fire officials said was human-caused without providing details. Officials said the blaze rapidly expanded through tinder-dry brush and timber above Shasta Lake to form a front up to 3 miles wide with 300-foot-high flames that jumped across busy Interstate 5 on Wednesday. The blaze set off a panic as motorists who could feel the heat abandoned about a dozen vehicles.

"When the inside of your car gets 30 to 40 degrees hotter in a few seconds, that's scary," said Brandon Vaccaro, spokesman for an interagency command in charge of fighting the fire in the Shasta-Trinity National Forest.

Law-enforcement officials closed the interstate, forcing detours on the busiest highway link between California and Oregon. Siskiyou County sheriff's officials said they expected Interstate 5 would re-



Workers dousing a burned-out big rig on Interstate 5 on Thursday. Drivers abandoned their vehicles as they felt the heat from the fire; no injuries were reported.

main closed until Thursday afternoon, but warned the closure could last longer.

The fire surged to more than 15,000 acres and prompted mandatory evacuations of some homes and businesses as well as an evacuation warning for the 1,600

residents of Dunsmuir, about 15 miles away, Mr. Vaccaro said. Sheriff's officials said the fire's momentum slowed early Thursday but picked up again in the afternoon.

The incident added to California's fire misery this summer. The famed Yosemite Val-

ley in Yosemite National Park was ordered closed for nearly a month as the nearly 97,000-acre Ferguson Fire raged nearby. Meanwhile, two blazes that merged into the Mendocino Complex Fire consumed nearly 460,000 acres north of San Francisco, setting a record

for the state's largest wildfire.

In all, officials from the California Department of Forestry and Fire Protection said they responded to fires that blackened about 614,000 acres so far this year as of Sept. 2, compared with a five-year annual average of about 158,000

acres. When including fires on land managed by the U.S. Forest Service, the total so far this year is about 1.3 million acres. Fire experts attribute the increased activity, in large part, to lingering damage to trees and other vegetation from California's five-year drought.

New York and New Jersey Investigate Actions of Dioceses

BY CORINNE RAMEY
AND JOSEPH DE AVILA

The attorneys general of New York and New Jersey opened investigations into whether Catholic Church officials in the two states covered up allegations that clergy sexually abused young people.

The two separate investigations, made public Thursday, come on the heels of a Pennsylvania grand-jury report last month documenting the molestation of more than 1,000 children by priests in that state.

The New York attorney general's office issued subpoenas to all eight Catholic dioceses in the state as part of its civil investigation, according to a person familiar with the matter. And New Jersey Attorney General Gurbir Grewal announced Thursday the formation of a task force to investigate sexual-abuse allegations by clergy members in the Catholic dioceses of his state.

The Pennsylvania grand-jury report shined a light on

incredibly disturbing and depraved acts by Catholic clergy, assisted by a culture of secrecy and cover-ups in the dioceses," New York Attorney General Barbara Underwood said in a statement. "Victims in New York deserve to be heard as well."

The Archdiocese of New York said Thursday it has received a subpoena. The archdiocese and other dioceses in the state are "ready and eager" to work with the office, a spokesman for the archdiocese said.

Pressure has mounted on Catholic officials across the country since the release of the Pennsylvania report. In particular, Cardinal Donald Wuerl, the archbishop of Washington who previously served as the bishop of Pittsburgh, has faced protests and calls to resign.

Cardinal Wuerl met with priests in his archdiocese on Monday to discuss his future. On Thursday, he sent priests a letter suggesting he had no intention of stepping down, calling instead for a six-week

Sexual-Abuse Crisis Looms Over Meeting at Vatican

The sexual-abuse crisis in the Catholic Church is already casting a shadow over an international meeting of bishops that will take place at the Vatican next month.

The gathering, two years in the planning, is supposed to focus on the subject of youth.

But amid abuse scandals in the U.S., Latin America and Australia, the hundreds of bishops who gather in Rome next month will face pressure to address what many Catholics now consider the most ur-

gent issue in the church's relationship with young people.

A prominent U.S. archbishop has asked Pope Francis to cancel the event, known as a synod, and other bishops have called on the pope to hold a separate synod to address the topic of sex abuse.

Such calls are likely to become more frequent since the crisis touched the papacy late last month, when a former

Vatican ambassador accused

the pope of covering up sexual misconduct of a favorite U.S. cardinal. Pope Francis and the Vatican have declined to comment on the allegations.

Canceling the Synod or shifting its focus to include sex abuse would require major

last-minute changes in an institution not known for its flexibility. The Vatican tightly controls the agenda at synods, restricting opportunities for spontaneous interventions.

Cardinal Lorenzo Baldassari, secretary-general of the synod, didn't respond to a request to comment. Bishop Fabio Fabene, the undersecretary, declined a request to comment.

Archbishop Charles Chaput of Philadelphia said last week that he had written to Pope Francis asking him to call off the synod on young people, arguing that the "bishops would have absolutely no credibility in addressing this topic."

—Francis X. Rocca

"Season of Healing." The New York attorney general's office said last month it was seeking to work with local district attorneys to investigate possible criminal wrongdoing by church officials.

On Thursday, the attorney general's office said it had also set up a hotline and online complaint form for victims or others with information about possible abuse.

New Jersey's Mr. Grewal ap-

pointed Robert Laurino, a veteran sex-crimes prosecutor and former acting county prosecutor in Essex County, to head the team.

The task force will review agreements signed in 2002 be-

tween all of the Catholic dioceses of New Jersey and state law-enforcement agencies. The agreements required each diocese to lay out policies to make sure their leaders and employees report potential sexual-abuse cases and cooperate with criminal investigations.

"We welcome the attorney general's investigation and will cooperate fully," said Patrick Brannigan, executive director of the New Jersey Catholic Conference. "We believe cooperating with law enforcement is essential to restoring faith and trust."

Meanwhile, an organization of Catholic business leaders sent a letter to its members on Thursday saying it would be placing its annual tithe in escrow for now, rather than sending it to Rome. About \$820,000 will be placed in escrow, according to an official from the group, Legatus: Ambassadors for Christ in the Marketplace.

—Ian Lovett contributed to this article.

U.S. NEWS

Boston Political Culture Sees Shift

Race for U.S. House underscores changing climate as hierarchy begins to erode in city

BY JENNIFER LEVITZ

BOSTON—A long Massachusetts political tradition is showing big cracks.

The win of Boston City Councilor Ayanna Pressley over 10-term U.S. Democratic Rep. Michael Capuano in a Massachusetts House race Tuesday is one of several to upend an entrenched culture of deference to longtime incumbents. In Massachusetts, serious primary challenges are uncommon, and often there is a political pecking order for seats that do come open.

This week showed that the political culture is shifting. In the Democratic primary for the local district-attorney seat, a first-time candidate and progressive cleared a field that included a veteran with backing from big names in state law enforcement. At the Statehouse, two longtime high-ranking Democratic legislators lost in primary challenges.

"There is a hierarchy to the Massachusetts Democratic Party that has existed for decades through the famous names...and the candidates who stayed in office in the Statehouse for decades," Maurice Cunningham, an associate professor of political science at the University of Massachusetts Boston, said Wednesday.

The culture, which put a "real ceiling" on women and minority candidates, "got blown up," he said. "These candidates have all but destroyed it."

The 44-year-old Ms. Pressley, who in 2009 became the first black woman elected to the Boston City Council, will enter Congress in January as the first African-American House member from Massachusetts and will lead the Boston-area district once represented by John F. Kennedy. The primary winner goes to Congress—there were no Republican or third-party candidates on the general-election ballot.

Mr. Capuano, who is 66 and white, hadn't faced a primary challenge nor a GOP challenger since his first House race in 1998.

"We challenged conven-



Boston City Councilor Ayanna Pressley, right, defeated Democratic Rep. Michael Capuano in a contest for the U.S. House on Tuesday.

tional wisdom," Ms. Pressley said in an email to supporters Wednesday. On the campaign trail last week, she suggested that she had gotten pushback from some in her own party who were "stuck on the seniority argument" and asking, "why are we having this family fight?"

Mr. Capuano argued that his experience and relationships in Congress benefited the district, but he said Tuesday night that

"clearly, the district wanted a lot of change."

Mr. Capuano's long stretch in office wasn't rare. Former Boston Mayor Thomas Menino served five terms from 1993 to 2014. Sen. Ted Kennedy, who died in 2009, served nearly five decades, from 1962 to 2009. And John Kerry took office in 1985 and left the Senate in 2013. "Imagine being the state's junior senator for 24 years," Mr. Cunningham said.

Boston's African-American residents and activists are calling the victory of Ms. Pressley a breakthrough in a city that has a complicated history and reputation on race, dating to school desegregation and the busing crisis of the 1970s. Minorities have historically lagged behind in power positions, even though people of color make up the majority of the city's population, according to census estimates.

Ms. Pressley had few significant policy differences from Mr. Capuano, who is also counted among the House progressive wing. Instead, she argued that Mr. Capuano wasn't enough of an activist on progressive issues in the state's only district where a majority of residents aren't white. She also leveraged the party's resistance to President Trump to beat Mr. Capuano.

Activists are also cheering a win by Rachael Rollins, who won a Democratic primary and could become the first black female district attorney in Suffolk County and only the second African-American elected to the seat. In August, Boston's first black police commissioner was sworn in.

Senator Fends Off Challenge

BY JANET HOOK

Democratic Sen. Tom Carper won his party's nomination in the Delaware primary Thursday, beating a progressive challenger to avoid becoming another casualty of a restive left wing clamoring for change.

Mr. Carper triumphed over Kerri Evelyn Harris, a community activist who had hoped to replicate the upsets in other states' primaries, where insurgent women of color ousted white male incumbents.

Mr. Carper, 71 years old, is a three-term incumbent who had also served as the state's governor and U.S. House member.

"We need to unite as a party," he said in a victory speech to supporters. "We need to keep in mind that we are not one another's enemies."

Delaware has been considered a safe seat for Democrats. Republican primary voters Thursday chose their nominee to face Mr. Carper in November: Robert Arlett, a Sussex County councilman who was Delaware campaign chairman for President Trump in 2016.

"committee confidential" by the panel, limited only to senators and their staffs, without good reason.

Republicans say the restriction of access to some sensitive documents was practiced in previous Supreme Court nomination fights.

But the focus shifted repeatedly to Judge Kavanaugh's view of executive power generally and connections to President Trump specifically.

Sen. Chris Coons (D., Del.) accused Judge Kavanaugh of obfuscating his views of presidential power. "I don't think you're being direct with me about that," he said, because doing so "in this context would put your nomination at risk."

"This president is asking for loyalty tests," said Mr. Booker. "Given all his lies, all his remarks that have been criticized on both sides of the aisle...it is understandable for people to think that there's something going on" with the nomination.

"My loyalty is to the Constitution. I'm an independent judge," the nominee responded.

Asked by Mr. Booker if he had the "greatest respect" for President Trump—something he had said about President Bush—Judge Kavanaugh said he didn't wish to comment on political issues.

The questions were uncomfortable, but the end was in sight. "Congratulations on your last day of interviewing in your life," Sen. Ben Sasse (R., Neb.) told the nominee.

Hearing Is Stage, and All Are Players

BY BYRON TAU

WASHINGTON—In three long days of Senate hearings for President Trump's nomination to the Supreme Court, there were more than 100 arrests of protesters, plenty of procedural maneuvering and a vow by Democrats to commit a willful violation of Senate rules over confidential documents that turned out to be public anyway.

Somewhere in the middle of it all was Judge Brett Kavanaugh, the nominee.

"People wonder, are these hearings turning into a circus? I want to defend circuses," said Sen. Lindsey Graham (R., S.C.), a 15-year veteran of the Senate and a member of the Judiciary Committee. "Circuses are entertaining, and you can take your children to them. This hearing is neither entertaining nor appropriate for young people."

Perhaps he was thinking about the steady stream of vitriol, as when a woman screamed at Judge Kavanaugh, "You have blood on your hands; you're a murderer," before she was removed Thursday from the hearing room by Capitol Police.

The disruptions weren't limited to the protesters.

On Tuesday, Democratic senators repeatedly attempted to delay the start of the hearings. On Wednesday, they invoked a rarely used procedural

you get to the Supreme Court you'll knock it out."

He asked whether Judge Kavanaugh had couched "an escape hatch" in his praise of U.S. v. Nixon, the Supreme Court decision requiring President Richard Nixon to turn over the Watergate tapes, by describing it as involving a trial court subpoena, rather than one issued by a grand jury, which has been convened for the special counsel.

"Have you essentially been playing a trick on this committee?" Mr. Whitehouse asked.

"I have tried to describe in

a summary fashion exactly what the Supreme Court said in the Nixon case," Judge Kavanaugh replied.

Much of Thursday morning was taken up by a continuing partisan battle over access to Judge Kavanaugh's records from the George W. Bush White House. Sen. Cory Booker (D., N.J.) had escalated the issue Wednesday night, when he questioned Judge Kavanaugh over emails he wrote in 2001 and 2002 involving racial preferences and racial profiling, despite those documents being marked "committee confidential."

Thursday, Democrats outraged Republicans when they released additional documents they said were being withheld by the GOP; they later acknowledged that the papers had been cleared for release overnight.

"Cory and Senate Democrats were able to shame the committee into agreeing to make last night's documents publicly available," said Booker spokeswoman Kristin Lynch.

An aide to the committee chairman, Sen. Charles Grassley (R., Iowa), said that senators had been notified before Thursday's hearing began that the documents had been cleared for release.

The fight over access to records from Judge Kavanaugh's time in the Bush administration has been a continuing dispute. While hundreds of thousands of pages of material have been made public by the committee, Democrats complained that many other records have been designated

Durbin (D., Ill.) said, "I don't know who organized these protests or why they did it, but thank goodness in the United States of America where we venerate free speech, these things can happen."

The hearings did provide a stage, not so much for Judge Kavanaugh, who parried any difficult questions, as for 2020 presidential hopefuls. Mr. Booker and Sen. Kamala Harris (D., Calif.) are both believed to harbor such ambitions. At one point, Sen. Thom Tillis (R., N.C.) took a quick jab at Mr. Booker. "I don't ever plan on running for president in 2020 or the near future."

On the other side of the aisle, Sen. Ben Sasse (R., Neb.) is occasionally mentioned as a long-shot presidential candidate—especially given his occasionally willingness to publicly criticize Mr. Trump. Mr. Sasse gave a well-received opening statement Tuesday in which he blamed tensions over the nomination on Congress for its failure to pass laws.

In the late afternoon on the third day of the hearing, some of the grade-school girls that Judge Kavanaugh has coached in basketball over the years came to support him. Interrupted by yet another protester, Judge Kavanaugh said that the hearings offered "an introduction to democracy" to the young women.

"It's noisy," he said.



Judge Brett Kavanaugh left the Senate Judiciary Committee room for a short break on Thursday.

George W. Bush White House in which he took issue with the notion that the landmark Roe v. Wade ruling that found a constitutional right to abortion was "settled law."

"I am not sure that all legal scholars refer to Roe as the settled law of the land at the Supreme Court level since [the] Court can always overrule its precedent, and three current Justices on the Court would do so," Judge Kavanaugh wrote.

The nominee told senators at the hearing that in the email he was evaluating how the Su-

preme Court might view a particular issue, not providing his own viewpoint on Roe.

Judge Kavanaugh established a strongly conservative record on the D.C. Circuit Court. If he is confirmed to replace the retiring Justice Anthony Kennedy, it is expected by Republicans and Democrats alike to shift the Supreme Court's jurisprudence sharply to the right.

Sen. Sheldon Whitehouse (D., R.I.) told the nominee he feared "you're basically a human torpedo being launched at the [special counsel Robert]

Mueller investigation, so when

you get to the Supreme Court you'll knock it out."

He asked whether Judge Kavanaugh had couched "an escape hatch" in his praise of U.S. v. Nixon, the Supreme Court decision requiring President Richard Nixon to turn over the Watergate tapes, by describing it as involving a trial court subpoena, rather than one issued by a grand jury, which has been convened for the special counsel.

"Have you essentially been playing a trick on this committee?" Mr. Whitehouse asked.

"I have tried to describe in

a summary fashion exactly what the Supreme Court said in the Nixon case," Judge Kavanaugh replied.

Much of Thursday morning was taken up by a continuing partisan battle over access to Judge Kavanaugh's records from the George W. Bush White House. Sen. Cory Booker (D., N.J.) had escalated the issue Wednesday night, when he questioned Judge Kavanaugh over emails he wrote in 2001 and 2002 involving racial preferences and racial profiling, despite those documents being marked "committee confidential."

Thursday, Democrats outraged Republicans when they released additional documents they said were being withheld by the GOP; they later acknowledged that the papers had been cleared for release overnight.

"Cory and Senate Democrats were able to shame the committee into agreeing to make last night's documents publicly available," said Booker spokeswoman Kristin Lynch.

An aide to the committee chairman, Sen. Charles Grassley (R., Iowa), said that senators had been notified before Thursday's hearing began that the documents had been cleared for release.

The fight over access to records from Judge Kavanaugh's time in the Bush administration has been a continuing dispute. While hundreds of thousands of pages of material have been made public by the committee, Democrats complained that many other records have been designated

Durbin (D., Ill.) said, "I don't know who organized these protests or why they did it, but thank goodness in the United States of America where we venerate free speech, these things can happen."

The hearings did provide a stage, not so much for Judge Kavanaugh, who parried any difficult questions, as for 2020 presidential hopefuls. Mr. Booker and Sen. Kamala Harris (D., Calif.) are both believed to harbor such ambitions. At one point, Sen. Thom Tillis (R., N.C.) took a quick jab at Mr. Booker. "I don't ever plan on running for president in 2020 or the near future."

On the other side of the aisle, Sen. Ben Sasse (R., Neb.) is occasionally mentioned as a long-shot presidential candidate—especially given his occasionally willingness to publicly criticize Mr. Trump. Mr. Sasse gave a well-received opening statement Tuesday in which he blamed tensions over the nomination on Congress for its failure to pass laws.

In the late afternoon on the third day of the hearing, some of the grade-school girls that Judge Kavanaugh has coached in basketball over the years came to support him. Interrupted by yet another protester, Judge Kavanaugh said that the hearings offered "an introduction to democracy" to the young women.

"It's noisy," he said.



Sen. Kamala Harris (D., Calif.), thought to harbor White House ambitions, questioned Supreme Court nominee Brett Kavanaugh.

"It's noisy," he said.



bloomingdale's

Mix MASTERS

PERSONAL STYLE, PERFECTED



NOW-SEPT 16

10 DAYS OF FALL FASHION,
EXCITING EVENTS AND
TRIPLE POINTS
ON EVERYTHING!*

DAGNY wears a SANDRO blazer and AQUA pants
with ILLESTEVA sunglasses, an AQUA bag, ASH
sneakers and PRETTY POLLY socks.

U.S. NEWS

Republicans Try to Cement Tax Cuts

By RICHARD RUBIN

WASHINGTON—House Republicans are racing to extend tax cuts that are scheduled to expire—after 2025.

Even though the legislation dubbed “Tax Reform 2.0” isn’t likely to become law this year or have significant practical effect on individual tax returns until today’s sixth-graders are in college, Republicans see advantages in voting now.

Most immediately, the planned September vote will give GOP House members a campaign talking point ahead of the November midterm elections. For them, it’s a way to highlight partisan contrasts and continued economic growth since last year’s tax law, which passed without a single Democratic vote. Extending the tax cuts, they say, will bolster investors’ confidence.

“We just want to give people certainty that we want to extend the individual tax cuts,” said Rep. Tom Rice (R., S.C.). “The longer it goes, the harder it can get.”

In some ways, Democrats—in pointing to the lack of real wage growth this year and growing budget deficits—are just as eager to talk about the tax law as they seek the House majority.

“It’s insult to injury,” Rep. Brian Higgins (D., N.Y.) said of the GOP’s proposed extensions of tax cuts. “It’s a midterm political ploy that is going to produce nothing more than long-term debt and deficit.”

The expiration dates were included in last year’s tax law because of the way that Republicans enacted it. They used expedited procedures known as reconciliation, which allowed them to push it

through the Senate without needing Democratic votes. But those rules came with the restriction that the law couldn’t increase budget deficits beyond 2027.

To hit that target and avoid creating uncertainty for businesses counting on a permanent

“We just want to give people certainty that we want to extend the individual tax cuts.”

corporate-tax-rate cut, Republicans chose to put expiration dates on the major individual-tax provisions. That includes the lower rates, expanded estate-tax exemption, larger standard deduction, expanded child-tax credit and

20% deduction for businesses such as partnerships that pay their taxes through their owners’ tax returns. To justify the difference between individual and corporate taxes, Republicans argued that future Congresses wouldn’t let taxes increase. They pointed to the bipartisan extension in 2013 of most of President George W. Bush’s tax cuts.

Republicans are now proposing to make all of those provisions permanent, along with limits on the state and local deduction.

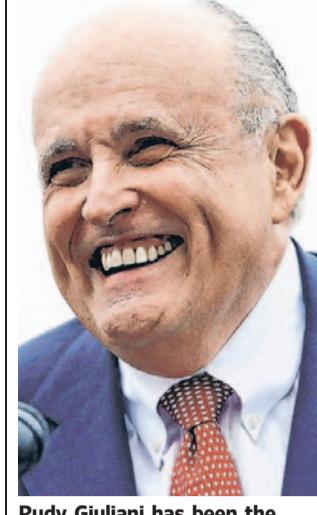
“If we can’t do it, why are we here?” said Rep. Mike Kelly, a Republican from Pennsylvania. “If it’s the right policy, why wouldn’t you do it?”

Meanwhile, the longer Congress waits to pass an extension, the bigger the price tag looks, because congressional revenue estimates typically

cover just the next 10 years. Making the key provisions permanent would reduce federal revenue by \$638 billion over the next decade, with all of those costs in 2026, 2027 and 2028, according to the conservative-leaning Tax Foundation.

So far, however, Senate Republicans have shown little interest in the tax legislation, and it would need Democratic votes there to become law.

Still, with Republicans projected to lose seats in November’s election, this year may be the last time the party can muster a majority in favor of an extension. Even if Republicans hold the majority, their advantage could be so slim that members from New York, New Jersey and California who oppose the \$10,000 cap on the state and local deduction could prove decisive and force changes in that rule.



Rudy Giuliani has been the president’s attorney since April.

Senators Call for Giuliani Review

By JULIE BYKOWICZ

Seven Senate Democrats are asking the Justice Department to review whether President Trump’s lawyer Rudy Giuliani has complied with the Foreign Agents Registration Act.

The senators said in a letter that recent news reports suggest Mr. Giuliani has “conducted a number of political and public relations activities on behalf of foreign entities” that would seem to require him to register as a foreign agent.

Mr. Giuliani has served since April as Mr. Trump’s attorney in special counsel Robert Mueller’s probe.

Mr. Giuliani has been employed as a lawyer and strategic adviser since leaving his post as New York City mayor in late December 2001. He has never filed any FARA paperwork, according to the Justice Department’s database, saying in the past that his activities don’t trigger that requirement because he isn’t aiming to influence U.S. policy.

The senators cited recent paid work Mr. Giuliani did on behalf of the Freeh Group International Solutions, led by former FBI director Louis Freeh. At the firm’s request, Mr. Giuliani wrote to the president of Romania to criticize the country’s anticorruption probes, taking a position that counters that of the State Department.

Mr. Giuliani said he “did nothing to invoke FARA either now or ever” and “never represented foreign interests with [the] U.S. government.”

The letter is signed by Sens. Tom Udall of New Mexico, Elizabeth Warren of Massachusetts, Tammy Duckworth of Illinois, Richard Blumenthal of Connecticut, Sheldon Whitehouse of Rhode Island, Jeff Merkley of Oregon and Dick Durbin of Illinois.



President Trump arrived to speak at a rally in Billings, Mont., Thursday night.

and a registered Democrat, often slowed Mr. Trump’s attempts to carry out his protectionist instincts, these people said.

Speculation on the identity of the column’s author remained rampant inside the White House. A strict definition of a senior administration official would include only about two dozen White House officials, cabinet secretaries and their top deputies. But a broader reading could include hundreds more.

Jennifer Palmieri, who was communications director for former President Barack Obama, a Democrat, said the Times regularly used a wider definition.

“Based on my experience with NYT sourcing rules for administration officials, this person could easily be someone most of us have never heard of & more junior than you’d expect,” Ms. Palmieri posted on Twitter. “Like a deputy at legislative affairs or (National Economic Council).”

Administration officials at the highest level publicly condemned the op-ed or denied authoring it, including Secretary of State Mike Pompeo, Homeland Security Secretary Kirstjen Nielsen and Director of National Security Dan Coats.

Foreign diplomats in Washington expressed bewilderment at the latest scandal to hit Mr. Trump’s administration. One diplomat said the White House becomes a “shell” every time it is faced with a crisis and it becomes difficult to carry out basic government-to-government communications.

Several top Trump White House officials guessed the author was most likely a junior aide without direct access to the president.

A Times spokeswoman declined to comment..

on Wednesday with a trio of Twitter posts about the column, and started the morning on Thursday with another complaint related to the piece. “The Deep State and the Left, and their vehicle, the Fake News Media, are going Crazy,” Mr. Trump wrote on Twitter.

Several aides said they were disturbed by the column, but expressed confidence the administration would weather the storm, describing the moment as just the latest distraction in a White House that has become known for disruptions.

Mr. Trump left the White House on Thursday afternoon,

without speaking to reporters, and departed from Washington for Billings, Mont., to host a rally in support of the Republican Senate candidate in the state.

Rudy Giuliani, one of Mr. Trump’s personal attorneys, said the president was confident the author of the column wasn’t a cabinet official or a senior West Wing aide. The Times described the author as a “senior administration official.”

Mr. Giuliani said the column confirmed Mr. Trump’s anxiety that he had enemies within his own administration. “He’s very

disappointed that there is this kind of person in the administration,” Mr. Giuliani said.

Since its inception, the Trump administration has included some senior officials—both conservative and more liberal—who have sought to curb Mr. Trump’s direction, according to people familiar with the matter.

Steve Bannon, the president’s former chief strategist and a self-described economic populist, directed junior aides to ignore direct orders from Mr. Trump, these people said. On trade policy, Mr. Cohn, his former top economic adviser

and a registered Democrat, often slowed Mr. Trump’s attempts to carry out his protectionist instincts, these people said.

Speculation on the identity of the column’s author remained rampant inside the White House. A strict definition of a senior administration official would include only about two dozen White House officials, cabinet secretaries and their top deputies. But a broader reading could include hundreds more.

Jennifer Palmieri, who was communications director for former President Barack Obama, a Democrat, said the Times regularly used a wider definition.

“Based on my experience with NYT sourcing rules for administration officials, this person could easily be someone most of us have never heard of & more junior than you’d expect,” Ms. Palmieri posted on Twitter. “Like a deputy at legislative affairs or (National Economic Council).”

Administration officials at the highest level publicly condemned the op-ed or denied authoring it, including Secretary of State Mike Pompeo, Homeland Security Secretary Kirstjen Nielsen and Director of National Security Dan Coats.

Foreign diplomats in Washington expressed bewilderment at the latest scandal to hit Mr. Trump’s administration. One diplomat said the White House becomes a “shell” every time it is faced with a crisis and it becomes difficult to carry out basic government-to-government communications.

Several top Trump White House officials guessed the author was most likely a junior aide without direct access to the president.

A Times spokeswoman declined to comment..

Big Cities Insure Against Cyberattacks

By SCOTT CALVERT

AND JON KAMP

Hackers are constantly probing for “the one flaw overlooked” in Houston’s computer networks, the official responsible for safeguarding the fourth-largest U.S. city’s system said.

“Compromise is inevitable,” said Christopher Mitchell, chief information security official, at a Houston City Council hearing last month. His presentation helped persuade local lawmakers they needed a \$30 million cybersecurity insurance plan with a \$471,400 premium, an example of a burgeoning trend across the country. Policies vary, but insurance can cover hackers’ extortion demands, legal liabilities, computer-forensics expertise and costs for problems like having government services knocked off line.

A majority of the 25 most populous U.S. cities now have cyber insurance or are looking into buying it, according to a Wall Street Journal survey. A ransomware attack on Atlanta this year—one of the biggest reported breaches of a city’s network—served as a warning to officials everywhere of the constant barrage from hackers. Cities and even library systems are being hacked more often than people realize, but many heard about Atlanta.

“It got a lot of people ner-

vous and got a lot of people coming to the market and saying, ‘Hey, I’m really interested in buying this,’ ” said Brad Gow, global cyber product leader at insurer Sompo International Holdings Ltd.

Cities including Boston, Nashville, Tenn., Washington, D.C., and San Jose, Calif., are actively researching cyber insurance. Dallas, San Diego, Denver and Detroit are among those that already have cyber policies; none have filed claims.

“I wanted A to Z to have it covered,” said Mark Barta, risk management director in Fort Worth, Texas, which got a \$5 million cyber policy with a \$99,570 premium last year. “I didn’t want to be in a situation on a Monday morning hearing

this happened, and saying, ‘What do I do next?’ ”

Some cities—including New York, Chicago and Philadelphia—declined to say whether they have cyber insurance.

Some, like San Antonio, have cyber coverage through an existing property policy. Others say they are self-insured, which can entail creating a special fund to cover losses.

Seattle is self-insured and doesn’t have additional cyber insurance, but reviews its need for coverage every year and is currently soliciting quotes, a spokeswoman said.

“There has been an increase in cyberattacks facing state and local governments this year,” Andrew Whitaker, Seattle’s chief information security officer, said in a statement.

Atlanta has a cyber-insurance policy that took effect Jan. 1, less than three months before hackers managed to freeze city computer systems. The city refused to pay a \$51,000 ransom, but hacks can entail many other costs, from the emergency response to building stronger defenses. Mayor Keisha Lance Bottoms has estimated that Atlanta was facing more than \$20 million in costs following the attack.

Many cyber incidents happen when an employee opens an attachment or clicks on a link that inadvertently gives hackers access to the network.

“Humans fall for stuff, humans make mistakes,” said Austin Morris Jr., chief executive of an insurance brokerage in Huntingdon Valley, Pa.

WeatherTech®
American Manufacturing Done Right™



New!
Non-Toxic
Feeding
System



HOME USE

PetComfort
by WeatherTech

PetComfort.com

FloorLiner™

BumpStep®XL

24" Hitch Mounted
Bumper Protection



800.441.6287
International #001.630.769.1500

©2018 by MacNeil IP LLC



The city of Houston pays a premium of \$471,400 for its \$30 million in cyber-insurance coverage.

AARON M. SPRECHER/BLOOMBERG NEWS

WORLD NEWS

China Decries U.K. Warship's Deployment

Beijing says the ship violated its sovereignty with passage near disputed islands

By JEREMY PAGE

BEIJING—China accused Britain of violating its sovereignty after a British warship sailed close to disputed islands, in a fresh sign that U.S. allies are joining forces to challenge Beijing's territorial claims in the South China Sea.

The Chinese navy identified the intruding ship as Britain's HMS Albion and warned it to leave the area after it entered China's territorial waters around the Paracel islands on Aug. 31 without permission, the Chinese foreign ministry said in a statement.

The operation, earlier reported by the Reuters news agency, is a rare instance of a

British warship directly challenging China's territorial claims since Beijing began building fortified artificial islands in the South China Sea four years ago.

While territorial waters generally extend 12 nautical miles from shore under international law, China's claims around the Paracels extend beyond that limit in several places. Beijing also demands that foreign naval ships seek prior permission before entering its territorial waters, although international law allows them to transit on the basis of "innocent passage."

Britain's Royal Navy said: "HMS Albion exercised her rights for freedom of navigation in full compliance with international law and norms." The Royal Navy declined to provide further details about where the Albion sailed.

The British sail-through comes amid signs that other



The HMS Albion, an amphibious assault ship, in Tokyo in August.

TORU HANAI/REUTERS

assault ship usually carrying about 350 sailors and marines, visited Japan before its operation around the Paracels and sailed afterward to Vietnam, where it arrived Monday. It is one of the three ships the Royal Navy is deploying to the Asia Pacific this year, after an absence of almost five years.

The Chinese foreign-ministry statement said that the Albion had violated Chinese and international laws, that Beijing had made "solemn representations" to the U.K. government, and that China will take "all necessary measures to defend national sovereignty and security."

China's defense ministry didn't respond to a request to comment.

The U.S. regularly conducts "freedom of navigation" operations around the Spratlys and Paracels to challenge what it sees as excessive maritime claims and to exercise its right to operate in international wa-

ters. Until recently, Washington had tried to get allies to do the same. Although they sometimes sent navy ships through other less contested parts of the South China Sea, only in recent months have some shown a willingness to challenge Beijing more directly.

In June at a security conference in Singapore, the British and French defense ministers said in separate remarks that their navies would exercise their right to freedom of navigation in the South China Sea.

French Defense Minister Florence Parly said British ships and helicopters would join a French maritime task group in Singapore to conduct one such operation. She didn't specify where the ships would go but said they would sail to "those areas where at some point a stern voice intrudes into the transponder and tells us to sail away from supposedly territorial waters."

Japanese Quake Leaves Millions Without Power

BY ALASTAIR GALE

TOKYO—Rescue workers clawed through mud, trees and debris Friday looking for survivors from a major earthquake in rural northern Japan that killed at least 16 people, including some in a village buried by landslides.

The government said 26 people were missing on the island of Hokkaido after a pre-dawn magnitude-6.6 quake Thursday that left almost all the 2.95 million homes on the island without electricity.

The main airport for the region, near the epicenter of the quake, was closed Thursday after sustaining structural damage. It reopened Friday morning to some flights.

Photos from the hardest-hit areas in Hokkaido, one of

Japan's least-populated regions, show collapsed buildings and ruptured pavements.

By Friday morning, 16 people were confirmed dead, Prime Minister Shinzo Abe said. Local authorities in Hokkaido said more than 100 people had been injured.

The quake is the latest natural disaster to hit Japan this summer; record-breaking heat, flooding and the most powerful typhoon in 25 years have already killed hundreds of people across the country.

Television footage showed several landslides near the village of Atsuma, where mountain ridges had collapsed, engulfing many houses. The government sent in 25,000 members of the nation's military to help with rescue and recovery.



The magnitude-6.6 earthquake triggered landslides near the village of Atsuma, on Hokkaido island, that engulfed many houses.

JUJI PRESS/AGENCE FRANCE PRESSE/GTY IMAGES

There Are Better Reasons to Decide



2019
COLLEGE
RANKINGS

WSJ THE

Make a smart decision with The Wall Street Journal's college rankings report. Use our in-depth analysis and interactive tools to compare schools, investigate the factors that matter most to you and create your own personal rankings.

Read Now at WSJ.com/collegerankings

WORLD NEWS

Progressive Sweden Splits On Immigration

Polls have put far-right Sweden Democrats in first or second place in Sunday's elections

By BOJAN PANCEVSKI

STRÄNGNÄS, Sweden—With his gelled hair and jovial eloquence, Jimmie Åkesson could have been mistaken for a talk-show host as he addressed a crowd recently in this idyllic lakeside town.

In fact, Mr. Åkesson is the leader of the far-right Sweden Democrats, a party with roots in neo-Nazism that is poised to become a leading political force in Sunday's elections. And he credits the rise to the party's stance on crime in Sweden, which is seeing rising rates of rape and of murder involving firearms that he blames on its liberal asylum policy.

"Our questioning of mass migration and how to push back against crime—everybody is talking about that now. That's of course in our favor," Mr. Åkesson said in an interview after his campaign appearance, which featured a big screen that flashed crime statistics and images of burning cars.

Nationalists and antiestablishment groups have flourished around Europe since a wave of refugees sparked a crisis across the continent in 2015.

But Sweden, one of the world's most affluent and progressive nations, is poised for a particularly dramatic swing from a broad liberal consensus to extreme polarization. Polls put the Sweden Democrats in first or second place, and either outcome could leave center-left and center-right blocs struggling to form a stable government.

Sweden's economy is growing, jobs are plentiful and the

welfare system leaves no one by the wayside. And overall crime rates, while high by Western European standards, remain low, particularly when compared with the U.S.

Yet immigration has become the defining issue in the campaign, in part because many Swedes are rattled by surging violent crime in small urban enclaves populated mostly by people of foreign origin.

When President Trump declared last year that Sweden was struggling with immigration, he drew global condemnation and a social-media campaign called #LastNightInSweden. But several Swedish researchers and commentators—many from immigrant families—are now echoing his criticism.

Sweden has been taking more than five times more refugees per capita than the U.S. for over a decade, according to Joakim Ruist, an economist at the University of Gothenburg. Today, over a fifth of Sweden's 10 million people have foreign roots and the migrant community is often poorly integrated.

Unemployment is around 4% among native Swedes but exceeds 16% among the foreign born, and 23% for non-European immigrants, despite generous subsidies for companies that hire migrants, said Tino Sanandaji, an economist who wrote an acclaimed book on immigration policy.

Concerns about immigration have boosted support for the Sweden Democrats and pushed parties that have supported immigration to harden their rhetoric.

The Sweden Democrats were founded in the late 1980s, and the group's early incarnations included Swedish neo-Nazis and members of white nationalist movements.

The party renounced such ideology nearly two decades



Residents chat in Stockholm's Rinkeby neighborhood. Below right, Jimmie Åkesson, whose Sweden Democrats appear poised to gain power.

Right on the Rise

The far-right Sweden Democrats have grown since the 2014 election...

Party popularity polls



Note: Polls are a rolling average of several polls
Sources: pollopolls.eu (polls); Organization for Economic Cooperation and Development (inflows); Swedish Police Authority (guns)

ago. The 39-year-old Mr. Åkesson, who took over in 2005 and hasn't been linked to neo-Nazism, has polished the party's hard edges to woo centrist voters and even conservative immigrants. The party first entered parliament in 2010, with 5.7% of the vote.

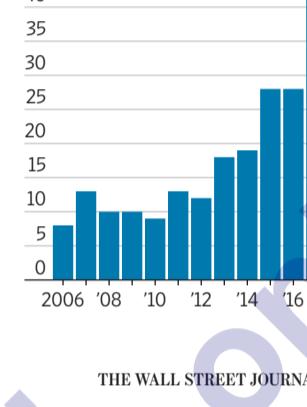
Like Mr. Åkesson, many pollsters credit the party's rising support to growing fears about crime. Last year, police reported more than 320 shoot-

ings, dozens of bombings, and 7,226 rapes—a 10% increase over 2016. Mr. Åkesson cites data reported by Sweden's national broadcaster showing that 58% of convicted rapists were foreigners in a recent five-year period.

Morgan Johansson, the country's center-left justice minister, says the growing role of immigration in the political conversation is a broader European trend.

...as well as worries about violent crime.

Homicides involving firearms



THE WALL STREET JOURNAL.



LOULOU D'AKO FOR THE WALL STREET JOURNAL

spector Mats Svensson said children as young as 15 are being used by gangs to transport murder weapons.

Virtually all crime suspects—and victims—are of foreign origin, he said, yet the state has no policy to end the vicious circle. "We can't go on like this. We need to stop mass immigration and take care of these neighborhoods before racism starts to spread together with crime."

sciously decided not to," he added.

Argentina, Mr. Carter said, was in the first camp, given its orthodox economic governance. In contrast, Brazil and South Africa have allowed their currencies to take the strain rather than raise interest rates.

Others note that China has successfully taken yet another path, amping up spending and loosening monetary policy rather than following the Fed. While shares have fallen sharply this year, prices of Chinese government debt have risen, sending yields lower, in contrast to other emerging markets.

"My view is that China has already become less EM-like than it was in 2016," said Karthik Sankaran, director of global strategy at Eurasia Group.

Even in more vulnerable countries, some fund managers are snapping up securities issued by companies that are stronger than their domestic economies. "You have companies in Indonesia that are very export oriented, with no foreign debt. That's an absolute winner," said Leon Goldfeld, a multiasset portfolio manager at J.P. Morgan Asset Management.

hunter in Memphis, Tenn., recalls balking when a friend brought beef heart to a barbecue a few years ago. "I'm not eating that," he said. But he took a bite, and now he is a convert.

He collects the innards from deer and turkeys he hunts. "I started taking pride in getting the most out of the animal I could," he says.

Paul Kahan, the Publican's executive chef, says inventive chefs compete to draw in diners with increasingly unconventional cuts. "Pork belly now is almost passe," he says.

Offal boosters, however, say there is plenty more work left to be done. Los Angeles resident Ellis Talton recently took his girlfriend to one of the few restaurants in town where he could get a good grilled pork neck.

When he ordered it, however, "her face kind of twisted and she squirmed at the idea," he says. When she eventually tried it, he says, "she wasn't too keen on it."

FROM PAGE ONE

Emerging Stocks Hit By Shift

Continued from Page One

While U.S. stocks remain near records and signs of contagion are few, investors are closely watching the rout in emerging markets for signs that it is spilling over into the assets of developed countries.

"My fear of contagion is that right now the sentiment towards the whole emerging-market spectrum is very fragile," said Mario Castro, a Latin America currency strategist at Nomura.

Threading these economies together is their use of the dollar to borrow funds. When the U.S. economy looks to be in much better health than the rest of the world and the Federal Reserve lifts interest rates, pushing the greenback higher, upheaval often follows in the developing world.

Emerging markets have also been hit by concerns that tariffs

applied by the U.S. and China on each others' goods could prompt further protectionist moves and upset global trade.

The Shanghai Composite Index has fallen 24% from its peak in January, while the yuan is down nearly 7% since June.

The recent bout of selling was partly triggered last month by sharp declines in the Turkish lira, which is down by more than 42% this year, and later the Argentine peso, which has fallen by around 50%. Elsewhere, the Indian rupee reached its weakest-ever levels this week, and the Indonesian rupiah is trading around two-decade lows.

This is neither a string of unrelated blowups nor a meltdown in which contagion spreads by panic selling moving from nation to nation. It is somewhere in the middle, creating both dangers and opportunities for investors.

Many markets face similar issues: While U.S. manufacturing output probably grew at its fastest in 14 years in August, according to Institute for Supply Management surveys, a poll of purchasing managers in manufacturing firms around

the world, published by JPMorgan and IHS Markit, showed the slowest output growth in nearly two years.

Raw-materials prices have also faltered, with the Bloomberg Commodity Index falling nearly 10% since its peak in May. That puts pressure on major exporters of commodities other than oil, such as Brazil, Chile and Indonesia.

Moreover, many investors buy emerging-market assets in broad funds, rather than country by country. So when they reduce exposure, developing markets can be hit all at once.

"There are a lot of people out there who are distressed sellers or forced sellers," said Mark Tinker, head of the Framington Equities Asia business at AXA Investment Managers.

The links extend into developed markets such as Western Europe, given the region's lending ties to countries including Russia and Turkey and its trading ties with China.

Mr. Castro said much was riding on a presidential vote this year in Brazil that will decide whether the country enacts changes to keep its economy healthy and debt in check. "There is a lot at play in the elections, and Brazil is systematically important for emerging markets," he said.

Money managers also say it is possible to distinguish between different kinds of developing nations.

"There is a debt crisis in emerging markets. They've just racked up way too much debt, and those chickens are coming home to roost. But we need to differentiate clearly when we talk about these concerns," said Bryan Carter, head of emerging-market debt at BNP Paribas Asset Management.

"You can separate almost all countries into one or two camps: the countries with central banks that have decided to keep up with the Fed and hike rates, and those that have con-

tinues about 40 miles from downtown Chicago, says some customers were frustrated he didn't include innards with the meat bundles he began selling in 2012.

Now he displays them in a store on his farm. He recently increased prices for liver and tongue by 80%, to \$8.95 a pound, and for marrow bones by 70%. "When we put liver out there, it's gone within a couple of days," he says.

Marcus Jacobs, who runs Marjie's Grill in New Orleans, now pays \$5 a pound for the lamb necks he cooks over an open barbecue pit, up from \$4. Supplies are limited, he says, and sometimes he can't get them at all. "Each lamb has one neck," he says.

New Orleans butcher Leighann Smith recalls that the liver her grandmother cooked was "disgusting." Now the liver she mashes into pâté and sausages sells "like it's going to run out."

Austin Easley, a lawyer and

adventuresome young eaters and eyes, to make headcheese tacos. He slices and fries pig ears to add a crunchy texture to cabbage salad.

"It just turned out, through trial and error, that those are the most delicious parts," he says.

Meat companies for years had little desire to promote offal to American consumers, opting instead to ship out of the country. Trade disputes are threatening that business. China, the largest buyer of U.S. pork offal, placed tariffs on American pork this year. Exports of pork variety meats to China fell by 26% in the first half of 2018 from a year earlier, according to the U.S. Meat Export Federation.

Some meat companies are looking anew at the U.S. market. Offal is a staple in the South and in some Hispanic, Asian and African-American communities. Producers say they have been drawn into the U.S. market by the growing spending power of those groups.

Adventuresome young eaters

looking for "natural" or novelty food also are digging in.

Dan Schaefer, head of by-products at agricultural giant Cargill Inc.'s protein division, says younger consumers are hungrier for meats his grandparents' generation once ate. "History repeats itself," he says.

Cargill introduced the country's first mass-market offal brand, Rumba Meats, a decade ago, then reorganized it in 2016 to focus on Hispanic consumers.

Hispanic shoppers are almost three times as likely as the overall population to buy variety meats, according to market-research firm Nielsen. Cargill also added bone products such as oxtail to its higher-end Sterling Silver line.

Tyson Foods Inc. expanded its business selling organ meat and off cuts to retail and food-service companies to meet rising demand.

Prices for pork and beef variety meats have climbed over the past decade, according to price-tracking company Urner Barry.



Pork jowls are grilled over hot coals in Mississippi.

ANDREA MORALES FOR THE WALL STREET JOURNAL

Continued from Page One

When Garrott McClintock was growing up in rural Mississippi, he mostly avoided the pickled pigs feet that lurked on gas-station counters. "I can't say I ate that too often," he says. Yet he recently braved a dish of braised pig feet served with crispy tendons and noodles sliced from pork skin. "It was crazy," he says, "and really delicious."

Offal is a mainstay at Mason Hereford's two-year-old New Orleans sandwich shop called Turkey and the Wolf. He buys around four pig heads every couple of weeks from a farm in Mississippi. He removes everything, including brains, tongue

GREATER NEW YORK

Bed-Stuy Townhouse Deal Breaks Record

Historic mansion sells for \$6.3 million, garnering top price for the neighborhood

By MENGQI SUN

A historic mansion in the Bedford-Stuyvesant neighborhood of Brooklyn has sold for \$6.3 million, a record price for the area and the latest sign that rising property prices are spreading deeper into the borough.

The brownstone, known as the John C. Kelley mansion, at 247 Hancock St. is the most expensive sale ever for a single-family home in Bedford-Stuyvesant, according to brokerage firm Halstead. It almost doubles the previous record sale of \$3.3 million in 2017, Halstead said.

The Bed-Stuy townhouse, which has 10 bedrooms and 5½ bathrooms, was built in 1887 for water-meter magnate John Kelley. It was designed by Montrose Morris in the Renaissance Revival style and features a bar, a basement and a backyard.

The sale price is significantly higher than the average home price in the area, where townhouses usually sell for between \$1.5 million and \$3 million, according to Ban Leow, the broker for the Hancock Street deal.

"It's a bigger property, it's a mansion, and it's from a very prominent family," said Mr. Leow, an agent from Halstead. "It's one-of-a-kind property."

Over the years, the house has been used for photo shoots, movie filming and as a venue for wedding receptions. Grover Cleveland, who was president of the U.S. in the late 19th century, was a guest at the home, according to the website Brownstoner.

The townhouse sale represents the latest sign of the transformation of Bed-Stuy,

which has gentrified in recent years with the arrival of new coffee houses and boutique shops, said Brooklyn Borough Historian Ron Schweiger.

"It happened gradually...probably within the last five to seven years," he said. "It's really very noticeable now."

Real-estate prices in Bed-Stuy also have been ticking up in the last decade, Mr. Leow said, pointing to what he calls a welcoming community and the relative affordability that appeal to many people.

"One time people would scoff at this neighborhood, but now it's getting trendy," he said.

The Bed-Stuy brownstone's seller, 76-year-old Claudia Moran, purchased the building 32 years ago. She was impressed with the size of the property—8,000-square feet—which is significantly bigger than the other townhouses in the area.

During the decade following her purchase, Ms. Moran, who owns an advertising agency, took it upon herself to restore the house.

After living there alone for three decades, in 2014, Ms. Moran started thinking about selling the house and traveling more. She listed the property for \$6 million. Several developers approached her and offered more than the asking price, eyeing the location and more than 16,000 buildable square feet.

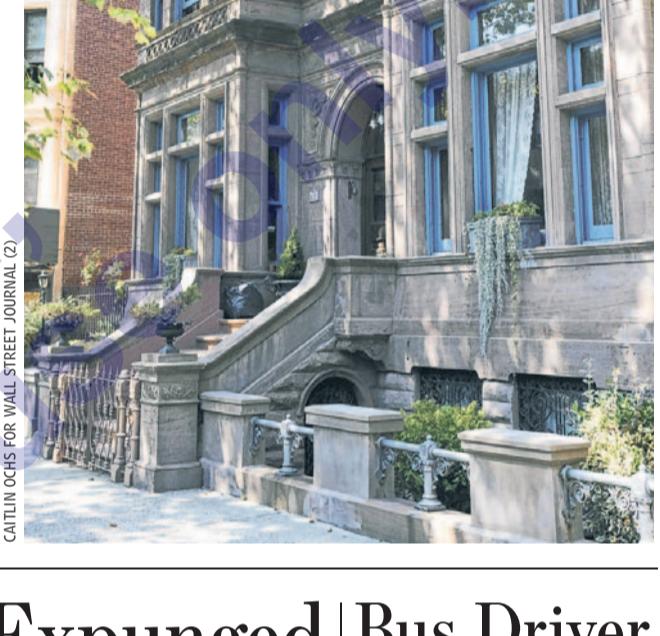
Ms. Moran turned them down, fearing the developers would tear the house down to build condos.

The property gained landmark status in 2015. After another bid fell through, she found the new buyers in the last six months. The new owners are purchasing through a limited liability company and will remain anonymous.

"It has to be someone who cares for it as much as I do," Ms. Moran said.



One of the 10 bedrooms in the 8,000-square-foot John C. Kelley mansion at 247 Hancock St. in Brooklyn. Claudia Moran, below, sold the townhouse for \$6.3 million, a record for the Bedford-Stuyvesant neighborhood. The property gained landmark status in 2015.



CAITLIN OCHS FOR WALL STREET JOURNAL (2)

Mayors Want Marijuana Convictions Expunged

By JOSEPH DE AVILA

Some influential New Jersey mayors said Thursday they would withhold support for legalizing recreational marijuana unless the legislation also expunges prior convictions for possessing or distributing the drug.

The mayors of Newark, Jersey City and Hoboken said they want people currently incarcerated for marijuana convictions to be released and made eligible for licenses to sell it.

The three mayors, all Democrats, also want to authorize municipalities to decide how many licenses for selling marijuana to issue within their jurisdictions.

"Absent these things being

met, I don't think Jersey City, Newark and other cities will be willing to move forward," said Jersey City Mayor Steven Fulop.

They won't move forward to legalize pot unless several changes are made.

The mayors said these changes would help correct the historic racial disparities in the state's enforcement of drug laws.

Newark Mayor Ras Baraka said it would be hypocritical to legalize the drug while

keeping people in prison for marijuana convictions and barring them from selling it legally once freed.

"Those folks should have the right to have their records expunged immediately," Mr. Baraka said.

Democratic Gov. Phil Murphy campaigned on legalizing recreational marijuana, which state Senate President Steve Sweeney and Assembly Speaker Craig Coughlin, both Democrats, also support.

"For me, the social-justice aspects of marijuana legalization have always been at the forefront of legalizing adult use of marijuana," Mr. Coughlin said. "We are looking at expungement as a part of the process and will be addressing all those concerns in the

legislation we are crafting now."

A spokeswoman for Mr. Murphy said the legalization of recreational marijuana is "a critical step in eliminating racial disparities in our criminal justice system."

The governor is committed to working with the Legislature to pass measures that prioritize the safety of New Jersey residents and ensures that some of the economic benefits go to the communities hit hardest by the war on drugs, she said.

A spokesman for Mr. Sweeney didn't immediately respond to requests for comment.

New Jersey Responsible Approaches to Marijuana Policy, a group opposed to the

legalization of marijuana, said it supports ending criminal punishments for low-level offenses but is concerned that legalizing recreational marijuana could raise the incidence of impaired driving and widen young people's exposure to the drug.

"There can be no compromise on public health and safety," said Stephen Reid, the group's executive director.

Legalized marijuana could net the state \$305 million annually in new tax revenue, according to New Jersey Policy Perspective, a left-leaning research group.

Hoboken Mayor Ravi Bhalla also endorsed directing a share of that tax revenue to local cities and towns.

Bus Driver Charged In Fatality

By ZOLAN KANNO-YOUNGS

A Metropolitan Transportation Authority bus driver accused of fatally striking a pedestrian with his vehicle was arrested Thursday morning for failing to yield—a misdemeanor charge that has been the source of contention between transit union officials and the city since it was signed into law four years ago.

Audrey Smith, 62 years old, was driving an out-of-service bus on Wednesday in the Bensonhurst neighborhood of Brooklyn. While he had a green light, he made a right turn onto Bay Parkway, hitting an 81-year-old pedestrian crossing the street in the crosswalk, according to police.

The pedestrian, Yu Qing Chen, of Brooklyn, was taken to the Maimonides Medical Center, where she was pronounced dead, police said.

"This is a terrible tragedy and our hearts go out to Ms. Chen's family," said Andy Byford, the president of the New York City Transit Authority.

Mr. Smith couldn't be reached for comment. Authorities said they didn't know if he was represented by an attorney.

Under a law that took effect in 2014 as a part of Mayor Bill de Blasio's Vision Zero traffic-safety initiative, Mr. Smith faces up to 30 days in jail and a \$250 fine if convicted. Before the law took effect, police officers issued summonses for failing to yield.

Transit union officials and some politicians have challenged the law, saying it unfairly criminalizes bus drivers. Transit-safety advocates, however, have said the law brings accountability to drivers.

"Our operator is a veteran with an excellent record, and he is absolutely devastated," said Tony Utano, president of the Transport Workers Union Local 100, which represents the driver. "These are complex investigations with many factors to consider, including bus operator blind spots, and we are conducting our own investigation."

—Paul Berger contributed to this article.

Emirates Passengers Hit With Viruses

By BETSY MCKAY

Ten people who were sick on a flight from Dubai to John F. Kennedy International Airport in New York have tested positive for influenza or other common respiratory viruses, the Centers for Disease Control and Prevention said Thursday.

The test results thus far point to a variety of common illnesses, contracted before travelers boarded the plane, rather than a single outbreak or flight-related incident, said Martin Cetron, director of the CDC's Division of Global Migration and Quarantine.

Emirates Airline Flight 203 was quarantined upon landing Wednesday morning, after pilots on the plane had reported that more than 100 people had symptoms such as coughing, nausea and fever.

The Airbus SE A380 super-jumbo plane was met by emergency vehicles on the runway when it landed after 9 a.m.

The report of illnesses, radioed ahead of landing, was concerning: Such a large number of sick passengers is unusual, and they were coming from a part of the world known for emerging infections

such as Middle East Respiratory Syndrome, or MERS, a potentially deadly viral respiratory illness.

In addition, many passengers on the plane had come from Mecca in Saudi Arabia and were possibly at the Hajj pilgrimage, where respiratory diseases can spread.

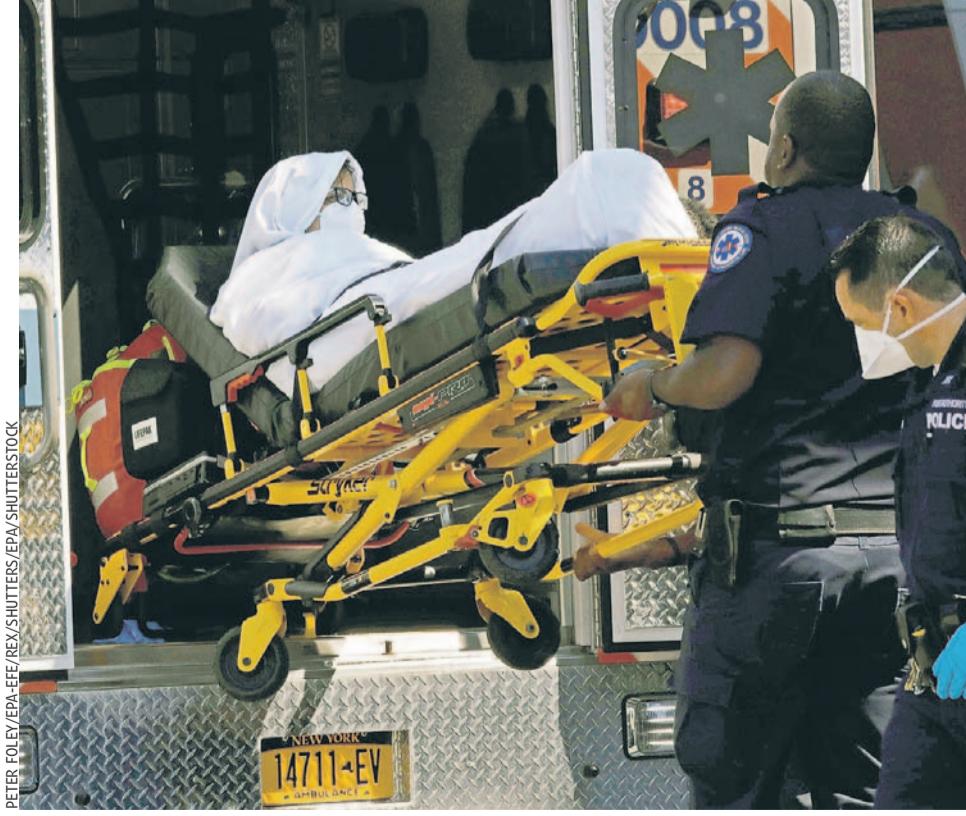
Screening of all 549 passengers turned up 11 people who were ill and taken to a local hospital, while the remaining passengers were released, the CDC said. Seven of those who fell ill were Emirates crew members with respiratory illnesses, said Dr. Cetron.

One passenger was seriously ill with flu and pneumonia, another with flu, and a third with an upper respiratory illness, he said. An additional person had a probable case of food poisoning.

Test results for MERS were negative, he said.

The patients are being treated at Jamaica Hospital Medical Center in Queens, including with antivirals, the CDC said.

The size and scope of Wednesday's disease scare were rare, but provided a good test of a preparedness system



A passenger was taken from Emirates Flight 203 on Wednesday at JFK International Airport.

designed to catch dangerous microbes at U.S. borders, Dr. Cetron said. "That is the kind of call we prepare and exercise for," he said.

The CDC operates stations at U.S. international airports and other ports of entry that respond to illnesses in hundreds of arriving passengers

every year.

Most cases are investigated after the fact, though, he said. Illnesses reported from a plane in flight are far fewer, Dr. Cetron said.

Dubai-based Emirates operates five daily flights to New York, serving JFK and Newark Liberty International Airport,

and the airline has grown quickly across the globe. It takes advantage of its hub in Dubai to shuttle passengers between Asia, Europe and the West, courting high-end fliers with amenities in first and business class.

Emirates apologized for the disruption.

MATT JACCA/HALSTEAD BROOKLYN, LLC

GREATER NEW YORK WATCH

CONNECTICUT

'Trigger Happy' Officer Is Demoted

A police officer caught on video warning a group of young people not to flee or fight because he was "trigger happy" has been demoted and faces a disciplinary process that could lead to a suspension or his firing, officials announced Thursday.

Hartford Sgt. Stephen Barone was demoted to officer and assigned to desk duty after an internal-affairs investigation found he violated the department's code of conduct, Police Chief David Rosado said. Mayor Luke Bronin said the incident "was deeply disturbing and distressing to our entire community."

Officer Barone didn't immediately return a message seeking comment Thursday.

A Facebook video shows him talking to a group of young people he stopped last month during a trespassing call. "If anyone wants to fight or run...I'm a little trigger-happy guys. I'm not gonna lie, and I get paid a ton of money in overtime, if I had to shoot somebody. Don't do anything stupid," he said on the video.

—Associated Press

NEW JERSEY

Homeless Man's Helpers Investigated

Police raided a New Jersey couple's home and hauled away a new BMW on Thursday after a homeless man accused them of helping themselves to some of the \$400,000 in online donations they supposedly raised to help him start a new life.

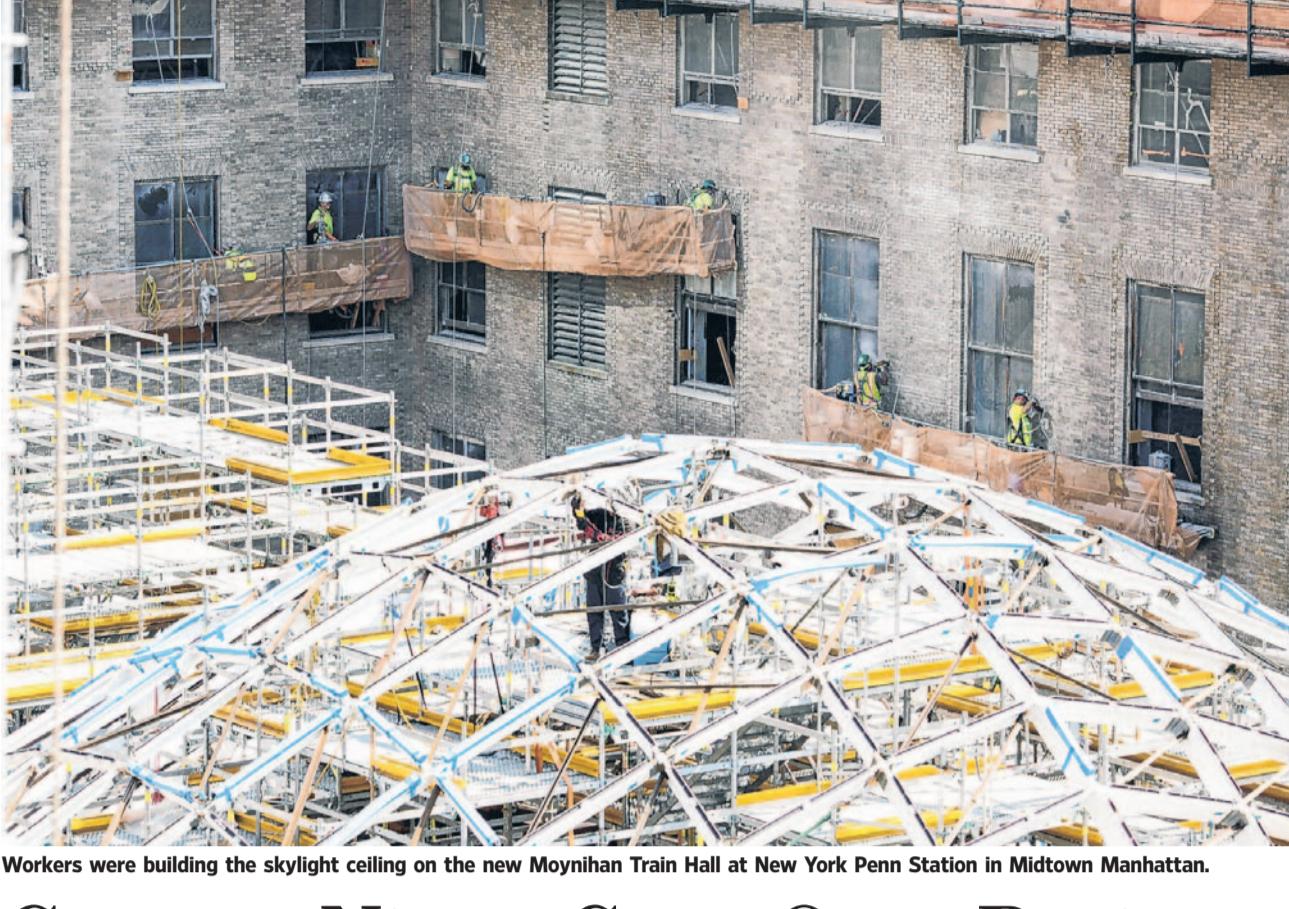
Burlington County prosecutor Scott Coffina confirmed in a Facebook post that Mark D'Amico and Katelyn McClure, of Florence, are under investigation, though no charges have been filed.

It was the latest twist in a one-time feel-good story about Johnny Bobbitt, who spent his last \$20 to buy gas for Ms. McClure when she became stranded on a highway in Philadelphia last year, and the couple who found 14,000 people online who donated to a fund to help him start a new life.

The couple's attorney, Ernest Badway, didn't return calls seeking comment on the police investigation. They previously have denied any wrongdoing.

The couple also are being sued by Mr. Bobbitt.

—Associated Press



Workers were building the skylight ceiling on the new Moynihan Train Hall at New York Penn Station in Midtown Manhattan.

Cuomo, Nixon Spar Over Projects

BY PAUL BERGER

New York Gov. Andrew Cuomo announced plans on Thursday to create a new entrance at New York Penn Station in Manhattan as he continued a weeklong tour of infrastructure projects ahead of next week's primary election.

"It's a commuter's nightmare," Mr. Cuomo said of Penn Station to a select crowd of transit leaders, construction officials and union workers in an event space above the station overlooking Seventh Avenue.

Earlier, state officials led reporters on a tour of the construction site across Eighth Avenue at the James A. Farley Post Office building. Under Mr. Cuomo's direction, Empire State Development is transforming the century-old building, designed by McKim, Mead & White, into the \$1.6 billion Moynihan Train Hall to serve Long Island Rail Road and Am-

trak passengers at Penn Station.

Cynthia Nixon, who is challenging Mr. Cuomo in the Sept. 13 Democratic primary, seized on the governor's announcement to point out that during his tenure, service on the LIRR and the New York City subway, both of which are run by the state-controlled Metropolitan Transportation Authority, has declined.

"The governor has shown time and time again that he has no interest in taking responsibility for the LIRR and MTA, and instead prefers elaborate photo opportunities to generate headlines," Ms. Nixon said in a statement Thursday.

Earlier this week, Ms. Nixon released a campaign video focusing on subway problems, including decaying stations, overcrowding and delays. "He's the one who broke the subway," she says at the end of the two-minute video. "I'm the one who's going to fix it."

Mr. Cuomo has made infrastructure a cornerstone of his administration. Across the region, new bridges, rail expansions and airport modernizations are under way. Meanwhile, the subway system has suffered from persistent delays, overcrowding and high-profile outages. Performance on the LIRR also has declined.

A spokeswoman for Mr. Cuomo's campaign dismissed Ms. Nixon's claims that he allowed the LIRR and MTA to deteriorate.

In a statement, Abbey Collins said Mr. Cuomo has secured extra funding for the MTA through a surcharge on for-hire vehicles entering the most heavily congested parts of Manhattan. He has also "appointed world-class senior leadership at the MTA," she said.

Penn Station is owned by Amtrak, but some areas of the station are leased to NJ Transit and to the LIRR. The station also is heavily used by

commuters transferring to and from two busy subway lines.

Mr. Cuomo said the new entrance envisioned for Penn Station at 33rd Street, between Seventh and Eighth Avenues, will ease congestion and improve safety in the subterranean transit hub that serves about 650,000 subway and commuter rail passengers on an average weekday.

The governor spent this week drawing attention to his infrastructure successes.

On Tuesday, he took a boat ride by the Gov. Mario M. Cuomo Bridge to announce that the second and final span of the Hudson River crossing that replaces the Tappan Zee Bridge will open this weekend.

On Wednesday, he led the groundbreaking of a \$2.6 billion project in Westbury to build a third track along a 10-mile stretch of the LIRR's heavily congested Main Line between Floral Park and Hicksville.

The Bidens Pay Their Respects



TRIBUTE: Former Vice President Joe Biden and his wife, Jill, on Thursday visited the Survivor Tree at the 9/11 Memorial & Museum, where veterans who completed Walking With the Wounded's 1,000-mile trek across the U.S. laid a wreath.

Investing in Real Estate



Publishing October 15 in the Wall Street Journal aligned with MarketWatch's *Best New Ideas in Money* report, this special section will dive into trends and new ideas in both traditional & non-traditional real estate investing like ETFs, mutual funds, REITs, private equity firms, real estate debt funds, crowdfunding and more.

Dow Jones reaches high net worth individuals, active investors and financial movers—the audience you need when seeking support for new commercial real estate ventures. Extend your proposition to this valuable audience.

Publish Date: October 15 | Close Date: October 1

Secure your space by September 10 to receive possible mention within the feature!

For more information, please contact:

Tiffany Roberts at tiffany.roberts@wsj.com | 214.640.7899

THE WALL STREET JOURNAL.
classifieds.wsj.com

© 2018 Dow Jones & Company, Inc. All Rights Reserved.

GREATER NEW YORK

American Lung Association's LUNG FORCE, Breast Cancer Research Foundation, Canadian Cancer Society, Canadian Institutes of Health Research, Cancer Stem Cell Consortium, Farrah Fawcett Foundation, Genome Canada, Laura Ziskin Family Trust, LUNGevity Foundation, National Ovarian Cancer Coalition, Ontario Institute for Cancer Research, Ovarian Cancer Research Fund Alliance, Society for Immunotherapy of Cancer

STAND UP TO CANCER IS A DIVISION OF THE ENTERTAINMENT INDUSTRY FOUNDATION, A 501(C)(3) CHARITABLE ORGANIZATION.

IMAGES ARE FROM STAND UP TO CANCER TELECASTS AND EVENTS.

THE AMERICAN ASSOCIATION FOR CANCER RESEARCH (AACR) IS STAND UP TO CANCER'S SCIENTIFIC PARTNER.

CLAUDIO PAPAPIETRO FOR THE WALL STREET JOURNAL

GREATER NEW YORK



HANNA BARCZYK

Seasons often are about embracing the collective ideal. With winter, it is the holiday gathering. With summer, it is the family vacation. But fall is a different time. Call it the season of picking your own pleasure.

And in the New York metropolitan region, those pleasures are bountiful.

We need not explain why this is the capital of culture and fine dining. But we can

put the scene into some context, so that you better understand what is happening across the area in the coming months.

We will tell you about the pop stars who are saying goodbye to the road with farewell tours. That is, if they keep to their word about retirement.

And we will tell you how the lowly pork rind may be finding its way to your favorite upscale restaurant. Yes, gourmet pork rinds

are now a thing.

We also will tell you about who keeps track of all the shoes your favorite New York City Ballet stars are wearing this season. Apparently, it is no easy, um, feat.

Along the way, we will offer suggestions of Broadway shows, and classical music and dance performances. And, of course, restaurants to visit.

For those planning to venture to a museum,

we have created a special guide to help you select an exhibit that best suits your taste.

For those who prefer to stay at home and curl up with a book, football legend Joe Namath recounts one of the biggest upsets in U.S. sports history: the New York Jets' 1969 Super Bowl III win over the Baltimore Colts.

The point is to create a season in your own image. Happy picking.

—Charles Passy

MUSIC | By Charles Passy

The Last Goodbye?

Farewell tours don't always mean performers are hanging it up forever. Just ask Cher and The Who

It is perhaps no surprise that Paul Simon and Elton John are each commanding attention for their series of concerts in the New York City area in the coming weeks, which are both part of well-publicized global farewell tours.

Fans clearly want the opportunity to say goodbye to a pair of performers who have defined the pop and rock landscape during their decades-long careers, with prime sold-out seats going for as much as \$5,000-plus on the secondary market. Moreover, the artists have special ties to metropolitan region: Mr. Simon, 76 years old, was born in Newark and raised in Queens. And Mr. John, 71, found a second artistic life as a composer on Broadway with "The Lion King," "Aida" and "Billy Elliot."

Still, the question remains: Is this truly the end for these two titans?

"The possibility it's not going to stick is always there," said Steven Hyden, a veteran music critic and author of the recently published book "Twilight of the Gods: A

Journey to the End of Classic Rock."

Indeed, the history of popular music is a history of artists who have announced their departures from the stage only to return. Rolling Stone magazine and other music publications and websites note countless examples.

For example, Cher announced her retirement as a concert act in 2002 with "Living Proof: The Farewell Tour," but came back in 2014 and is touring again this year. She also has done concert residencies in Las Vegas and is the subject of a new biopic, "The Cher Show," that bows on Broadway in December.

The Who called it quits in 1982, but returned to the road in 1989 and have been playing fairly consistently since. Even Mr. John has "retired" before. During a concert in 1977, he announced it was his last, saying, "There's a lot more to me than playing on the road." But he continued performing shortly thereafter.

This time around, Mr. John insists he is for real. "I need to dedicate more time to raising my children," he said in a statement announcing the tour, which he dubs "Farewell Yellow Brick Road." Mr. John has two sons with his husband, David Furnish.

SHANNON STAPLETON/REUTERS; JIMMY JEONG/THE CANADIAN PRESS/ASSOCIATED PRESS (SIMON)



But some music-industry observers question if Mr. John is really hanging up his hat, to say nothing of his signature colorful costumes. They point to the sheer duration of the world tour—a three-year affair that launches in Allentown, Pa., on Sept. 8 and has Mr. John circling back to some regions during the run.

And after the tour? "I'm inclined to believe that Elton John won't be done," Mr. Hyden said.

In the case of Mr. Simon, his tour, dubbed "Homeward Bound—the Farewell Tour," isn't a complete "farewell"—by the artist's own admission. "After this coming tour, I anticipate doing the occasional performance," he said before the tour, which kicked off earlier this year in Canada and ends on Sept. 22 at Flushing Meadows-Corona Park in Queens.

There can be many reasons why artists find it so hard to stay away from the concert stage, say music pros. Part of it is the money, though, in Mr. Simon's case, he has said earnings from any future per-

formances would be donated to charity. Another part is the rock 'n' roll lifestyle: The job has its rigors, but it also has its pampered pleasures and ego kicks.

But that is presuming performers are being genuine when they announce their retirement in the first place. Industry insiders and watchers say the farewell tour can just be a ploy to sell tickets to fans who might not otherwise be so motivated to see the artist.

In short, "It's deceptive advertising," said Marcus Peterzell, a partner at Ketchum Public Relations who specializes in the entertainment industry.

Which explains why when Mötley Crüe announced its farewell tour in 2014, which kicked off later that year and ran through 2015, it also announced its band members were signing a "cessation of touring agreement." The idea, members said, was to ensure fans were getting what they paid for—a true goodbye.

Lead singer Vince Neil said in 2015 he could see only one scenario in which the band might break the agreement: If it got into the Rock & Roll Hall of Fame and was invited to perform at the ceremony.

Concerts Rolling Through New York and New Jersey This Fall



OctFest: Billed as a "one-of-a-kind beer, music and food festival," this weekend event features more than 20 acts, from the alternative-rock band the Flaming Lips to the rapper Vince Staples. Attendees also get their pick from among more than 250 craft brews.

Saturday and Sunday, Governors Island.

Joan Baez: The folk legend, who released her first solo album in 1960, is another artist quitting the road. Her current "Fare Thee Well Tour," which is slated to run through the spring of 2019, ties in with her new album, "Whistle Down the Wind."

Sept. 21-22, Beacon Theatre; Sept. 25, Count Basie Center for the Arts, Red Bank, N.J.

Steely Dan: Yes, Steely is back, even though it is minus founding member Walter Becker, who died last year. But Donald Fagen continues the band's legacy during this nine-concert stint, which will focus on such classic Steely albums as "Aja" and "The Royal Scam."

Oct. 17-30, Beacon Theatre.

Lauryn Hill: The New Jersey native and hip-hop pioneer returns to the Garden State as part of a tour celebrating the 20th anniversary of her landmark Grammy Award-winning solo album, "The Miseducation of Lauryn Hill."

Oct. 22, New Jersey Performing Arts Center, Newark.

—Charles Passy



Legendary performers Elton John, top, and Paul Simon, left, have hit the road, playing farewell tours.

GREATER NEW YORK

Dining Scene From Brooklyn to Jersey

The Ashford, 145 Newark Ave., Jersey City, opening in September. Jersey City's dining scene has come of age in recent years. New American cuisine and craft cocktails are the focus at this multilevel establishment, which includes a rooftop with an open-air kitchen and raw bar.

Misi, 329 Kent Ave., Brooklyn, opening in September. Domino Park, the recently opened green space on the Williamsburg waterfront, has established itself as a culinary destination with the Danny Meyer Mexican fast-casual establishment Tacocina. Now, the broader Domino redevelopment site gets a pasta-centric Italian restaurant from Missy Robbins, who is behind the much beloved Lilia, also in Williamsburg.

Frankie Goes to Bollywood, 204 Spring St., opening in October. "Frankie" refers to a beloved Mumbai street food—essentially, a wrap-style treat that comes with different fillings. And this SoHo quick-service newcomer will specialize in just that, with versions that range from the Awesome Aloo with cauliflower-potato hash to the Totally Tikka with grilled chicken.

Mokum, 464 Amsterdam Ave., opening in October. Taking its name from a Yiddish word that can mean safe haven, the restaurant intends to be just that: An all-day dining space on the Upper West Side. The emphasis is on farm-to-table fare; the team behind Mokum said it also will offer an "expertly curated wine and cocktail program."

Nikutei Futago, 341 West Broadway, opening in November. Think barbecue with an upscale twist from a well-established operator in Japan. The SoHo restaurant seats 38 and is all about wagyu, the high-end Japanese-sourced beef. Three different tasting menus will be featured, with meat grilled at the table. An extensive sake list complements the food offerings.

Zauo, 152 W. 24th St., opening date to be determined. Call this Chelsea newcomer the dining equivalent of the childhood card game of Go Fish. Diners will indeed fish for their meal—the restaurant has the tanks and fish, and supplies patrons with the poles. Apparently, the concept is big in Japan.

—Charles Passy



A towering crispy pork skin at the Aviary NYC. Right, a bowl of vegetable 'chicharrones' was served at Society Cafe in Greenwich Village in Manhattan.



LEFT TO RIGHT: BYRON SMITH FOR THE WALL STREET JOURNAL; CLAUDIO PAPAPIETRO FOR THE WALL STREET JOURNAL

FOOD | By Charles Passy

Pork Rinds Get Fancy

Restaurants are putting the treat—or its Latin American equivalent, chicharrones—on their menus

Forget all the new takes on pizza in town. And forget the growing interest in full-flavored global cuisines, from Israeli to Korean.

It turns out that what New Yorkers really crave at this moment is that down-home favorite: pork rinds, aka fried pork skins. But in this case, they are pork rinds with a gourmet tweak or two.

Several high-end bars and restaurants in the city are putting the crispy treat—or its Latin American equivalent, chicharrones—on their menus of late. And chefs say patrons can't get enough of them, especially when they are topped with a little vinegar or hot sauce.

"It's salty, fried and acidic. It's all the things you want," said Dan Perretta, executive chef at the Aviary NYC, the upscale bar at the

Mandarin Oriental, New York.

The twist with the Aviary's version is that it takes the dish to a new level—literally. The bar offers a "giant pork skin," priced at \$17, that can measure anywhere from 2 to 5 feet long.

To create it, the culinary team employs a multistep technique that involves scraping excess fat off the skin, then dehydrating it before frying and stretching it to its maximum length. The skin gets an additional flavor boost from salt and vinegar and is paired with a corn-pudding dip.

Other New York City establishments might not push the envelope as much, but they also are playing with the pork-rind concept. At Kingsley, the critically acclaimed East Village restaurant, chicharrones are on the bar menu, but in the current iteration, they

are topped, Asian-style, with kimchi, hoisin sauce and scallions.

Kingsley chef Roxanne Spruance says part of the appeal of pork rinds is that they are a blank slate from a culinary standpoint. "It's like popcorn. You can top them with anything," she said.

Some chefs also are finding that pork rinds can add the right accent to a dish. At Upland in the Flatiron District, chef Justin Smilie uses them to complement a peekytoe-crab salad he recently added to the menu.

Originally, he was going to go with a cracker, but he finds pork rinds have just as much crunch and bring another component. "It almost saturates the palate with richness," he said.

The real extreme, however, may be rinds that aren't made from pork. At Society Cafe in the West

Village, executive chef Christopher Zabita features an appetizer of vegetable "chicharrones," with the quotation marks intentionally applied.

The dish is made by taking pulp from vegetables of all kinds and creating a dough from each, adding tapioca starch. Then, the dough is individually dehydrated and fried, and the different types of rinds are combined into the final dish.

The resulting menu item is "super light and crispy" and mimics the real thing fairly closely, Mr. Zabita said. Still, the question begs: Even with the quotation marks, is it fair to make allusions to the pork version of the dish? "I didn't know what else to call them," he said.

But he doesn't stop there. Mr. Zabita recently created a scallop version of chicharrones as well—yes, seafood rinds. He uses them as a garnish.

DANCE | By Charles Passy

Shoe Guru Gives Dancers a Lift



BYRON SMITH FOR THE WALL STREET JOURNAL

Linnette Roe, of New York City Ballet, assisted a dancer with her shoes.

Another wrinkle, said Ms. Roe, is that the company's main footwear supplier for pointe shoes, Freed of London, is facing backlog issues. "It can take up to 16 months for a shoe to come in," she said.

Part of the reason is that these aren't just any shoes: They are custom-made based not just a dancer's foot measurements, but also their preferences in feel and comfort. It is up to Ms. Roe to gather and convey

all that information to companies that provide the shoes. She then has to inspect every pair to make sure it will satisfy the dancer. In many cases, she has to make adjustments.

New York City Ballet is fairly unusual among dance companies in having a dedicated shoe supervisor. The dancers say that having someone focused on footwear makes sense. Indiana Woodward, a soloist, stresses that a dancer's shoes are of the utmost importance to their craft. "It's like a canvas for artists," she adds.

It also probably helps that Ms. Roe, who joined the company in 2016, is a former ballerina, having danced for more than a decade with Pacific Northwest Ballet. She weds that experience with a background in retail.

One of Ms. Roe's challenges is that she sometimes ends up with too many shoes. She often sells the extra pairs at a discount to dance students, so she can keep her rooms relatively free of clutter. "I really try not to be a hoarder," she says.

Shows on Tap

The Six Brandenburg Concertos: Belgian choreographer Anne Teresa De Keersmaeker offers this take on Bach's masterpiece.

Oct. 1-7, Park Avenue Armory.

New York City Ballet's "Robbins 100" program: Given Jerome Robbins's long association with City Ballet, it is only natural the company would honor him on the very centennial of his birth, Oct. 11. The program showcases the choreographer in all his diversity. Oct. 11-13, Lincoln Center's David H. Koch Theater.

American Ballet Theatre Fall Gala

Gala: The company's commitment to female choreographers is the focus of this evening. Among the featured pieces is a new work by tap dancer Michelle Dorrance that blends ballet and tap. Oct. 17, Lincoln Center's David H. Koch Theater.

Alvin Ailey American Dance Theater 60th Anniversary Gala

The program will feature what is billed as an "interactive media piece that brings the voice and presence of the late Alvin Ailey back to the stage." Mr. Ailey's "Revelations," arguably his most beloved ballet, also will be performed with live music. Nov. 28, New York City Center.

—Charles Passy

CULTURE

High-Profile New Yorkers Reveal What They Are Looking Forward to This Fall



Jocelyn Bioh
Playwright

Her passion for the written word notwithstanding,

Ms. Bioh loves dance. Come

fall, that means she is

headed to New York City

Center for Alvin Ailey Ameri-

cana Dance Theater's annual

stint, which this year marks

the company's 60th anniver-

sary. "I just think Ailey is one of the best dance

companies to ever exist and what they do is so

beautiful," she said.

On the theatrical front, Ms. Bioh is looking

forward to the world premiere of Donja R. Love's

two-character play "Fireflies" at the Atlantic Thea-

ter Company. Mr. Love is "a new and fresh

voice" and "someone who infuses a lot of poetry

into his plays," she said.

As the weather turns more brisk, Ms. Bioh

likes to head to the West Village location of

Quality Eats, the creative-minded steakhouse, for

some hearty fare. Her favorite menu items in-

clude the grilled bacon appetizer.



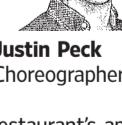
Chris Thile

Musician

Despite how much time Mr. Thile spends on the road—or perhaps because of it—the season is all about enjoying his Brooklyn neighborhood, Carroll Gardens. That means walking the streets with his young son. It also means sitting on his

back porch and "drinking a bunch of red wine," he said. Mr. Thile is partial to Crush Wine & Spirits, in East Midtown Manhattan, for its selection. He also likes the helpful staff. "It's not just hipsters pushing wine that tastes like pickle juice," he said.

Mr. Thile enjoys getting out to hear music, too. He hopes to catch some artists during their longstanding weekly gigs. He is especially looking forward to seeing guitarist/singer (and occasional collaborator) Michael Daves at one of his regular Rockwood Music Hall performances on Tuesday nights. "He's steeped in the bluegrass tradition, but he's got this ragtag rockabilly thing going on, too," he said.



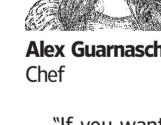
Justin Peck

Choreographer

Mr. Peck has one priority come fall: pizza. Specifically, the pizza at Una Pizza Napoletana, Anthony Mangieri's restaurant that opened on the Lower East Side a few months ago. "It's very simple with very authentic ingredients," he said of the restaurant's approach.

Not that Mr. Peck isn't thinking about culture as well. He has plans to see Aaron Sorkin's adaptation of "To Kill a Mockingbird" on Broadway. "It has an interesting and really top-notch creative team and obviously it's a very important piece of literature," he said. He has a connection to the production, too, in that he has worked with Ann Roth and Jennifer Tipton, its respective costume and lighting designers.

Mr. Peck also plans to visit Forest Hills Stadium on Sept. 30 to catch the National, the Grammy Award-winning alternative rock band that he has collaborated with.



Alex Guarnaschelli

Chef

For Ms. Guarnaschelli, it is just not fall without a trip to Bear Mountain State Park in Rockland County. She brings along some friends and a deli lunch—Sarge's in East Midtown is a favorite for to-go orders—and simply takes in the scenery.

"If you want full-on fall foliage, you just got to go to a place like that," she said.

Ms. Guarnaschelli also plans to get to chef Harold Moore's fairly new West Village restaurant, Bistro Pierre Lapin. "He's a really good old-school, stand-at-the-stove chef," she said, adding that he offers "French cooking the way you want it to be."

She also plans to visit the Whitney Museum of American Art for its "Andy Warhol—From A to B and Back Again" exhibit.

"I've been a passionate follower of Warhol for many years. I think it's going to be tremendous," she said.

GREATER NEW YORK

CLASSICAL MUSIC | By Charles Passy

Fresh Faces on the Podiums

The Metropolitan Opera and the New York Philharmonic are welcoming new music directors

At the opera, Yannick Nézet-Séguin takes over the top post, two years ahead of when the company originally planned. At the philharmonic, Jaap van Zweden assumes the leading role, as scheduled. So, how do these conductors match up, musically and personally? To find out, we gathered some key facts.



Yannick		Jaap	
43	Age	57	
Montréal	Hometown	Amsterdam	
Has a longtime partner, Pierre Tourville, a violist; no children	Family life	Married to Aaltje, an artist; the couple has four children, all in their 20s and 30s	
Music director of the Philadelphia Orchestra and Orchestre Métropolitain (Montréal)	Other current conducting appointments	Music director of the Hong Kong Philharmonic	
Piano	Instrument he plays	Violin	
Wears his grandfather's ring at every performance	Concert superstitions	Counts his footsteps before he goes on stage	
Brahms and Verdi	Favorite composer	"The one I'm working on at the moment."	
Named artistic director of Orchestre Métropolitain at age 25	Early career breakthrough	Became concertmaster of Amsterdam's Royal Concertgebouw Orchestra at age 19	
Yes—one of a turtle holding a baton	Any tattoos?	No	
The late Italian conductor Carlo Maria Giulini	A key musical mentor	His father, Daniel, a pianist	
Jogging and weight training	How he stays in shape	Biking	
Doesn't have a driver's license	Something audiences may not know	Established a foundation with his wife to support families of children with autism	

Performances Waiting in the Wings



San Francisco Symphony in an all-Stravinsky program, Michael Tilson Thomas, conductor, Oct. 4, Carnegie Hall.

Mr. Tilson Thomas is spotlighted throughout the 2018-19 season in a Carnegie "Perspectives" series that offers his special takes on the musical world.

In this program, Mr. Tilson Thomas celebrates Stravinsky, a composer he came to know personally decades ago. The concert includes "Le Sacre du printemps" and music from the ballet "Pétrouchka."

Hungarian State Opera: Oct. 30-Nov. 3, Lincoln Center's David H. Koch Theater. The European company, whose history goes back to 1884, makes its first visit to the U.S., offering four different operas. Among them: Béla Bartók's "Bluebeard's Castle," which the troupe premiered a century ago.

After the company concludes its run, the Hungarian State Opera Orchestra will perform at Carnegie on Nov. 5 and the **Hungarian National Ballet** will be at Lincoln Center on Nov. 6-11.

Philip Glass's "Satyagraha": Oct. 31-Nov. 4, Brooklyn Academy of Music. Mr. Glass's landmark 1979 opera, which looks at the life of Mahatma Gandhi, is revived in a production created by two Swedish companies, Cirkus Cirkör and Folkoperan. This marks the production's U.S. premiere.

Aleksandr Solzhenitsyn at 100: Nov. 19, 92nd Street Y.

The Russian writer is honored on the centennial of his birth in an unusual way. Pianist Ignat Solzhenitsyn, the author's son, performs music mentioned in his father's work. There will be readings as well.

—Charles Passy

GARY HOVLAND

PAUL MAROTTI/GETTY IMAGES



Quarterback Joe Namath hugged his dad after the New York Jets won the 1969 Super Bowl.

BOOKS | By Maya Sweedler

Namath Tome Marks Win

Memoir kicks off celebration of Jets' Super Bowl III victory

When the New York Jets of the upstart American Football League upset the National Football League's Baltimore Colts in Super Bowl III in 1969, a generation of Jets fans celebrated and the NFL's trajectory was indelibly altered.

As the 50th anniversary of the storied game draws near, members of the Jets have huddled up to share their memories in two upcoming books.

One from Joe Namath, the quarterback of the Super Bowl-winning team, and another from a Jets fan, who persuaded three dozen additional players to share their stories, celebrate a victory that is widely considered one of the biggest upsets in American sports history.

"There's a lot of things I've enjoyed revisiting, certainly. My life has been influenced so much by the one championship game," Mr. Namath, 75 years old, said in an interview. "It's been such an instrument of opportunity for me."

His memoir, titled "All the Way: My Life in Four Quarters" (Little, Brown, Nov. 27),

interweaves stories about his life with a quarter-by-quarter narration of the game. He delves into his childhood in western Pennsylvania, his relationship with his college coach, Bear Bryant, and his post-football career as an actor and father.

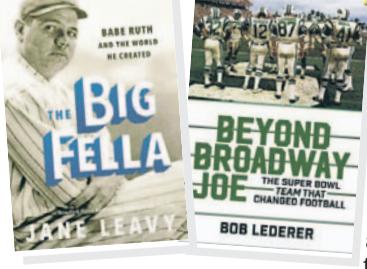
Mr. Namath said he doesn't re-watch Super Bowl III often, and was less than impressed with his on-field

Mr. Namath's memoir is complemented by Bob Lederer's "Beyond Broadway Joe: The Super Bowl Team That Changed Football" (Dey Street Books, Sept. 11), which draws on interviews with more than three dozen of Mr. Namath's teammates, in addition to their families and former opponents, to flesh out the squad and the Super Bowl.

"We'd all heard Namath's story a thousand times. But there are so many stories out there that haven't been told," said Mr. Lederer, a lifelong Jets fan raised in Queens.

Mr. Lederer, 66, bookends his player portraits with a history of the New York Jets organization and an explanation of how the team's Super Bowl win legitimized the AFL.

For the sports fans who aren't interested in football, Jane Leavy's latest offers an alternative. Ms. Leavy, author of best-selling biographies of Sandy Koufax and Mickey Mantle, turns her attention to another New York Yankees legend in her coming book, "The Big Fella: Babe Ruth and the World He Created" (Harper, Oct. 16).



performance during a recent viewing. In the book, Mr. Namath doesn't shy away from the physical and emotional setbacks he has experienced on and off the field.

"I hope readers can relate to what I went through," said Mr. Namath, who in 1969 wrote an instant autobiography called "I Can't Wait Until Tomorrow...Cause I Get Better Looking Every Day."

JEWELS

SEPT 18-25

SIX PERFORMANCES ONLY

PHOTO © ANTONIO SANTOS

SEATS \$35 | nycballet.com 212-496-0600

NEW YORK CITY BALLET

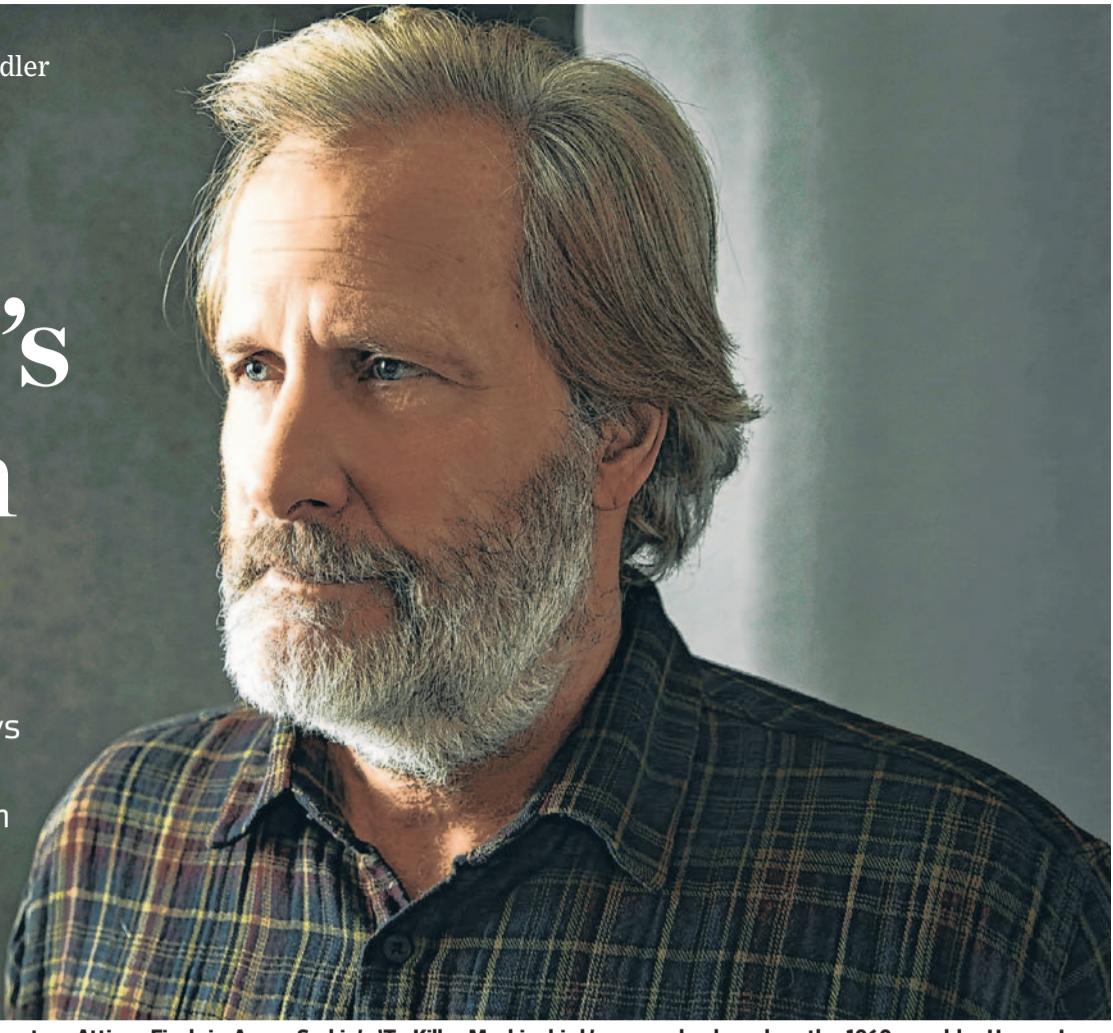
TRAVELERS GLOBAL SPONSOR

GREATER NEW YORK

INTERVIEW | By Maya Sweedler

Jeff Daniels's Dream Part

The 63-year-old actor says he never wanted to do Hamlet, but Atticus Finch is 'role of a lifetime'



MAARTEN DE BOER/CONTOUR BY GETTY IMAGES

Jeff Daniels is set to return to Broadway and portray Atticus Finch in Aaron Sorkin's 'To Kill a Mockingbird,' a new play based on the 1960 novel by Harper Lee.

Don't ask Jeff Daniels to bet against Aaron Sorkin.

The actor, musician and playwright is set to return to Broadway in Mr. Sorkin's "To Kill a Mockingbird," a new play based on the 1960 novel by Harper Lee. Mr. Daniels, 63 years old, will portray Atticus Finch, one of the most recognizable and revered characters in American literature.

In the three years since Mr. Sorkin asked Mr. Daniels to take on the role, Mr. Daniels has seen nearly two dozen drafts of the script, one legal challenge from Ms. Lee's estate and skepticism from critics that the beloved novel isn't suited for the stage.

But Mr. Daniels said he didn't hesitate to sign onto the production.

"You go back to, well, what are the roles you've always wanted to play and wish you could, and I never had an answer for that. I never wanted to do Hamlet or King Lear, I just don't have the experience with Shakespeare," he said last month. "But when Aaron said, would you like to play Atticus, I had a feeling it

might be the role of a lifetime."

"To Kill a Mockingbird" reunites Mr. Sorkin with Mr. Daniels, a Broadway veteran whose most recent turn on stage resulted in a Tony nomination for best actor in 2016 for his role as a tortured sex offender in "Blackbird." The pair previously worked together on the television series "The Newsroom" (2012-14), for which Mr. Daniels won an Emmy Award, and the 2015 biopic "Steve Jobs."

It was during a Screen Actors Guild screening of "Steve Jobs" in December 2015, Mr. Daniels said, that Mr. Sorkin approached him to let him know he was adapting "To Kill a Mockingbird" and to ask if he would like to play Atticus.

Being attached to the project since the beginning afforded Mr. Daniels a unique view of Mr. Sorkin's writing process. Mr. Daniels, who came up through the Circle Repertory Company in the late '70s, compared it to watching the company's resident playwright, Lanford Wilson, continuously refine his work. He said that about half of the "Mockingbird" script's first draft remains in the most recent, 22nd version.

Mr. Daniels described the reading of the original draft as electric. "You could feel it, you could see where it was headed," he said.

"Just getting that book up on the stage was monumental. It wasn't just a first draft, it was a heavy lift."

That reading took place in November 2017, followed by workshops in January and May of this year.

In between the workshops, Ms. Lee's estate sued the show's producers, alleging the play altered characters. According to the complaint, Ms. Lee's estate didn't like that Atticus initially was a passive observer of racism and eventually became an heroic moral crusader. The idea that Atticus is at any point comfortable with systemic racism departs from the essence of the book, they contend. The producers countersued. All parties agreed to dismiss the case in May.

Mr. Daniels, for his part, said the Atticus of the play is ultimately the same hero of the book, as he leaves his "comfortable little lawyer existence" to take a stand against racial prejudice. Atticus's faith in the justice system and insistence on finding

the good in everyone emerge directly in the action of the play, rather than through the perspective of the book's narrator, his daughter, Scout.

Performing "To Kill a Mockingbird" live on stage creates both a challenge and an opportunity to make Ms. Lee's story more immediate and more current, Mr. Daniels said. Although he is aware the cast will have to fight past audiences' preconceptions of the book and the Oscar-winning 1962 movie adaptation, the story touches on themes relevant to a modern audience.

"It's also fascinating to see how Aaron doesn't have to change a thing," said Mr. Daniels, who spent time studying the Jim Crow South to prepare for the role. "All of a sudden, you hear Charlottesville, all of the sudden you hear...what's going on in the news every single day with Trump."

Still, the production will emphasize the original setting. "We don't want you to sit there with a copy of the book and follow along," he said. "We want you to feel what that was in '35 Alabama, we want you to hear it and see it and feel it."

New Productions on Broadway and Beyond

"Collective Rage: A Play in 5 Betties": Jen Silverman's comedy looks at five very different women named Betty. Cast includes Dana Delany and Lea DeLaria. Opening Sept. 12, MCC Theater (off-Broadway).

"Girl from the North Country": Created by Tony Award nominee Conor McPherson, this musical takes the songbook of Bob Dylan to tell the story of a Minnesota community in the 1930s. Opening Oct. 1, Public Theater (off-Broadway).

"The Ferryman": Jez Butterworth's play, set in rural Ireland in 1981, was the talk of London's West End last season. Opening Oct. 21, Bernard B. Jacobs Theatre (Broadway).

"Waiting for Godot": Productions of the Irish-born playwright Samuel Beckett's classic, comically tinged existentialist work aren't so rare in New York. But this one comes with a certain stamp of authenticity: Ireland's own Druid Theatre is presenting it. Nov. 3-10, Lincoln Center's White Light Festival.

"King Kong": The big ape makes his way to the big stage in this musical version. The show's website bills the affair as "an innovative mix of animatronics, puppetry, music and stagecraft." Opening Nov. 8, Broadway Theatre (Broadway).

"The Cher Show": It wouldn't be a Broadway season without a bio-musical. Now, pop diva and Oscar winner Cher gets the theatrical treatment. And Bob Mackie, long associated with the fashion icon, designed the costumes. Opening Dec. 3, Neil Simon Theatre (Broadway). *Note: All productions have a preview period.*

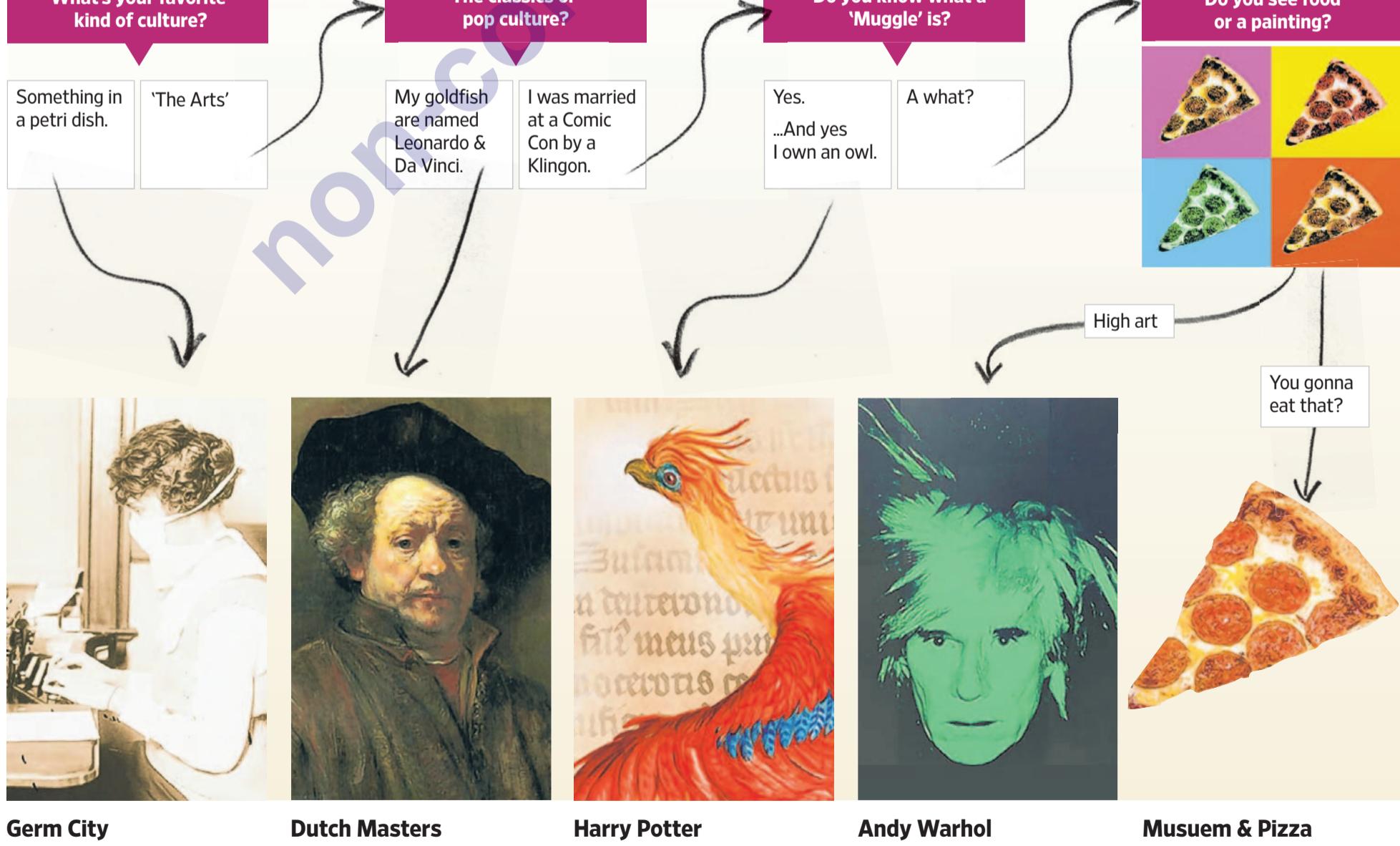


Bob Dylan

ASSOCIATED PRESS

Museum Matchmaker

Don't know which exhibit to visit this fall? Use the flowchart to find your perfect match.



Germ City

Museum of the City of New York
Sept. 14 to April 28, 2019

Billed as a 'fascinating look at New York City's battle against infectious disease,' this exhibition examines the social effects of disease and features historical artifacts alongside contemporary artworks.

Photos: The Metropolitan Museum of Art (Rembrandt); The Andy Warhol Foundation for the Visual Arts, Inc./Artists Rights Society (Warhol); U.S. National Archives and Records Administration (Germ); Bloomsbury Publishing (Harry Potter); iStock (Pizza)

Dutch Masters

Metropolitan Museum of Art
Oct. 16 to Oct. 1, 2020

The Met will feature its collection of paintings from the Dutch Golden Age, including works by Rembrandt and Lairesse. The exhibition is designed to orient visitors to key issues in 17th-century Dutch culture.

Harry Potter

New-York Historical Society
Oct. 5 to Jan. 27, 2019

This exhibition expands on the world created by J.K. Rowling by showcasing rare books, manuscripts and magical objects from the collections of the British Library and New-York Historical Society. Visitors will also get a look at original Harry Potter manuscripts and illustrations.

Andy Warhol

Whitney Museum of American Art
Nov. 12 to March 21, 2019

The Whitney is taking a new look at the iconic works of Warhol, diving into the complexities of the artist's career in the hopes of introducing 'a Warhol for the 21st century.' The exhibit features more than 350 works of art, many assembled together for the first time.

Museum & Pizza

Museum of Pizza
Oct. 13-28

Not quite your traditional museum, this pop-up experience touts itself as a 'space to bask in multi-sensory, psychedelic pizza joy.' Exhibits will range from a pizza fun house to a pizza beach, plus an interactive history of pizza.

FROM PAGE ONE

Get Ready For Gen Z Workers

Continued from Page One
ened by economic and social turbulence.

Gen Z totals about 67 million, including those born roughly beginning in 1997 up until a few years ago. Its members are more eager to get rich than the past three generations but are less interested in owning their own businesses, according to surveys. As teenagers many postponed risk-taking rites of passage such as sex, drinking and getting driver's licenses. Now they are eschewing student debt, having seen prior generations drive it to records, and trying to forge careers that can withstand economic crisis.

Early signs suggest Gen Z workers are more competitive and pragmatic, but also more anxious and reserved, than millennials, the generation of 72 million born from 1981 to 1996, according to executives, managers, generational consultants and multidecade studies of young people. Gen Zers are also the most racially diverse generation in American history: Almost half are a race other than non-Hispanic white.

With the generation of baby boomers retiring and unemployment at historic lows, Gen Z is filling immense gaps in the workforce. Employers are trying to adapt.

LinkedIn Corp. and Intuit Inc. have eased requirements that certain hires hold bachelor's degrees to reach young adults who couldn't afford college. At recruiting events, EY is raffling off computer tablets because competition for top talent is intense.



MONICA JORGES FOR THE WALL STREET JOURNAL

Social media 'had a little too much power over my self-esteem.'

Corrina Del Greco, 19



JIM MCNAULY FOR THE WALL STREET JOURNAL

'I was in no rush to get a driver's license.'

Josh Berja, 21

"They have a stronger work ethic," says Jean Twenge, a San Diego State University psychology professor whose book "iGen" analyzes the group. "They're really scared that they're not going to get the good job that everybody says they need to make it."

Just 30% of 12th-graders wanted to be self-employed in 2016, according to the Michigan survey, which has measured teen attitudes and behaviors since the mid-1970s. That is a lower rate than baby boomers, Gen X, the group born between 1965 and 1980, and most millennials when they were high-school seniors. Gen Z's name follows Gen X and Gen Y, an early moniker for the millennial one," he says.

Demographers see parallels with the Silent Generation, a parsimonious batch born between 1928 and 1945 that carried the economic scars of the Great Depression and World War II into adulthood while reaping the rewards of a booming postwar economy in the 1950s and 1960s. Gen Z is setting out in the workplace at one of the most opportune times in decades, with an unemployment rate of about 4%.

"They're more like children of the 1930s, if children of the 1930s had learned to think, learn and communicate while attached to hand-held supercomputers," says Bruce Tulgan, a management consultant at RainmakerThinking in Whitneyville, Conn.

At Ruby Tuesday, Mr. Blanchette can't find enough young adult workers to wait tables and wash dishes because Uber and Lyft siphoned them off with worker-driven scheduling. "It's a swipe one way on their phone and they're working, and a swipe the other way and they're not. It's tough to compete against that," he says.

Those who do pick Ruby Tuesday want assurances they will get health insurance and other benefits. "They're not even going to access these benefits that we offer, because they're staying on their parents plan, but they want to know it's there," Mr. Blanchette says. "They're thinking, 'What if I graduate college and I don't find a job, and I need to stay here?'"

Gen Z's attitudes about work reflect a craving for financial security. The share of college freshmen nationwide who prioritize becoming well off rose to around 82% when Gen Z began entering college a few years ago, according to the University of California, Los Angeles. That is the highest level since the school began surveying the subject in 1966. The lowest point was 36% in 1970.

The oldest Gen Zers also are more interested in making work a central part of their lives and are more willing to work overtime than most millennials, according to the University of Michigan's annual survey.

Mr. Stewart noticed that Gen Z hires behaved differently than their predecessors. When the company launched a project to support managers, millennials excitedly teamed up and worked together. Gen Z workers wanted individual recognition and extra pay. The company introduced bonuses of up to \$3,000 to encourage them to participate.

Michael Solohubovskyy was 12 when his family left Ukraine in 2012 for Snohomish County, Wash. His father, a former taxi driver, instilled in him that hard work was key to success. Reading about billionaires Bill Gates and Jeff Bezos reinforced the message.

Sacrificing sleep

After graduating from high school, Mr. Solohubovskyy, now 18, took a job at Boeing as an electrical technician. The company pays for his classes to earn an airframe and powerplant license. Once a month he also works at a Tommy Hilfiger store so he can get 50% off clothing.

"I never want to fail," says Mr. Solohubovskyy. "When you



CANCELLI FOR THE WALL STREET JOURNAL

'I felt like me personally, I didn't want to go through the pressure of school debt.'

Lana Demelo, 20

read the stories about famous people, they have to sacrifice something to achieve. I'll sacrifice my sleep."

After seeing their millennial predecessors drown in student debt, Gen Z is trying to avoid that fate. The share of freshmen who used loans to pay for college peaked in 2009 at 53% and has declined almost every year since, falling to 47% in 2016, according to the UCLA survey.

Denise Villa, chief executive of the Center for Generational Kinetics in Austin, says focus

groups show some Gen Z members are choosing less-expensive, lower-status colleges to lessen debt loads. Federal Reserve Bank of New York data show that nationwide, overall student loan balances have grown at an average annual rate of 6% in the past four years, down from a 16% annual growth rate in the previous decade.

Lana Demelo, a 20-year-old in San Jose, Calif., saw her older sister take on debt when she became the first person in their family to attend college. "I just watched her go through all those pressures and I felt like me personally, I didn't want to go through them," says Ms. Demelo. She enrolled in Year Up, a work training program that places low-income high-school graduates in internships, got hired as a project coordinator at LinkedIn and attends De Anza College in Cupertino part-time.

Gen Z is literally sober. Data from the Michigan survey and federal statistics show they were less likely to have tried alcohol, gotten their driver's licenses, had sex or gone out regularly without their parents than teens of the previous two or three generations, Ms. Twenge, the San Diego State professor, found.

Safe space

They grew up trusting adults, and Gen Z employees want managers who will step in to help them handle uncomfortable situations like conflicts with co-workers and provide granular feedback, says Mr. Tulgan, the management consultant.

When Mr. Tulgan's company surveyed thousands of Gen Z members about what mattered most to them at work, he heard repeatedly that they wanted a "safe environment." He is advis-

ing clients to create small work teams so managers have time to nurture them.

"I was in no rush to get a driver's license," says Joshua Berja, a 21-year-old San Francisco resident who waited until he turned 18 to get one. He lives with his parents to save money, runs errands for his mother and picks his father up from work.

Gen Z is reporting higher levels of anxiety and depression as teens and young adults than previous generations. About one in eight college freshmen felt depressed frequently in 2016, the highest level since UCLA began tracking it more than three decades ago.

That is one reason EY three years ago launched a program originally called "are u ok?"—now called "We Care"—a companywide mental health program.

Mr. Stewart, of College Works Painting, says he wasn't aware of any depressed employees 15 years ago but now deals frequently with workers battling mental-health issues. He says he has two workers with bipolar disorder the company wants to promote but can't "because they'll disappear for a week at a time on the down cycle."

Smartphones may be partly to blame. Much of Gen Z's socializing takes place via text messages and social-media platforms—a shift that has eroded natural interactions and allowed bullying to play out in front of wider audiences.

In the small town of Conneaut Lake, Pa., Corrina Del Greco and her friends joined Snapchat and Instagram in middle school. Ms. Del Greco, 19, checked them every hour and fended off requests for prurient photos from boys. She shut down her social-media accounts after deciding they "had a little too much power over my self-esteem," she said.

That has helped her focus on studying at Embry-Riddle Aeronautical University in Daytona Beach, Fla., to become a software engineer, a career she sees as recession-proof. When the last downturn hit, she remembers cutting back on gas and eating out because her parents' music-lesson business softened.

The flip side of being digital natives is that Gen Z is even more adept with technology than millennials. Natasha Stough, Americas campus recruiting director at EY in Chicago, was wowed by a young hire who created a bot to answer questions on the company's Facebook careers page.

To lure more Gen Z workers, EY rolled out video technology that allows job candidates to record answers to interview questions.

Getting employees comfortable with face-to-face interactions takes work, Ms. Stough says. "We do have to coach our interns. If you're sitting five seats away from the client and they're around the corner, go talk to them."

Intense competition for Silicon Valley talent prompted Intuit to change its recruiting practices. The Mountain View, Calif., financial software maker began responding to all 4,500 young adults who apply for internships and first jobs annually. Not responding could hurt the company's brand because tech-savvy young adults have the power to influence peers, says Nick Mailey, Intuit's vice president of talent acquisition.

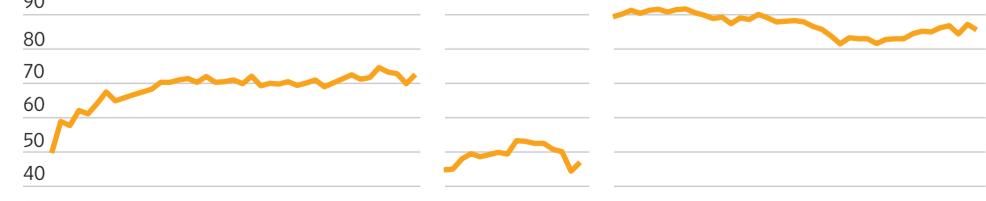
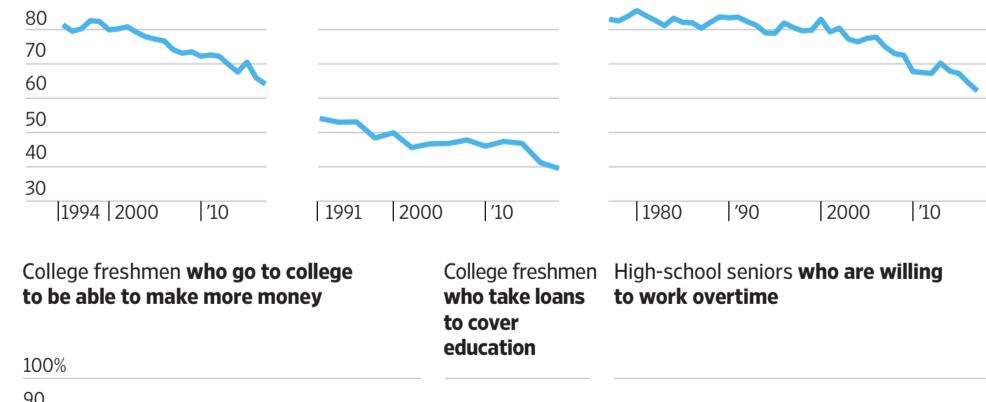
Intuit moved job postings to Slack, a messaging platform, so workers who pay less attention to email don't overlook opportunities inside the company. "They will gain a skill and move onto the next thing," Mr. Mailey says. "You're seeing more attraction."

LinkedIn, which used to recruit from about a dozen colleges, broadened its efforts to include hundreds of schools and computer coding boot camps to capture a diverse applicant pool.

"We don't care where they went to school or frankly if they went to school," says Brendan Browne, the company's vice president of global talent acquisition. "We'll take talent and build them from scratch."

Mr. McKeon, the Ohio student, sees a silver lining growing up during tumultuous times. He used money from his grandfather and jobs at McDonald's and a house painting company to build a stock portfolio now worth about \$5,000. He took school more seriously knowing that "the world's gotten a lot more competitive."

"With any hardship that people endure in life, they either get stronger or it paralyzes them," Mr. McKeon says. "These hardships have offered a great opportunity for us to get stronger."



Sources: Monitoring the Future survey, high-school seniors (alcohol, driver's license and overtime); UCLA freshman survey, college freshmen (make money, take loans); High School Youth Risk Behavior Survey, all high school (sex)

THE WALL STREET JOURNAL

LIFE & ARTS

FILM REVIEW | By Joe Morgenstern

At Telluride, Peak Experiences on Screen

Telluride, Colo.
AS ALWAYS, the Telluride Film Festival signaled the arrival of spring. Not calendar spring, since the festival unfolds, unreels and unspools at high altitude in the Rocky Mountains every Labor Day weekend, but movie spring, a renewal of the medium's promise after a fallow summer. And how was the 45th edition? Hard to generalize about dozens of films, of which I saw a mere dozen and a half. But three of those were magnificent, one was powerful and several were memorable for various reasons, so that's a success by any measure.

The three triumphs were Alfonso Cuarón's "Roma," a loving tribute to the dominant figure of his childhood, a domestic servant, and one of the most beautiful films I've ever seen (high-altitude language, but it's true); Paweł Pawlikowski's "Cold War," a passionate love story (yes, there's a recurrent theme here) that plays out, with musical accompaniment and political resonance, across three decades in postwar Europe; and Hirokazu Kore-eda's "Shoplifters," a compact masterpiece about a scruffy family that isn't what it seems, and love that's the real thing. More about them later, but I'll note for now that the first two were shot in black-and-white so radiant or evocative that you may think you're watching some sort of super-color; and that both are being distributed by new-media titans: Netflix has "Roma," Amazon Studios has "Cold War." Thus does the new guard take on the old, while blurring the line between theatrical and home-screenable. (Be sure to see these films in a theater before they're poured into the Big Screen.)

Deciding which films to see at Telluride is an annual dilemma, given the festival's devotion to cinema history or obscure gems, and how tempting it can be to preview mainstream features before their commercial release. An unusually lustrous—though admittedly esoteric—gem was Eric Friedler's "It Must Schwing! The Blue Note Story." This documentary, enhanced by haunting animation, celebrates the seminal jazz label Blue Note Records and its founders, Alfred Lion and Francis Wolff. As young Jewish refugees from Nazi Germany, they identified with black American jazz



Yalitza Aparicio is Cleo and Marco Graf is Pepe in Alfonso Cuarón's 'Roma,' one of the movies shown at the 45th Telluride Film Festival.

FROM TOP: CARLOS SOMONTE/NETFLIX; MAGNOLIA PICTURES; UNIVERSAL STUDIOS

players living in a segregated society, and they created a company that honored the musicians' art.

Red meat for cinephiles was served in "The Other Side of the Wind," a florid parody of a newly emergent Hollywood that Orson Welles shot between 1970 and 1975, plus two documentaries about the production's genesis. Welles, who died in 1985, never finished editing his

The Telluride Film Festival revealed fresh cinematic energy and passion

to the history of America's space exploration through the story of Neil Armstrong (Ryan Gosling), the first man to set foot on the moon. The grand adventure started for narrow reasons—a race with the Soviet Union—and the film has been narrowly criticized for not showing an American flag being planted on the lunar surface, as if it were somehow essential to a mission that represented a triumph for our species. Unlike "The Right Stuff," with its joyous swagger, "First Man" focuses on costs and losses—the famously private Armstrong was devastated by the death of his 2-year-old daughter, Karen, from a brain tumor—but it's thrilling in its depictions of space flight, and the climactic landing on a black-and-white moonscape.

Fine performances and skillful direction were in generous supply. Olivia Colman is simply dazzling as a fragile, volatile and sometimes dotty Queen Anne in "The Favourite," a zestful period piece directed by Yorgos Lanthimos. Oleg Ivchenko, a Ukrainian dancer in his acting debut, is persuasive in "The White Crow," a strong drama, directed by Ralph Fiennes, about the young Soviet ballet star Rudolf Nureyev and his sensational defection to the West at the height of the Cold War. Nicole Kidman brings her virtuosity to bear in "Boy Erased," which co-stars and was directed by Joel Edgerton; she's the mother of a gay young man, played affectionately by Lucas Hedges, who is forced to undergo the science-free lunacy of so-called conversion therapy.

At least four of the films in this year's festival turned on the same archetype—a gifted, ambitious and rigidly repressed male.

In "First Man" it's the hero, whose repression becomes anguishing in a goodbye scene with his two young sons. In "Free Solo," a brilliant documentary opening nationally at the end of this month, it's the rock climber Alex Honnold; he achieved the all-but-un-

thinkable when he climbed El Capitan, the 3,000-foot Yosemite cliff, without climbing equipment. In Jason Reitman's "The Front Runner," it's Gary Hart (Hugh Jackman), the Colorado senator whose 1988 bid for the presidency was destroyed by his marital infidelity and a scandal-hungry press corps that brought it to light. (The film functions as the polar opposite of such journalists-as-heroes sagas as "All the President's Men" or "Spotlight.") In "Watergate—Or, How We Learned to Stop an Out-of-Control President," a remarkable 260-minute documentary by Charles

Ferguson, it is, of course, Richard Nixon, the prime exemplar, at least until now, of public servants who can break our hearts, or our institutions, because they lack access to the stirrings of their own hearts.

Mr. Ferguson's film is itself a worthy exemplar of the long-form or serial format that's increasingly popular, in streaming dramas as well as documentaries; it goes on for more than four hours because it needs that much time to make its cumulative case. Still, the best of the festival's feature films demonstrated the enduring power of concision and compression. "Cold War" distills

decades of history and oceans of love into 85 minutes. "Shoplifters" takes two minutes more than two hours to weave a Japanese tapestry of Dickensian complexity. Mr. Cuarón's glorious "Roma"—the title comes from the prosperous Mexico City neighborhood in which he was raised—memorializes the indigenous maid who served him and his family as a human comfort zone, but, exploding with life, it also takes in Mexican politics and the plight of the nation's poor. Movies may have lost their place at the center of pop culture, but nothing can touch them at their magical best.



Lily Franky and Jyo Kairi in 'Shoplifters,' directed by Hirokazu Kore-eda, above; Lukas Haas, Ryan Gosling and Corey Stoll in 'First Man,' directed by Damien Chazelle, below



The World Turned Upside Down

The Financial Crisis: 10 Years Later

The 2008 financial crisis upended everything from the economy and markets to homeownership and politics. This Saturday's Exchange section—in a series of stories, graphics and essays—will tell the story of how the crisis changed our world.

Read more in the Exchange section tomorrow.

SPORTS

FOOTBALL | By Jason Gay

The NFL Is Here, Like It or Not

Will there be an all-L.A. Super Bowl? Is Tom Brady secretly 73? Answering the important questions as kickoff nears



Another NFL season is upon us, and if you remain a fan of America's most tormented sport, I want to offer advance congratulations on the 24 hours of commercials you're going to watch this season. I'm not kidding: Chris Brantner of Streaming Observer writes that the average NFL fan watches 252 minutes of games per week during the regular season, which, multiplied by .3298 (the percentage of commercial time during an NFL game) comes to 83.1 minutes of commercial viewing. Multiply that times 17—the number of weeks in the NFL regular season—and you get 23.5 hours of ads.

Twenty-three-point-five! A full day of your life, devoted to commercials, most of them for cheap beer and male performance pharmaceuticals.

And some people have to watch an entire Tampa Bay Buccaneers season on top of that.

One of those commercials, of course, will be the new spot Nike's composed for Colin Kaepernick, the exiled quarterback who does not even play in the NFL anymore. One imagines the breakout from certain loud corners of NFL ownership. The league—I'm sorry, "the Shield"—thrives on control, and here's a high-profile league partner (Nike) going rogue on opening weekend with an ad campaign featuring a player currently suing the NFL for collusion.

Roger! It's _____. My Gulfstream pilot just told me about the ad. How did this happen?

It's pretty funny. Maybe NFL will be wearing Vineyard Vines next fall.

But I digress. Let's step out of the owner aircraft and get to the NFL action on the field, all 11 minutes per game of it. I'm pretty excited, to tell you the truth. Philly fans want a championship repeat, but there are fresh powerhouses (the Los Angeles Rams), some impressive entry-level talent (the Jets start rookie quarterback Sam Darnold in Week 1) and even the Cleveland Browns fans are feeling frisky. You may have read that there's a rush of bets in Las Vegas for the Browns to win the Super Bowl, which can mean only one of two things: 1) the apocalypse is here, and it's time to go into the shelter with the canned corn, or 2) humans actually think the Browns are going to be good, which I guess is the same thing as the apocalypse.



New England quarterback Tom Brady is making noise again about playing until age 45. With Brady in place, the Patriots are the favorites to win the Super Bowl.

Pass me the canned corn! Let's get to pressing questions for NFL 2018:

Is there really going to be a Super Bowl featuring two Los Angeles teams?

Look, nobody wants to read a prediction of a Patriots-Eagles rematch. Boring!

A far spicier pick is something like the Rams vs. Chargers, two teams relocated to L.A. and still not playing in their own stadiums (the Rams play in the Memorial Coliseum, the Chargers play in a lost shopping cart from Ralph's Supermarket). I get the fuss over the Rams—they finished 11-5 last year and loaded up this off-season with new talent like Ndamukong Suh and Aqib Talib—but the Chargers are constitutionally incapable of going a full season without stepping on a rake. I'm OK if you want to pencil in one L.A. team for SB LIII, but not two. Plus, it bugs the nice people of San Diego.

Tom Brady just turned 73. Is he still capable of playing at a high level?

OK: New England's Ponce de Leon is just 41. But he's making noise again about playing until 45. I am fine with this ambition. If Keith Richards and Mick Jagger can play rock 'n' roll into their 300s, I see no reason Brady needs to retire. Except it isn't really his decision. Said it before, but you don't retire from football. Football retires you.

Is former Brady apprentice Jimmy Garoppolo, now with the Niners, the next big league star?

San Francisco certainly hopes so, since they're investing in him like he's a Silicon Valley unicorn. Garoppolo has a short résumé, but it's an impressive one, and we all know he was whittled from Nantucket driftwood by the Grumpy Lobster Boat Captain himself, Bill Belichick.

Overall, the Niners appear to be a far stabler (see what I did there) Bay Area outfit than the Raiders, who have a new coach in Unfrozen 90s Jon Gruden, and are spending what could be their last pre-Vegas season collecting players old enough to remember rotary

phones. I actually think Brady may be too young to play for the Gruden Raiders. Wait until he's 46.

What's the best story of the season?

Easy. Shaquem Griffin, who became a college football star despite having been born without a fully developed left hand—it was amputated when he was a child—starts Sunday for the Seattle Seahawks. Awesome.

Is it bizarre in New York, with all the optimistic Jets fans walking around?

Yes. The Jets appear to have a keeper in Darnold, seem to be under steady management, and fan expectations are optimistic but reasonable. It's like walking out to the living room and finding your dog playing the piano.

Has the Super Bowl halftime act been announced yet?

No. My bet is on Deep Purple. Or Paul Anka. Truthfully, the Super Bowl's in Atlanta, home to the most dynamic scene in hip-hop. If it isn't an Atlanta hip-hop spectacular, the NFL should just close down and be-

come a frozen yogurt shop.

(I bet they go with Anka.)

Can't you just watch Red Zone to avoid all those commercials?

Yes, technically you can, as Streaming Observer noted. But I've always felt there's something unnatural/cheating about Red Zone—watching only the important moments in football games, it's like you're licking the frosting off the tops of cupcakes. You're supposed to eat the whole cupcake. Including the punting.

Hey! Isn't there a SuperDuper-Punter?

Yes. The Seahawks drafted a punter named Michael Dickson, who apparently can punt it exactly where he wants it, which must mean he's an All-Pro, or a witch.

Are the Browns really going to win the Super Bowl?

Sure. Why not? It certainly feels like the apocalypse is coming. Have you been reading the news lately? I'm in the basement already. Have some canned corn.

NFL

THE RISE OF THE MEDIOCRE QB

BY ANDREW BEATON

The finish to the last NFL season was unquestionably weird. It ended with something good happening for the sports fans of Philadelphia—a Super Bowl title.

Yet there was something even odder than that: Most of the quarterbacks still playing at the end of the season were the ones judged mediocre by the smartest people in the NFL. The Eagles' Nick Foles and Minnesota's Case Keenum were meant to be backups. Jaguars fans probably would've been happier at the start of the season if Blake Bortles were a backup.

This is the opposite of how the NFL is supposed to work. Quarterbacks are the most valuable players and having a good one determines if your team wins like the Patriots or flounders like the Browns. The burden on this one player has grown in an era when offenses are passing so much.

But as teams pass more, their quarterbacks are getting rid of the ball faster and throwing shorter. It matters less if the guy throwing the ball has a howitzer attached to his torso. Quarterbacks have become less important because they became more important.

"You don't have to have the most ridiculous arm in the world to be successful," said former NFL quarterback Greg McElroy. "You just have to know your limitation."

Three decades ago, the game was still rooted in the fundamental philosophies that had existed since the invention of the forward pass. Short gains were achieved by running the ball. Big gains came through the air, and completion percentages were lower.

Then, in 1982, Bengals quarterback Ken Anderson completed a re-

cord 70.6% of his passes. The number was made even more impressive by the fact that the leaguewide completion percentage was just 56.4%. It was an extreme outlier.

The record stood until 2009, when Drew Brees reached 70.6%. The Saints quarterback did it throwing about 66% more passes than Anderson did in 1982.

Brees quickly broke his own mark in 2011. Then the Vikings' Sam Bradford topped that in 2016. Brees, at 72%, reclaimed the record a year ago.

8.2

Average number of yards passes traveled through the air, since 2015.

Reaching rates like that used to be "unheard of," said Brian Griese, the ESPN analyst who in 2004 had one of the highest completion percentages ever at 69.3%. "Nowadays, there's a handful in that range every year."

That this once seemingly unreachable plateau has become routinely reachable has less to do with Brees and Bradford than with how much the game has changed. Anderson's 218 completions topped the NFL in 1982. That would have ranked 27th in 2017—right between DeShone Kizer and Trevor Siemian.

The explosion of passing plays in recent years didn't come without ramifications. Defenses learned it was increasingly important to pressure the quarterback. That meant quarterbacks had to start getting rid of it quicker.

The combination of increased

volume and decreased time led to something logical. Quarterbacks began throwing the ball shorter. While old-school fans lamented the diminished importance of the running game, it didn't functionally disappear. The high-probability short gains previously accomplished on the ground were simply substituted by high-probability short gains through the air.

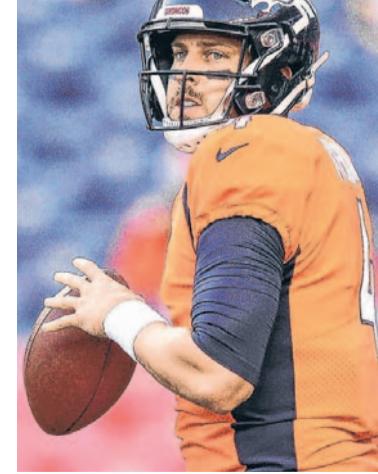
Passes traveled an average of 9.6 yards through the air in 1992, according to Stats LLC. That number last reached 9.0 in 2004. Since then, it has dropped and reached an equilibrium with an all-time low of 7.9 air yards in 2013 and 2014 and 8.2 in each of the three years since.

But the biggest effect wasn't on the quarterbacks who could be great in any scheme in any era like Brees and Aaron Rodgers. Now coaches and offensive coordinators who aren't blessed with an all-time great have figured out that these trends can help them make lesser talents into Super Bowl winners.

When Carson Wentz went down for the Eagles last year, they lost an MVP contender who was also one of the few remaining gunslingers in the NFL, routinely tossed the ball deep down the field.

But the Eagles didn't lose much by subbing in Foles. Philadelphia has been a team that fully embraced the run-pass option scheme from the college game, which favors shorter passes. Foles was named Super Bowl MVP.

Case Keenum has something in common with Foles. They were both cast off by a then-crummy team, the Rams. Before last season, the Vikings brought in Keenum in a move that functionally amounted to insurance, with Bradford entrenched as the starter. Then Bradford got hurt and the Vikings didn't



Clockwise from top, Super Bowl LII MVP Nick Foles (Philadelphia Eagles), Blake Bortles (Jacksonville Jaguars) and Case Keenum (Denver Broncos).

miss a beat. Keenum thrived, throwing some of the shortest passes in the NFL with an exceptionally high completion rate, 67.6%, for a team he nearly took to the Super Bowl.

This off-season, the Vikings splurged for Kirk Cousins but Keenum still found his validation in

the free-agent market.

Keenum received a two-year, \$36 million contract to play for the Denver Broncos from someone who happens to know a little bit about being a signal caller. The Broncos' general manager is one of the best-ever to play quarterback: Hall of Famer John Elway.

OPINION

Tea-Party Turnabout



POTOMAC WATCH
By Kimberley A. Strassel

Christmas Eve 2009. For six long weeks Republicans had fought a losing battle to stop ObamaCare. The Senate GOP leadership finally succumbed to the inevitable, allowing the bill to pass. The tea party—new, angry, undisciplined—slammed Republicans as sellouts. It would spend the next few years on a purity drive, nominating unelectable Delaware non-witches and demanding Republicans engage in grand if futile efforts.

More than a few political commentators are watching Judge Brett Kavanaugh's Supreme Court nomination hearings and wondering just what stealthy strategy is driving the Democratic circus. Hint: What's driving the party isn't strategy at all. It's a lobby. And one we've seen before.

Tea party. Resistance. Call it what you will. The 2008 election of Barack Obama stoked a conservative fury against a directionless GOP. The tea-party movement in time would become more organized and strategic, and from the start it played an important role in conservative politics. But even its founders privately concede that its initial focus on intra-party cleansing and the "fight" did harm.

The 2016 election of Donald Trump has now stoked a progressive rebellion, and elected Democrats are feeling its heat. This is how to explain the the-

atrics of the Senate Judiciary Committee's Democratic collective this week. Everyone down to Sen. Cory Booker's mailman knows Judge Kavanaugh will be confirmed. The only purpose of the obstruction is catering to a resistance that wants a "fight"—even though it will prove futile and potentially damaging to the Democratic Party.

And so we watched Judiciary Democrats repeatedly interrupt Chairman Chuck Grassley with procedural complaints. Democrats accused Judge Kavanaugh of condoning school shootings, torture, toxic air, racism, sexism, presidential dictatorships. A would-be President Booker released confidential committee documents, daring his GOP colleagues to expel him: "Bring it on." A would-be President Kamala Harris descended to the judge, treating him like a criminal in the dock. A would-be President Elizabeth Warren, feeling left out because she isn't on the committee, showed up for pictures outside the hearing room.

All thrilling to the resistance—and all harmful to its cause. To "resist" President Trump effectively, the left would need to take the Senate, and that requires holding almost all of the 10 Democratic seats in Trump states. Voting against Judge Kavanaugh could easily prove deadly to the likes of North Dakota's Heidi Heitkamp, Missouri's Claire McCaskill or West Virginia's Joe Manchin. Up to now, Minority Leader Chuck Schumer has wisely given them a pass. But

the resistance and its handmaids on the committee aren't having it. They have effectively used the hearings to create a litmus test.

Leading progressive groups delivered a scathing letter to Mr. Schumer Wednesday, declaring that "anything less than 49 Democratic votes against Kavanaugh"—i.e., every Democrat in the Senate—"would be a massive failure of

The Democrats find themselves facing the same threat as did the Republicans in 2010.

your leadership." Remember when one-time tea-party Sen. Jim DeMint said he'd "Rather have 30 Marco Rubios in the Senate than 60 Arlen Specters"? He got his wish (though Specter became a Democrat), and Republicans stayed in the Senate minority for four more years. Maybe he's moonlighting as a Booker adviser.

The Kavanaugh histrionics also can't help the Democratic quest for the House. The biggest risk to Republicans is that their 2016 people vote Democrat or stay home. The hearings are a reminder that their vote for Mr. Trump was a vote for the Supreme Court. A recent NBC/Wall Street Journal poll asked voters to list their biggest concerns about Democratic control of Congress. The top issue (43%) was "gridlock," even higher for independents (48%). The spectacle of the Ka-

vanaugh hearings won't allay those concerns.

And while Democrats have largely resisted nominating Bernie Sanders-like candidates for crucial House seats, Republican strategists note that resistance demands have resulted in a crop of nominees that is more left-leaning than usual. They point to Amy McGrath, the Democratic pick in Kentucky's Sixth District, which Mr. Trump won by 15 points. She's a military veteran, the new go-to credential for Democrats. But she has also felt the need to shore up her resistance base with brags that she is "progressive," a "feminist," pro-choice and a big Obama supporter—statements Republican Rep. Andy Barr is hammering her with.

None of this will necessarily stop a Democratic House takeover; the tea party's excesses didn't stop Republicans in 2010. But it could hint at what a takeover could look like. Veteran staffers still wince at the GOP disarray that followed tea-party triumph—endless internal feuding, yanked legislation, leadership challenges, a shutdown. The GOP managed to stop the Obama legislative agenda, but did precious little else.

Democrats have traditionally exercised better party discipline than Republicans, though that was before Trump derangement syndrome. This week demonstrated the extent to which the resistance is driving Democrats. And it is to nowhere good—for the party, or for the country.

Write to kim@wsj.com.

Why Go to Synagogue Once a Year?

HOUSES OF WORSHIP
By Jack Wertheimer

In an episode of "Curb Your Enthusiasm," Larry David needs tickets to attend religious services on the Jewish High Holy Days. (Most synagogues require attendees to arrange for seats ahead of the Jewish New Year and Day of Atonement.) Larry fails to get them in time and resorts to buying from a scalper. He eventually learns the tickets are counterfeits and is escorted out of the sanctuary. It's clear he has zero interest in the services for which he paid an inflated price.

Like all good satire, the episode raises an interesting question. A considerable number of Jews stay away from the synagogue all year but suddenly appear on the High Holy Days. Some synagogue can see a 20-fold increase in attendance. Not only do they come, they make it a priority to have reserved seats. Why do they bother?

Some point to obvious, albeit less edifying, explanations. A nagging sense of obligation assuredly motivates some. Family members, especially parents or spouses, make clear that attendance is expected. Peer pressure to see and be seen may motivate others. And it's a great way to network.

Yet rabbis I interviewed see a more complex picture. They're not naive about the lack of interest some bring to

the proceedings. But many rabbis report most of their congregants view the High Holy Days as a time of reconnection.

First, they renew their ties to family. Millennials who normally value their independence seem to relish the opportunity to sit in the same row of the synagogue with their parents like they did as children. For older Jews whose parents may no longer be alive, the familiar melodies of the High Holy Day liturgy and the unique rituals of the services may evoke memories of childhood. A congregant explained that attending is "my way of being with my parents"—even though they are no longer living.

"People wrap themselves literally or figuratively in the prayer shawl of their forebears," another rabbi explained. The recital of a prayer on the Day of Atonement, focusing on dear ones who have departed, explicitly addresses this yearning. Not surprisingly the Yizkor, or remembrance, service is one of the best attended parts of the High Holy Day pageantry.

Reconnecting with a community of fellow congregants is an additional draw. Spending long hours together at religious services, especially during the daylong immersion in Yom Kippur prayer, rebuilds a sense of association. The unstated sentiment: We've gotten through this intense day together. We're still here and

look forward to joining again next year.

For many congregants there also is great power in lifting their voices with others in singing the familiar melodies. Many synagogues experiment with modern musical styles or set the prayers to popular contemporary secular songs. But some traditional melodies aren't to be tam-

Some Jews only show up for High Holy Days. They're still getting a lot out of it.

pered with. Hearing the familiar strains of the "Kol Nidrei," the opening prayer of Yom Kippur, literally brings some to tears. When the entire congregation joins in song, congregants are swept up in something that may feel transcendent, the prayer of many hundreds of voices.

The liturgy and rabbinical commentary are designed to help Jews attend to their inner lives and leave behind daily concerns. This allows them to reflect on hopes, fears and private memories. Reconnecting with one's ultimate concerns is the hard work of the Days of Awe.

How does God fit in here? It varies by person. The liturgy focuses sharply on the majesty of a God who sits in judgment of all humanity. Jews are

called to introspection that leads to *teshuva*, or a return to a path of proper behavior.

Even the many Jews who do not relate to traditional conceptions of God act as if they do for a few brief days. "The God they don't believe in sits next to them during those days," said one rabbi.

In this skeptical age, it's not easy to relate to a personal God who cares about each human being and hears prayers. Cultural elites dismiss belief in such a God as delusional or naive. No doubt the painful arbitrariness of human suffering challenges traditional religious beliefs.

Yet the High Holy Day experiences of many Jews, including highly educated and rational ones, suggest that human beings also crave connections forged in places of prayer. Here they come closer to their innermost fears and aspirations, to a community of like-minded seekers, to the God of their ancestors, and most of all to a purpose that transcends their quotidian lives.

Perhaps that's why so many Jews who otherwise are oblivious of the Jewish religious calendar spring into action when it's time to order High Holy Day seats.

Mr. Wertheimer, a history professor at the Jewish Theological Seminary, is the author of "The New American Judaism: How Jews Practice their Religion Today," just out from Princeton University Press.

perched with. Hearing the familiar strains of the "Kol Nidrei," the opening prayer of Yom Kippur, literally brings some to tears. When the entire congregation joins in song, congregants are swept up in something that may feel transcendent, the prayer of many hundreds of voices.

The liturgy and rabbinical commentary are designed to help Jews attend to their inner lives and leave behind daily concerns. This allows them to reflect on hopes, fears and private memories. Reconnecting with one's ultimate concerns is the hard work of the Days of Awe.

How does God fit in here? It varies by person. The liturgy focuses sharply on the majesty of a God who sits in judgment of all humanity. Jews are

called to introspection that leads to *teshuva*, or a return to a path of proper behavior.

Even the many Jews who do not relate to traditional conceptions of God act as if they do for a few brief days. "The God they don't believe in sits next to them during those days," said one rabbi.

In this skeptical age, it's not easy to relate to a personal God who cares about each human being and hears prayers. Cultural elites dismiss belief in such a God as delusional or naive. No doubt the painful arbitrariness of human suffering challenges traditional religious beliefs.

Yet the High Holy Day experiences of many Jews, including highly educated and rational ones, suggest that human beings also crave connections forged in places of prayer. Here they come closer to their innermost fears and aspirations, to a community of like-minded seekers, to the God of their ancestors, and most of all to a purpose that transcends their quotidian lives.

Perhaps that's why so many Jews who otherwise are oblivious of the Jewish religious calendar spring into action when it's time to order High Holy Day seats.

Mr. Wertheimer, a history professor at the Jewish Theological Seminary, is the author of "The New American Judaism: How Jews Practice their Religion Today," just out from Princeton University Press.

called to introspection that leads to *teshuva*, or a return to a path of proper behavior.

Even the many Jews who do not relate to traditional conceptions of God act as if they do for a few brief days. "The God they don't believe in sits next to them during those days," said one rabbi.

In this skeptical age, it's not easy to relate to a personal God who cares about each human being and hears prayers. Cultural elites dismiss belief in such a God as delusional or naive. No doubt the painful arbitrariness of human suffering challenges traditional religious beliefs.

Yet the High Holy Day experiences of many Jews, including highly educated and rational ones, suggest that human beings also crave connections forged in places of prayer. Here they come closer to their innermost fears and aspirations, to a community of like-minded seekers, to the God of their ancestors, and most of all to a purpose that transcends their quotidian lives.

wish to hear, and the stores we choose to shop at. Whatever we "like" online comes back at us relentlessly, reinforcing a narrow focus.

Netflix uses complex algorithms to compute which movies and TV shows users might find interesting based on their previous selections. Its welcome screens include predictions, expressed as percentages,

BOOKSHELF | By Donna Rifkind

Coming of Age In Silicon Valley

Small Fry

By Lisa Brennan-Jobs
(Grove Press, 381 pages, \$26)

The house that Steve Jobs built had many mansions. One of them was a vast Spanish-style confection with soaring white arches. Majestic and crumbling, it sat on seven acres in the town of Woodside near Palo Alto, Calif. Inside there was an elevator, a ballroom and a church organ. Otherwise it was mostly empty. Jobs's daughter Lisa was 9 when she began to spend overnights with him there on Wednesdays in the mid-1980s while her mother went to art school in Oakland.

Both the mansion and her father, whom the little girl barely knew, were scary and awe-inspiring, filling her with "a kind of ecstatic expectation," as Lisa Brennan-Jobs writes in her memoir "Small Fry." She loved the enchantment of the place but wished the house contained more life, or at least some furniture. She was disturbed that her father acted "as if he didn't own it but was a visitor or a squatter." He was an intermittent visitor in her life as well. He had publicly denied his paternity when she was born and thereafter bestowed and withheld his attention at whim. If only, she ventured to hope, he would make a full commitment to the house. Then he might do the same with her.

Lisa Brennan-Jobs's relationship with Steve Jobs—the co-founder and chairman of Apple Inc., the consumer-electronics mega-corporation that began in a suburban garage and has now achieved a market value of \$1 trillion—was complicated, but the outlines are these: Jobs and his girlfriend, Chrisann Brennan, conceived Lisa when they were both 24 and unmarried. By the time she was born, in May 1978, they were no longer a couple. Ms. Brennan collected welfare and cleaned houses while Jobs offered no financial help until a court-ordered DNA test turned up positive and he was compelled to pay child support. Four days after he'd hurriedly agreed to make modest monthly payments, in December 1980, Apple went public and Jobs was worth more than \$200 million.

By the time Lisa was 7, she and her mother had moved 13 times in and around Palo Alto, then several times again through her middle-school years. As she grew older and Apple grew into epic profitability, Jobs made more serious attempts to act as her father, though again his interest was capricious. She went to live with him and his second family during high school. After she was accepted at Harvard, Jobs refused at one point to continue paying her college tuition. Lisa traveled many times to visit him during his prolonged illness from neuroendocrine cancer and was present when he died, at 56, in October 2011.

The drama of this Dreiseresque tale of titanic wealth and familial obligation has assumed a powerful hold on the American imagination. Versions of the story have been retailed in biographies and films and even in an opera. Chrisann Brennan has published her own memoir, while the novelist Mona Simpson, who is Jobs's sister and Lisa's aunt, wrote a fictional account.

Steve Jobs initially denied paternity of his daughter Lisa, now 40 and the author of a nuanced memoir of her bewildering childhood.

By now the features of the Jobs legend are well enough known to induce in strangers an illusion of intimacy, with an attending impulse to criticize or defend. Ms. Brennan-Jobs's memoir is a corrective to the hollowness of those presumptions. It's gratifying to see her assert her authority as the owner of her narrative. Writing with enlightened panache and dry humor, she's as keen a witness to the ambience of the Bay Area in the 1980s and 1990s—the bead shops and foggy parks, the fractured golden light, the "quenching smell" of jasmine—as she is to the behavior of the adults around her. And it's bracing to heed her reminders that no one, not even the most obsessive captain of industry, has total dominion over life's messiness; that, as she writes about herself and her father, "our story did not fit with the narrative of greatness and virtue he might have wanted for himself."

For all the emotional injury Ms. Brennan-Jobs describes in her book, there are no villains. She portrays her father as a damaged person who in turn inflicted suffering on others. "There was a thin line between civility and cruelty in him, between what did and what did not set him off," she writes. When he was not belittling her as if she were a delinquent employee, he could be spontaneously tender. "Hey, Small Fry, let's blast," Jobs would say as he arrived to take her roller skating on random weekends. "We're livin' on borrowed time." She learned to navigate around his poisonous moods and not to trust too much in his moments of grace.

Nor are there any heroes here, though there are acts of heroism. Chrisann Brennan's dedication to Lisa's care was ironclad over the years as she struggled to support them both. Mona Simpson made helpful interventions on Lisa's behalf, and Laurene Powell, who married Jobs in 1991, did what she could to include the child in her household. Lisa's longtime psychiatrist became a trustworthy father figure, as did a sympathetic neighbor. Painful though this childhood was, it was not without a stumbling kind of love. Ms. Brennan-Jobs knows this, and works to forgive. About her parents she admits that, given the opportunity, "I would choose them again."

Never having felt safe in any of her father's houses, Ms. Brennan-Jobs has built her own house in memoir form, a repository of her love and anger and mourning. It's not some shiny aspirational fantasy of belonging, like the interior of an Apple store, or "a sumptuous feast frozen solid," as she describes Jobs's Woodside mansion. It's alive in all the rough edges of its feelings, and it's home.

Ms. Rifkind is the author of a forthcoming biography of screenwriter Salka Viertel. Her father managed the Advanced Development Laboratory of Xerox PARC in El Segundo, Calif., in the 1970s.

Coming in BOOKS this weekend

When congressmen came to blows • The black market in dinosaur fossils • Shakespeare on tyrants & politicians

• A new life of Adam Smith • Jefferson Airplane's Jorma Kaukonen • Sam Sacks on new fiction • & more

By Peter Funt

I tend to order the same thing all the time at restaurants, whereas my wife samples new dishes. "I know what I like," I explain, to which she invariably replies: "Maybe if you tried something new, you'd find you enjoy it."

I started pondering the disadvantages of a limited palette—in what we eat and how we learn and think—last month, when I attended the opening of the \$50 million National Comedy Center in Jamestown, N.Y.

The museum uses interactive devices to present exhibits and artifacts pertaining to comedy through the ages. But while the tech is exciting, its core use at the center might prove antithetical to broadening awareness about comedy's diverse performers and styles.

Each visitor receives a radio frequency identification wristband programmed according to his preferences among comedians,

TV shows and movies. Signals from the band trigger displays specifically tailored to those interests. Like me at the dinner table, visitors feast on what they already know they enjoy.

Such segmentation is pervasive in our interactive, digital world. We select the news we want to read, the music we

wish to hear, and the stores we choose to shop at. Whatever we "like" online comes back at us relentlessly, reinforcing a narrow focus.

Netflix uses complex algorithms to compute which movies and TV shows users might find interesting based on their previous selections. Its welcome screens include predictions, expressed as percentages,

post on its blog.

That seems both cynical and misguided. In his 2016 book, "The Return of Curiosity," Nicholas Thomas writes that museums are rewarding for their "unexpected discoveries of pieces that may be minor in art-historical terms or otherwise supposedly of secondary interest but that appeal to you nevertheless, that enable you to know something new or that take you somewhere you have not previously been."

Unlike a Disney fantasy experience or a movie selection on Netflix, a visit to a museum should be mind-expanding. The challenge for exhibitors as they seek to attract customers is to use new technology to enhance the experience without succumbing to segmentation. Their goal should be to tell me something I don't know.

OPINION

Trump, Mrs. Wilson and That ‘Senior Official’

By Lance Morrow

It was a little less than a century ago that Woodrow Wilson suffered his disabling stroke. He was on the presidential train on a siding near Wichita, Kan., in the midst of his exhausting cross-country whistle-stop tour. He was trying to sell the League of Nations to the American people over the heads of the U.S. Senate and Henry Cabot Lodge. If Twitter had been available in 1919, Wilson might have skipped the tour, avoided the stress, and escaped the stroke.

An attempt via op-ed effectively to inflict a stroke and a twilight on the 45th president.

As the tragedy played out, Wilson was more or less confined for the rest of his second term to the twilight of his sickroom, protected from visitors except for carefully arranged audiences meant to fool Congress and the public into thinking that all was well, or anyway not so bad. For 16 months, First Lady Edith Wilson, presidential physician Cary Grayson and private secretary Joseph Tumulty in effect exercised the powers of the presidency.

It was a strange interlude. The country survived. The election of 1920 proceeded in due course, and—not that it was much improvement—brought forth the brief, corrupt presidency of Warren G. Harding.

Now a “senior official” in the Trump White House—in league with

the New York Times—has attempted, in effect, to inflict a stroke and a twilight upon the 45th president, and to declare publicly what Mrs. Wilson kept private: that the president is disabled (given to “instability” and “erratic behavior,” according to the anonymous senior official) and that, in his stead, the sane and steady ones will manage Mr. Trump and govern the world, as if in faintly reminder of George Eliot’s lines at the end of *Middlemarch*: “that things are not so ill with you and me as they might have been, is half owing to the number who lived faithfully a hidden life, and rest in unvisited tombs.”

Yond “senior official” has a lean and hungry look. He thinks too much—or perhaps he thinks too little and too smugly. The official and the Times are perhaps conjuring episodes of “Mission Impossible,” in which the IMF (the Impossible Missions Force) surrounds a target person (the president, in this case) with the illusion of an Oval Office and a Rose Garden and limousines and all of his constitutional powers, while in actuality the office of president is being conducted by a secret Committee of the Wise and Sane and Just, with the advice and consent of the Times editorial board.

The ploy is unconstitutional—a mutiny against the democratic process. But is it necessary nonetheless? If so, how is the great danger (an incompetent or radically unstable president) to be handled? Who makes the call?

Before answering, one should consider a subsidiary puzzle: If it is true that the senior official and his colleagues have quietly set themselves up as the Edith Wilson and



Woodrow and Edith Wilson in the White House, June 1920.

anecdotes supporting the senior official’s version of a mad and incompetent king.

The moment is enriched by the Kavanaugh hearings, with their background theatrics, which themselves might have been arranged by the IMF people: hysterical screamers, and women dressed up in costumes from “The Handmaid’s Tale.” I suspect that the entire performance—the Woodward book, the unidentified senior official’s usurpation by op-ed, the screaming, the Handmaids—will be greeted, out in the still-flourishing regions of common sense, as a gaudy, disgraceful example of jumping the shark.

Woodrow Wilson never should have been permitted to remain president after he was disabled. Franklin D. Roosevelt, in disastrously bad health, should never have sought a fourth term in 1944. There were plenty of people inside the Lyndon B. Johnson White House (the late Richard Goodwin was one of them) who believed that, toward the end of his presidency, Johnson was clinically paranoid—deeply unstable and virtually disabled. Richard Nixon’s sanity at the end was questioned by those closest to him.

Almost always in these cases, loyal White House people step in, quietly and selflessly, to protect the country’s interests. Meantime, certain constitutional processes may come into play. We are not there yet.

In the current case, the anonymous senior and self-canonical saint in the White House seems to be involved in some other game, more partisan, complex and craven.

Mr. Morrow is a senior fellow at the Ethics and Public Policy Center.

Joe Tumulty of the Trump administration, why on earth would they jeopardize the task they had set themselves—to contain Mr. Trump and keep the country from running off the rails—by publishing an article in the New York Times announcing that they had done so? Does he imagine that only fellow members of the “resistance” read the Times? The article will surely lead to the identification of its author; it could not possibly have any other effect than to further destabilize the White House and further enrage the besieged president. If the senior offi-

cial truly had the best interests of the country at heart, he would have kept secret what he is doing, not only his identity.

Publishing the essay makes the author look like a partisan phony whose purpose is not to advance the interests of the American people but rather to inflame voters against Mr. Trump in advance of the November elections. The timing of the op-ed is more than suspicious, coming at just the moment when the contents of Bob Woodward’s book “*Fear*” (the title itself is pure propaganda) were fed to world-wide media—filled with

Europe’s Leaders Need a New Way of Talking About Immigration

By Sophia Gaston

London

Imigration continues to unsettle European politics, and Sweden is the latest country to see its political landscape transformed. The country of 10 million has welcomed more migrants per capita than any other European country: Some 160,000 people applied for asylum in 2015. Now shocking outbreaks of violence have made immigration the leading issue ahead of the country’s general election this Sunday.

The consensus among the continent’s political elite is that some level of migration remains necessary and desirable. But they have spent years sidestepping the difficult questions about culture, identity and cohesion, and divisive populist firebrands have taken control of the immigration narrative.

I recently conducted a series of focus groups on the topic in France, Germany, the Netherlands and the U.K. In each case, emotional conversations unearthed the same catalog

of grievances: Public services are becoming overwhelmed, treasured values are in peril, and a patronizing elite is hell-bent on doing nothing to solve the problems.

While revealing their frustrations about immigration, the people I spoke with also inadvertently highlighted how they could be won over. Citizens often feel that they personally don’t receive financial benefits from immigration. Yet they recognize its broader positive influence on innovation and economic growth. Natives of Britain, for example, remain proud of their country’s image as a global trading post. They take pride in the U.K. as a thriving marketplace for ideas and a magnet for international talent.

Competition for jobs between immigrants and natives feels fierce among unskilled workers, but the market for knowledge-intensive jobs generally isn’t viewed as a zero-sum game. Politicians need to ensure that immigration policy is seen to focus foremost on attracting the next generation of entrepreneurs, researchers, investors and startups. At the

same time, they should consider how tax breaks and other incentives could encourage entrepreneurial job creators to settle outside of capital cities in areas desperate for economic revival.

Another common concern: High-levels of immigration are straining the welfare state. Europeans continue to support big social states,

Unless they find one, it will be too late to arrest the continent’s slide toward nativist populism.

but there is a clear demand for politicians to push for welfare reforms centered around strong contributory principles. Rewarding hard workers with a more robust safety net could neutralize populist rhetoric about migrants leeching off the state. Research has shown that “universal” benefits are most likely to come under scrutiny from resentful citizens.

The bolts around these benefits will need to be tightened further to convince a cynical public that their hard-earned safety net won’t be threatened.

The most visceral discussions in my focus groups centered on integration—an even pricklier topic than border control. Politicians must acknowledge that deeply segregated communities can become volatile and even ungovernable over time. They also need to recognize the need for investments in social and economic integration, such as language skills, employment networks, and education on civics, rights and responsibilities. Forgoing these investments could mean foregoing many of immigration’s benefits. European governments need to be clear: Migrants will be given every opportunity to succeed—so long as expectations of citizenship are upheld.

Finally, all of Europe’s leaders must challenge the insipid neutrality that political liberalism has come to adopt over recent decades. They must take the lead in defending

Western values and ensuring that the traditions underpinning democratic institutions are upheld. Ultimately, the only way to reduce the sense of threat many citizens are experiencing is to safeguard a stronger collective understanding of that which will not change.

European anxiety about immigration didn’t start overnight. It is the product of many years of political hesitancy, inaction and silence over issues of national identity, traditions and values. And despite 11th-hour U-turns from desperate parties facing electoral oblivion, there are also no guarantees that Europeans will ultimately be convinced that their communities and their ways of life aren’t fundamentally threatened by change. For many countries, they simply are. But if Europe’s politicians want to stem the continentwide slide toward anti-immigrant populism, they need a new strategy—now.

Ms. Gaston is director of the Centre for Social and Political Risk and a research fellow at the London School of Economics.

Palestinians, You Don’t Have to Live Like a Refugee

By Alex Joffe
And Asaf Romirowsky

Dramatic shifts are rare in American foreign policy. One undeniable example is the Trump administration’s decision last week to cease funding the United Nations Relief and Works Agency, the main U.N. agency giving aid to Palestinians. At once a nearly 70-year-old Gordian knot has been cut, but what comes next?

From Unrwa’s 1949 founding on, each U.S. administration had ignored the agency’s central role in prolonging the Arab-Israeli conflict. As we pointed out in our 2013 book, “Religion, Politics and the Origins of Palestine Refugee Relief,” the U.S. has aimed since the early 1950s to stabilize Palestinian society through the delivery of aid, providing more than a quarter of Unrwa’s funding. But the effect has been to foster Palestinian dependence on foreign support. As

the current administration recognizes, Palestinian elites continue to demand aid even as they fulminate against the U.S. in every way.

The decision to cut Unrwa’s funding corresponds with the Trump administration’s broader perspective on foreign policy. Like trade policy, the U.N. and the North Atlantic Treaty Organization, President Trump insists that foreign aid must benefit the U.S. in a more substantial way than merely sustaining stability. Unrwa does not, and has not. It retards the development of Palestinian civil institutions and affirms several of the Palestinians’ self-defeating grievances.

The so-called right of return for Palestinian refugees, which Unrwa promulgates through its educational and policy organs, bolsters a sense of disenfranchisement among Palestinians throughout the world. Unrwa’s definition of “refugees” to include millions who never set foot in British

Mandate-era Palestine runs counter to international law and practice. And in the long run, the agency’s assumption of duties that ought to belong to the Palestinian people might slow the emergence of a two-state solution to the standoff with Israel.

The Palestinian Authority must now overcome its shock and rage and recognize reality. Reports that they are betting on Democrats’ winning control of Congress in November indicate they are betting on the past. Even if the Democrats win, they will be unlikely to build enough support to sustain funding over the president’s veto.

Some members of the U.S. and Israeli defense establishments also have fretted about the defunding of Unrwa, but their worries are misguided. They fear that Israel will have to assume responsibility for the education and health care Unrwa currently provides Palestinians. But in doing so they underrate the value

of President Trump’s commitment to letting developing nations sink or swim, taking greater ownership of their own social welfare.

Meanwhile the European Union will likely try to replace the lost funding. But the fiscal problems and local migration crises in European

Trump is right to defund Unrwa, whose anti-Israel propaganda undermines efforts to make peace.

nations will make it difficult to collect the funds. As with NATO, Iran and other issues, Europe eventually will follow America’s lead.

To ensure that the new approach is effective, the U.S. must redirect aid to specific Palestinian institutions—schools, hospitals and other social

pillars—with or without the help of the Palestinian Authority. The total collapse of infrastructure would serve neither Palestinians nor any party interested in peace.

The next step for the Trump administration is to persuade Americans of the benefits that will emerge from sidelining Unrwa. The administration recognizes the ways Palestinian grievances have delayed the emergence of peace in the Middle East, and it knows American taxpayers are willing to support countries and causes that further the goal of a peaceful world. They will not support dependence and anti-American hostility, causes Unrwa has advanced since its beginning.

This new direction has come at a transitional moment in Palestinian politics. With reports that Palestinian Authority President Mahmoud Abbas is in failing health, new leaders will soon emerge to determine the direction of Palestinian society. In particular, they will have the crucial task of preventing Hamas from taking control of the West Bank. But if a moderate democratically elected leader does not emerge, the U.S. should administer aid directly to various Palestinian cities and regions until viable politics—free of Hamas and extremism—can be reconstituted.

The onus has been shifted, and previous understandings swept aside. Israelis must respond with imagination and magnanimity and Palestinians with the recognition that this is not 1948, 1967 or 1993. The Unrwa decision is a new opportunity, and Palestinians should embrace it.

Mr. Joffe is a fellow at the Middle East Forum. Mr. Romirowsky is executive director of Scholars for Peace in the Middle East. They are co-authors of “Religion, Politics and the Origins of Palestine Refugee Relief” (2013).

THE WALL STREET JOURNAL.

PUBLISHED SINCE 1889 BY DOW JONES & COMPANY

Rupert Murdoch

Executive Chairman, News Corp

Matt Murray

Editor in Chief

Karen Miller Pensiero, Managing Editor

Jason Anders, Chief News Editor;

Thorold Barker, Europe; Elena Cherny, Coverage

Planning; Andrew Dowell, Asia; Neal Lipschutz,

Standards; Alex Martin, Writing;

Michael W. Miller, Features & Weekend;

Shazna Nessa, Visuals; Rajiv Pant, Product &

Technology; Ann Podd, News Production;

Matthew Rose, Enterprise;

Michael Siconolfi, Investigations;

Nikki Waller, Live Journalism;

Stephen Wisniewski, Professional News;

Carla Zanoni, Audience & Analytics

Gerard Baker, Editor at Large

Paul A. Gigot, Editor of the Editorial Page;

Daniel Henninger, Deputy Editor, Editorial Page

WALL STREET JOURNAL MANAGEMENT:

Joseph B. Vincent, Operations;

Larry L. Hoffman, Production

EDITORIAL AND CORPORATE HEADQUARTERS:

1211 Avenue of the Americas, New York, N.Y., 10036

Telephone 1-800-DOWJONES

Robert Thomson

Chief Executive Officer, News Corp

William Lewis

Chief Executive Officer and Publisher

DOW JONES MANAGEMENT:

Ramin Beheshti, Chief Technology Officer;

Mark Musgrave, Chief People Officer;

Edward Roussel, Chief Innovation Officer;

Anna Sedgley, Chief Operating Officer;

Christina Van Tassel, Chief Financial Officer

OPERATING EXECUTIVES:

Kenneth Breen, Commercial;

Jason P. Conti, General Counsel;

Tracy Corrigan, Chief Strategy Officer;

Frank Filippo, Print Products & Services;

Steve Grycuk, Customer Service;

Kristin Heitman, Chief Commercial Officer;

Nancy McNeill, Corporate Sales;

Josh Stinchcomb, Advertising Sales;

Suzi Watford, Chief Marketing Officer;

Jonathan Wright, International

DJ Media Group: Almar Latour, Publisher

Professional Information Business: Christopher

Lloyd, Head: Ingrid Verschuren, Deputy Head

DOW JONES

News Corp

Notable & Quotable: Pakistan

From Sadanand Dhume’s weekly column at WSJ.com, Sept. 6:

Should Pakistan’s attitudes toward blasphemy against Islam apply in the Netherlands? This is the crux of a recent controversy involving the flamboyant politician Geert Wilders of the anti-Islam Dutch Freedom Party.

Last week, citing security concerns, Mr. Wilders canceled a proposed cartoon contest in Holland whose participants were invited to lampoon the prophet Muhammad. The cancellation followed protests in Pakistan as well as a spate of death threats from Pakistani celebrities and religious figures. On Aug. 28, Dutch police in The Hague arrested a 26-year-old Pakistani man who had threatened to attack Mr. Wilders and

the Dutch Parliament.

The Pakistani government considers the cartoon contest’s cancellation a triumph. In a press conference, Information Minister Fawad Chaudhry gave his country credit for Mr. Wilders’s climb-down. Foreign Minister Shah Mahmood Qureshi hailed it as “a great moral victory for the Muslim ummah,” the world-wide community

WORLD NEWS

India Court Rules Gay Sex Isn't a Crime

LGBT community rejoices over judges' decision to strike down part of colonial-era law

BY KRISHNA POKHAREL AND CORINNE ABRAMS

NEW DELHI—India's Supreme Court ruled that gay sex isn't a crime, providing a victory for millions who have long been exposed to harassment and discrimination in the socially conservative South Asian nation because of a colonial-era law.

A nearly 500-page document outlining the court's decision on Thursday declared that parts of a penal code called Section 377 banning sex acts labeled "against the order of nature" were unconstitutional.

While few members of the lesbian, gay, bisexual and transgender community were actually prosecuted for the crime, the law was used to blackmail, harass, silence and shame.

"The first step on the long path to acceptance of the diversity and variegated hues that nature has created has to be taken now by vanquishing the enemies of prejudice and injustice and undoing the wrongs done," Chief Justice Dipak Misra said as he read out the beginning of the statement.

India has taken a turn toward more conservative values as voters have backed the ruling Bharatiya Janata Party, which has Hindu-nationalist roots. Still, the party's leadership hasn't taken a unified stand on Section 377. One of the strongest indications that it might be struck down came this year when the BJP-led federal government said it wouldn't challenge any court decision on the issue.

It was a long road to the landmark decision. A lower court concluded that Section 377 was unconstitutional in

Prohibition Continues in Many Nations

A Supreme Court ruling removed India from a list of countries, mostly African and Middle Eastern, that ban gay sex.



THE WALL STREET JOURNAL.



People in Mumbai rejoiced on Thursday after India's top court reversed a ban on gay sex.

sending some of the main petitioners. "Hats off to all the people from the LGBT community who fought hard for it."

The law had found the most support from conservative religious leaders, most of them arguing in courts that homosexuality is a sin.

"We are sad" after the court's decision, said Sam T. Varghese, general overseer of Apostolic Churches Alliance, a body of independent churches in the southern Indian state of Kerala and other parts of India that had opposed homosexuality at the Supreme Court.

"According to the Bible, we call [homosexuality] a sin," Mr. Varghese said. "But we are only hating the sin, not those committing it who are equally loved by God."

Despite those arguments, some of which were presented in court, Thursday's judgment said Section 377 impinged on people's rights.

"Social exclusion, identity seclusion and isolation from

2009 only to be overturned in a Supreme Court judgment in 2013 that said it wasn't the job of the courts to make a call on whether or how to change the code. The court said it was up to legislators to change the law. Rights groups and individuals petitioned the court to recon-

sider and after hearings this year, the five-judge bench on Thursday unanimously ruled Section 377 unconstitutional to the extent it criminalizes consensual sexual acts between adults in private. The court left a ban on bestiality in place.

After the decision, Indian

television broadcast images of people dancing, eating cake and crying. Gay-rights leaders gave speeches and other people said it was a crucial step toward being accepted in Indian society.

"It's a very important and historic judgment," said Arundhati Katju, a lawyer repre-

the social mainstream are still the stark realities faced by individuals today and it is only when each and every individual is liberated from the shackles of such bondage and is able to work towards full development of his/her personality that we can call ourselves a truly free society," the judges said.

Some of the groups behind the successful bid to decriminalize gay sex say they plan to turn their attention to making same-sex marriage legal.

"The way the judgment has been worded, I think it paves the way for us to actually move forward. Perhaps in the months and years to come we could file fresh pleas for the other rights that we could be asking for," said Balachandran Ramiah, 55 years old, one of the petitioners on the case and part of a group called Gay Bombay.

For now, many are satisfied with Thursday's decision.

Around 100 people gathered along the Arabian Sea in Mumbai's trendy Bandra district to chant "freedom," sing, hand out sweets and hugs.

"The things the judges said were so nice and important and that made the victory so much more beautiful," said Anisha, a Mumbai resident who was decked out in a rainbow waistcoat while walking her dog, which was wearing a rainbow ribbon.

In a plea to the Supreme Court in 2016, five leading petitioners—a journalist, a chef, a dancer, a hotelier and a business consultant—asked the court to declare the law unconstitutional, saying it violated their "rights to sexuality, sexual autonomy, choice of sexual partner, life, privacy, dignity and equality," along with other fundamental rights that India's constitution guarantees to all its citizens.

—Yantoultra Ngui

in Kuala Lumpur contributed to this article.

WORLD WATCH

MYANMAR

Court Says It Can Prosecute Officials

The International Criminal Court said it has jurisdiction to investigate Myanmar officials over violence against the Muslim Rohingya minority, with potential crimes-against-humanity charges.

The Hague-based court's decision adds to growing international pressure on Myanmar authorities over purges that began last year that led to 700,000 Rohingya fleeing across the border to seek refuge in Bangladesh.

The U.S. and the European Union have placed sanctions on military officials they say were responsible for violence, and there is a push to open genocide investigations against those involved.

The court said it had jurisdiction because some of the crimes—deportation of civilians—took place in Bangladesh, a party to the court.

—Laurence Norman

INDIA

U.S. Signs Military, Intelligence Accord

The U.S. and India signed an accord to usher in closer military and intelligence cooperation.

U.S. Secretary of State Mike Pompeo and Defense Secretary Jim Mattis met with their Indian counterparts, External Affairs Minister Sushma Swaraj and Defense Minister Nirmala Sitharaman, in a high-level meeting aimed at deepening ties between the two countries.

The two signed an agreement to allow the sharing of encrypted military intelligence. The U.S. required India to sign the so-called Communications Compatibility and Security Agreement if it wants to buy America's most advanced military equipment.

—Rajesh Roy

and Nancy A. Youssef

MEXICO

Mass Grave Is Found In Cartel Stronghold

State authorities discovered 168 human skulls buried in a clandestine grave in the violence-plagued state of Veracruz, the state's general attorney said. Officials had been searching for the remains for more than 30 days using drones, radar and metal probes, after being tipped off to the location, according to the office of Veracruz's state prosecutor.

—Robbie Whelan

U.S. Accuses North Korean in Cyberattacks

BY ARUNA VISWANATHA AND DUSTIN VOLZ

The U.S. announced charges against a North Korean operative in connection with cyber-attacks including the 2014 Sony Pictures hack and a global ransomware attack last year, intensifying pressure against a cyberarmy that has morphed into one of the world's most sophisticated hacking operations.

Park Jin Hyok was accused in a criminal complaint dated June 8 but unsealed Thursday of working with other unnamed co-conspirators to conduct a series of cyberattacks on corporate and financial networks to steal money and information at the direction of the North Korean government.

Prosecutors also accused Mr. Park of playing a role in the theft of \$81 million from Bangladesh's account at the Federal Reserve Bank of New York in 2016, which prosecutors said was the largest ever successful cybertheft from a financial institution.

The case, the first to explicitly target North Korean state-backed hackers, was filed days before President Trump's June 12 summit with North Korea's leader in Singapore.

Justice Department officials declined to comment on why the case wasn't made public

until nearly three months after it was filed, saying only that decision on timing involves multiple factors including when a case might have the "greatest impact."

The case comes as U.S.-North Korea denuclearization talks have reached a standstill, and the State Department said Thursday that a former Ford Motor Co. executive recently tapped to pursue negotiations with North Korea will travel to Asia next week.

Stephen Biegun, named special representative for North Korea by Secretary of State Mike Pompeo, will travel to Seoul, Tokyo and Beijing between Sept. 10 and Sept. 15, although officials didn't announce any travel by Mr. Biegun to North Korea.

The complaint alleges Mr. Park worked with others in persistent attempts to carry out the cyberattacks starting in 2014 and through this year. Those include efforts to hack into and steal money from banks in the U.S. and several other countries with attempted thefts of more than \$1 billion, prosecutors said.

"Working for a foreign government does not immunize criminal conduct," John Demers, who runs the Justice Department's national security division, said at a briefing.

"These activities run afoul of



North Korea is preparing to mark 70 years since its founding.

norms of acceptable state behavior in cyberspace," Mr. Demers said, urging the "international community" to take action.

Prosecutors said they gathered evidence of Mr. Park's alleged crimes by analyzing compromised computers and executing about 100 search warrants to access more than 1,000 email and social-media accounts. Investigators said they issued 85 requests to foreign countries for evidence from communications providers.

Mr. Park had been living in China and working for a North Korean front company called Chosun Expo that is affiliated with one of the government's

hacking organizations, sometimes referred to as Lab 110, prosecutors said. He appeared to return to North Korea shortly before the 2014 Sony breach, the complaint said.

As part of Thursday's actions, the Treasury Department levied financial sanctions on Mr. Park and Chosun Expo, describing Chosun as an entity controlled by North Korea.

Mr. Park is believed to be in North Korea and couldn't be located for comment.

Soon after the Sony breach, which exposed thousands of embarrassing emails between executives and led the studio to pull the movie "The Interview" from theaters, the FBI

publicly identified North Korea as the likely perpetrator.

The movie involved a satirical plot to kill North Korean leader Kim Jong Un. The new complaint said the hackers also targeted AMC Theatres, which was scheduled to release and show "The Interview," sending sophisticated spear-phishing messages to multiple AMC employees.

The U.S. case comes as North Korea built a cyber-army that has about 7,000 hackers and support staffers. The team described in the complaint, often called "Lazarus" by private security researchers, is known to attack foreign entities and has previously been associated with North Korea's most headline-grabbing campaigns.

Those included the Sony attack and last year's WannaCry ransomware, which locked digital files on hundreds of thousands of computers and demanded bitcoin payment for their release. The new cases throw the weight of the U.S. government squarely behind those assessments.

Senior officials have conceded there is little they can do to deter North Korea from using hacking tools to support its regime, in part because it already is under sanctions and has no compunction about being shamed for its activities.

Brazil Presidential Candidate Stabbed on Campaign Trail



BY SAMANTHA PEARSON AND LUCIANA MAGALHÃES

SÃO PAULO—Brazil's far-right presidential candidate, Jair Bolsonaro, was stabbed in a near-fatal attack during campaigning Thursday as tensions ran high ahead of the country's most unpredictable election in decades.

The former army captain, who is leading polls ahead of the October vote, was rushed into surgery in the southeastern city of Juiz de Fora after being knifed in the abdomen but was in stable condition, said doctors at the local hospital.

He sustained life-threatening injuries, mainly to his intestines, and the next two days will be crucial because of the risk of infection, they said, adding that he would likely have to stay in the hospital—

and off the campaign trail—for at least a week.

"Please pray," wrote his son, Flávio Bolsonaro, on Twitter, saying his father had arrived at hospital "almost dead."

Videos posted on social media show Mr. Bolsonaro being carried through cheering crowds on the campaign trail in Juiz de Fora in Minas Gerais state when someone lunged toward him, causing the 63-year-old to clutch his stomach in agony.

Police said late Thursday that they had arrested a man for the knife attack and were investigating the case.

Mr. Bolsonaro has won a loyal following by promising to crack down on rampant crime across Brazil. But he has also inspired the hatred of many voters for his remarks about gay people and women.

MEXICO

Mass Grave Is Found In Cartel Stronghold

State authorities discovered 168 human skulls buried in a clandestine grave in the violence-plagued state of Veracruz, the state's general attorney said. Officials had been searching for the remains for more than 30 days using drones, radar and metal probes, after being tipped off to the location, according to the office of Veracruz's state prosecutor.

—Robbie Whelan

BUSINESS & FINANCE

© 2018 Dow Jones & Company. All Rights Reserved.

THE WALL STREET JOURNAL.

Friday, September 7, 2018 | B1

S&P 2878.05 ▼ 0.37%

S&P FIN ▼ 0.59%

S&PIT ▼ 0.81%

DJ TRANS ▼ 0.17%

WSJ \$IDX ▼ 0.19%

LIBOR 3M 2.327

NIKKEI (Midday) 22264.11 ▼ 1.00%

See more at WSJMarkets.com

Ford Recalls Two Million Pickups

Auto maker cites fire hazard in safety-belt mechanism, pegs its cost at \$140 million

By MIKE COLIAS
AND ALLISON PRANG

Ford Motor Co. is recalling about two million pickup trucks after it received reports of a seat-belt equipment malfunction that could cause smoke or fire, marking a setback for its top-selling F-Series product line that generates the bulk of its profit.

The Michigan-based auto maker said Thursday the recall applies to F-150 vehicles for model years 2015 through 2018. The trucks were built at plants in Missouri and Michigan.

Ford said devices that auto-

matically tighten passenger seat belts, known as pretensioners, "can generate excessive sparks when they deploy" and that it knows of 23 total reports in North America of smoke or fire, mostly from the U.S.

Some seat-belt pretensioners use an explosive charge when the car's sensors detect a sudden deceleration from an accident. That triggers a mechanism to immediately retract the belt and lock it into place, removing slack and helping to pull a front-seat occupant's body back just before the impact, reducing injury risk.

Ford said its investigation determined excessive sparks generated by the devices in some trucks could ignite gases created when the pretensioner deploys inside the B-pillar, the vertical support that houses

the seat belt. If that happens, insulation and carpet behind the pillar can catch fire, Ford said.

The auto maker said it isn't aware of any injuries stemming from the defect.

Most of the trucks subject to the recall are in the U.S., but thousands are also in Canada and Mexico, the company said.

Ford expects to incur about \$140 million in expenses in its third quarter in connection with the recall. The company maintained its full-year forecast of between \$1.30 and \$1.50 a share in adjusted earnings.

Ford sold nearly 900,000 F-Series trucks in the U.S. last year. The pickup is the industry's top-selling vehicle and by far Ford's biggest money-maker, selling at around \$45,000 on average. Ford's op-

erating profit totaled \$8.4 billion last year. It earned \$3.9 billion in the first half of this year, down 26% from a year earlier.

The recall comes as Ford is under pressure to cut costs and boost profitability amid an earnings slowdown.

Chief Executive Jim Hackett has outlined a plan to cut about \$25 billion in costs by early next decade and disclosed a separate \$11 billion restructuring plan likely to target unprofitable overseas operations.

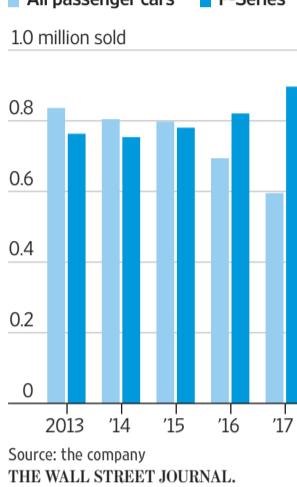
Safety recalls have plagued Ford over the last two years. Last October, Ford recalled 1.3 million F-Series trucks to fix faulty door latches, resulting in a \$267 million hit to its bottom line.

Ford's shares, which fell 0.6% to \$9.43 on Thursday, are off 24% for the year so far.

Carrying the Load

Ford's F-Series pickup truck outsells all of its passenger-car models combined.

Ford vehicle sales



U.S. Probes Wells Bankers

By EMILY GLAZER

The Justice Department is probing whether employees committed fraud in Wells Fargo & Co.'s wholesale banking unit, following revelations that some improperly altered customer information, people familiar with the matter said.

The Wall Street Journal previously reported that some employees in the unit added information on customer documents, such as Social Security numbers and dates of birth, without their consent.

The Justice Department in recent weeks has sought more information from the bank to examine if management pressure prompted the employees to improperly alter or add the information, the people said. The employees at the time were working to get customer documents in order before a regulatory deadline.

Wells Fargo spokesman Alan Elias said the bank doesn't comment on regulatory or Justice Department matters. A spokesman for the Justice Department declined to comment.

The Justice Department is interested to learn if there is a pattern of unethical and potentially fraudulent employee behavior tied to management pressure, the people said. The employees in the wholesale banking unit, the side of the bank that deals with corporate customers, mishandled the documents last year and earlier this year, the Journal has previously reported.

The probe only adds to the problems at Wells Fargo, which has been bruised since a sales scandal in its consumer bank imploded two years ago. It also underscores how bad behavior has emerged throughout the bank and has continued even after the 2016 blowup over sales practices.

The bank's problems have cascaded since then, with issues related to lofty sales goals and improper customer charges emerging across all of its major business units, prompting a range of other federal and state investigations.

In wholesale banking, the bank's own review discovered in recent months that the

Please turn to page B10

Investors Wary of S&P China Ratings

S&P Global Inc. is developing a custom credit-rating scale for China that will likely mean more triple-A's, worrying investors about inflated grades.

By Manju Dalal in Singapore and Stella Yifan Xie in Hong Kong

The credit-rating company, which is setting up an independent business in China, recently said it will tailor a system for rating bonds from businesses, local governments and other issuers there.

"We believe that considering the size, dimensions and extent of diversification of China's domestic capital market, there needs to be a set of special rating standards and rating methodology that fit the local situation," S&P said in a document written in Chinese.

One result, though, is that a triple-A rating from S&P in China won't be equivalent to a triple-A in the U.S. or other developed markets.

"If the ratings show little credit differentiation and do not reflect true credit risks, then investors will not give much credence to them," said Prashant Singh, an emerging-

Please turn to page B10

Coffee Futures Fall to Lowest Level in More Than a Decade

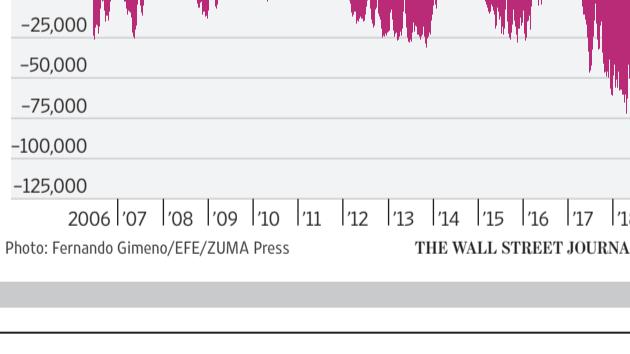


A plunge in coffee prices has been most dramatic for arabica producers whose currencies have held up during the latest emerging markets rout.

Change in coffee futures prices, year to date, in local currencies



Net weekly bullish futures bets on arabica coffee prices



STREETWISE | By James Mackintosh

Lessons From Lehman A Decade After Failure



Ten years after the failure of Lehman Brothers, the publishing industry is still churning out tracts on what went wrong and how to stop it from happening again. Investors need not involve themselves in arguments about the best form of bank regulation or how to restructure derivatives counterparties, but the collapse of Lehman offers plenty of important lessons, many of which still haven't sunk in. Here are five.

1. Not every bubble shows up in excessive valuations. In the buildup to the financial crisis of 2008, the dot-com fiasco was still fresh in everyone's mind. The line at the time was that valuations were nowhere near the insane levels reached at the end of the 1990s, so don't worry about a bubble: Shares are fine.

This turned out to be as wrong as it was in 1929. The sad truth was that the bubble was in credit, and those looking at price/earnings ra-

tios in stocks—or almost any other valuation tool—were misled because the precrisis bubble inflated the E in the P/E, not just the P. Today the forward P/E ratio is higher than it was at its 2007 pre-Lehman high, and again earnings are excellent and everything looks fine. Hopefully earnings are more sustainable than they were in 2007-2008, but various measures of the quality of earnings have fallen, and corporate leverage is high.

2. Liquidity vanishes in a crisis. Lots of investors bemoan the difficulty of trading, especially in corporate bonds, and worry that it might portend deeper troubles ahead. But 2008 showed the real danger lies in the belief that things that are easy to trade will remain so, because in a crisis they never are.

Back in 2007-2008, corporate bonds were the easy thing that became the hard thing. In the good years, primary dealers built up a huge inventory—\$285 billion—that made the market more

Please turn to page B10

'Popular Film' Award Cut From Oscars

By ERICH SCHWARTZEL

LOS ANGELES—The Academy of Motion Picture Arts & Sciences said it isn't awarding a new prize for "popular film" during the next Oscar ceremony, after the idea proved wildly unpopular in Hollywood.

The reversal comes less than a month after the academy announced its plans to overhaul its ceremony in an attempt to boost sagging viewership. The decision to create a

new category for "popular" films was met with backlash among academy members, who said it devalued the awards and implied that a movie cannot be well-liked by critics and by the general public.

In a statement Thursday, the academy said it "recognized that implementing any new award nine months into the year creates challenges for films that have already been released." The academy said the concept of a popular-film category "merits further

study" and will be discussed with members.

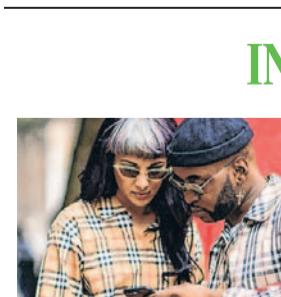
Other previously announced changes will stand. The 2019 telecast will be restructured to run three hours, rather than the often four-hour affair. Six to eight categories will be presented during commercial breaks in the ceremony, a decision that will trim the running time but likely inflame tensions among voting blocs of the academy that want to see their prizes presented on-air.

Clips of the winners pre-

sented during commercial breaks will be edited to air during the ceremony, similar to how the Tony Awards handles some categories. The categories moved to commercial breaks will be rotated by the academy each year, the organization said.

The Oscar season kicked off in recent weeks, with film festivals in Venice and Toronto premiering likely contenders like "A Star Is Born," "Roma" and "First Man." The Oscars will air on ABC on Feb. 24.

INSIDE



BURBERRY PUTS OUT THE FIRE

BUSINESS NEWS, B2



BLACKSTONE REAL ESTATE IN GOOD HANDS

PROPERTY, B6

Third Point Aims to Oust Campbell Soup's Full Board

By CARA LOMBARDI

Daniel Loeb's Third Point LLC plans to launch a proxy fight to replace Campbell Soup Co.'s entire board after the fund was underwhelmed by the company's plan to sell two business units, said people familiar with the matter.

If it were to succeed in ousting the board, the activist hedge fund believes all potential options for the company could be back on the table. Third Point's prior stance was that a sale of the whole com-

pany was "the only justifiable outcome" for Campbell under its current board and management. It is rare for activist investors to attempt a wholesale flip of a company's board—and even rarer that they succeed in doing so.

But Third Point is seeking every seat and thinks Campbell's current board, which includes three descendants of the inventor of Campbell soup, isn't acting fast enough to turn around the struggling food conglomerate and undo

Please turn to page B2

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	E	National Amusements
Alphabet.....B4,B12	Eurasia Group.....A8B12
Amazon.com.....B3,B12	F	Nomura.....A8
Apple.....B4,B6	Facebook.....B4,B12	Norfolk Southern.....B12
Applied Materials.....B12	Ford Motor.....B1	Novartis.....B3
Atlanta.....B5	H	PenAir.....B10
Aurobindo Pharma.....B3	Harley Davidson.....B12	Samsung Electronics B12
Autostade per l'Italia.....B5	Hasbro.....B4	Shazam Entertainment
B	HNA Group.....B10B6
Barnes & Noble.....B5	Hostess Brands.....B2	Spotify Technology.....B6
Blackstone Group.....B6	I	T
BNP Paribas.....A8	IHS Markit.....A8	Tencent Holdings.....B4,B11
Burberry Group.....B2	J	Third Point.....B1
C	J.B. Hunt Transport Services.....B12	Twitter.....B4,B12
Campbell Soup.....B1	JD.com.....B4	U
Cargill.....A8	JPMorgan.....A8	Uber Technologies....B12
Carlyle Group.....B2	K	Union Pacific.....B12
CBS.....A1,B12	Kering.....B2	V
China Life Insurance.....B11	KLA-Tencor.....B12	Viacom.....B12
Comcast.....B12	L	Volkswagen.....B3
CSX.....B12	Lam Research.....B12	W
D	M - N	Walt Disney.....B12
Darden Restaurants....B2	Mattel.....B4	Wells Fargo.....B1
Deka Investment.....B3	Micron Technology.....B12	Western Digital.....B12
Dell Technologies.....B12		
Destination Maternity		
.....B2		

INDEX TO PEOPLE

A	I	Pinault, Francois-Henri
Ackerman, Karl.....B12	Islam, Munib.....B2B2
B	J	Qiangdong, Liu.....B4
Benetton, Gilberto.....B5	R	Redstone, Shari.....A1
C	Johnson, Bernadette B11	Redstone, Sumner.....A1
Cohen, Matthew.....B2	Jones, Alex.....B4	Reynolds, Burt.....A10
Croft, Helima.....B10	L	Ricci, Niccolò.....B2
D	Lau, Martin.....B4	Richards, David.....B10
Dorsey, Jack.....B4	Li, Forrest.....B4	Riggio, Leonard.....B5
E	Liu, Wendy.....B11	Schaefers, Dan.....A8
Ellinghorst, Arndt.....B3	Loeb, Daniel.....B1	Schottenfeld, Richard.....B5
Esparza, Alfonso.....B11	Lui, Jason.....B11	Silverstein, Michael.....B2
F	M	Strawbridge Jr., George
Fenton, Clark.....B12	Malone, Mary Alice....B2B2
G	McCarthy, Kathleen....B6	T
Gao, Ting.....B11	Moonves, Leslie.....A1	Toler, William.....B2
Gobetti, Marco.....B2	N	Zuckerberg, Mark.....B4
Goltermann, Jonas....B12	P	
H	Parneros, Demos.....B5	
Hackett, Jim.....B1	Parsons, Dick.....A2	

Lehman's

Lessons, A Decade On

Continued from the prior page

liquid than ever before. When they dumped their holdings the market rapidly became illiquid, and when serious trouble hit junk-bond yields soared to 23% as trading dried up. The more complex structured products that had been popular at the end of the boom years became impossible to buy or sell.

Today, dealers hold just \$10 billion of net corporate bonds. The easy liquidity is instead in exchange-traded funds. But if buyers of bond ETFs believe they will be easy to dump in a crisis they are likely to be disappointed.

3. Long periods of calm lead to excess. The late economist Hyman Minsky came back into fashion after the financial crisis, which neatly fitted his description of the speculative cycle. A long period of growth, with only a minor interruption in 2001, led to complacency. Everyone was willing to borrow and banks were only too willing to lend, creating a virtuous cycle of rising asset prices and a stronger economy. When it went into reverse, the need to repay debts smashed asset prices and threw the economy into a deep recession.

Mr. Minsky's final stage involves the widespread use of what he called "Ponzi debt," loans that cannot be serviced from income but require capital gain to avoid

trouble.

4. Financial innovations frequently go wrong. The late Charles Kindleberger documented how throughout history, reckless lending found its way around regulatory efforts to restrain the supply of money and credit. Innovations allowed the financial system to satisfy the demand for money and credit from euphoric investors and businesses by creating new money-like instruments, with money-market funds holding structured products one example from 2007.

Credit funds and peer-to-peer lenders are today finding ways to satisfy demand for loans that postcrisis rules make the banks unwilling to offer, but the scale is, hopefully, still too small to create a crisis.

5. This time is almost never different. In 2007-2008 banks were thought to be safer thanks to their use of securitization and derivatives to shift risk to others. Rather than making things better, it meant no one knew where the risk lay and so everyone assumed the worst.

For now, bank resilience is mostly based on more and better capital and liquidity,

but there has also been a rapid growth in complex ways to shift risk to funds,

and in lending by nonbanks.

The scale of the activities is small compared with 2007—

at least outside China—but this could be a threat in future.

The good news is that the more households, executives and investors focus on the last crisis, the less likely they are to take the sort of excessive risks that could lead to the next one.

Continued from the prior page

some of the strategic missteps it oversaw, the people said.

Third Point has allied itself with George Strawbridge Jr., another descendant and previous board member who owns a 2.77% stake in the company.

Third Point could announce its slate, which includes Mr.

Strawbridge, Third Point employees and former consumer-products executives, among others, as soon as this week,

the people said. The deadline to nominate directors to be voted on at the company's annual meeting is Sept. 16.

In a written statement,

Campbell said its recent strategic review determined its best path forward was "to optimize its current portfolio, divest certain businesses and pay down debt, while also working to reduce costs."

It said it is open to evaluating all options to improve shareholder value.

A battle with Campbell would be Third Point's first attempt at ousting a full board.

Activists rarely succeed at replacing entire boards, and proxy fights sometimes end in settlements doing the activist fewer seats than originally sought. But it has happened, including at Darden Restau-



The British fashion label's announcement was aimed at younger shoppers who are environmentally conscious and are a core demographic.

Burberry Disavows Burning

Move breaks from practice among luxury brands of destroying unsold goods

By MATTHEW DALTON

2013 to £28.6 million in the fiscal year that ended in March.

"Modern luxury means being socially and environmentally responsible," said Burberry Chief Executive Marco Gobbetti.

Other high-end brands, however, say destroying inventory is a necessary evil. Goods that end up in outlet stores or in the gray market, priced at a steep discount, contradict the industry's main sales pitch: that luxury goods command higher prices because they are inherently more valuable.

Cie. Financière Richemont SA, the Swiss luxury conglomerate that owns Cartier, spent hundreds of millions of euros in recent years buying back unsold watches, which were piling up at retailers because of a drop in demand from Chinese consumers. The company pried off the jewels and melted them down, but is reusing the materials.

Burberry's announcement was aimed at younger shoppers who are environmentally conscious and, increasingly, a core demographic for the luxury-goods business. Brands across the industry are abandoning fur; imposing animal-welfare standards on their suppliers; and touting their policies for recycling and reducing waste.

On Thursday, Burberry said it was too ditching the use of fur.

The burning of pricey merchandise, however, is a habit that many in the luxury industry find hard to kick.

François-Henri Pinault, the

Up in Smoke

Burberry's destruction of unsold goods has been on the rise.

£30 million



Note: Fiscal years end in March; £1=\$1.29

Source: the company

chief executive and controlling shareholder of Gucci parent company Kering SA, said the firm tries to minimize wasteful inventory destruction by reusing cloth and leather.

"The part that is truly, truly destroyed is relatively small," Mr. Pinault said in an interview last year. "It's shocking to destroy products of that quality."

After Burberry's announcement, Kering said it unloads unsold clothes through discounts for friends and family and through outlet stores. "Thanks to the efforts we provide on the supply-chain side, only a very limited fraction of goods needs to be destroyed," Kering said.

At Stefano Ricci, executives see the destruction of inventory as a service to the cus-

tomers. Clients don't want to spend thousands of dollars on a suit, only to see the same item a few months later selling at an outlet store for half the price, they say.

"We do not like to sell our goods in discounted stores," Niccolò Ricci said. "It's giving respect to the clients and the workers."

At the end of the year, employees gather unsold clothes into dozens of boxes bound for a special facility, where they are incinerated, Mr. Ricci said. The companies hired to incinerate the clothing film the destruction so that brands can prove to the Italian tax authorities that their inventory truly went up in smoke. Mr. Ricci said the brand also destroys unsold product in the U.S. and China.

He said the brand would like to give some of the unsold goods to charity, but the tax credit ties the company's hands.

"The law says if you want to write them off your book you must destroy."

His father can't bear to come to work when it's time to destroy the clothes, Mr. Ricci said. "He suffers the most when we destroy cotton and silk. Those are his babies."

After Burberry's announcement on Thursday, Mr. Ricci said in a statement, "We destroy a tiny amount of inventory in line with Italian law, and we do this very responsibly with respect to the environment, our stakeholders and the ethics behind our brand."

Campbell, Loeb Set For Fight

Continued from the prior page some of the strategic missteps it oversaw, the people said.

Third Point has allied itself with George Strawbridge Jr., another descendant and previous board member who owns a 2.77% stake in the company.

Third Point could announce its slate, which includes Mr.

Strawbridge, Third Point employees and former consumer-products executives, among others, as soon as this week,

the people said. The deadline to nominate directors to be voted on at the company's annual meeting is Sept. 16.

In a written statement,

Campbell said its recent strategic review determined its best path forward was "to optimize its current portfolio, divest certain businesses and pay down debt, while also working to reduce costs."

It said it is open to evaluating all options to improve shareholder value.

A battle with Campbell would be Third Point's first attempt at ousting a full board.

Activists rarely succeed at replacing entire boards, and proxy fights sometimes end in settlements doing the activist fewer seats than originally sought. But it has happened, including at Darden Restau-

rants Inc. in 2014 and at small retailer Destination Maternity Corp. earlier this year.

Mr. Loeb's hedge fund faces challenging numbers in a shareholder vote: Family members of Campbell inventor John T. Dorrance control more than 40% of the company's shares, according to FactSet.

Some could be unlikely to support Mr. Loeb, especially after he called for an outright sale.

Third Point and Mr. Strawbridge, a grandson of Mr. Dorrance, together own about an 8.4% stake in the company.

They believe they are unlikely to sway family members Mary

Alice Malone and Bennett Dor-

rane, who are both members

of the board, but that other family members might be more open to change, the people said. Campbell has previously said all board members were open to all options during a recent strategic review.

Ms. Malone and Mr. Dorrance didn't immediately respond to requests for comment.

The dissidents' nominees

are expected to include Third

Point partner Munib Islam and

managing director

Matthew

Cohen; former Uber Technolo-

gies Inc. executive Bozoma

Saint John; Michael Silver-

stein, a Carlyle Group operat-

ing executive; and four people

with previous ties to Campbell

including Mr. Strawbridge and

William

Toler, former chief execu-

tive of Hostess Brands Inc.,

BUSINESS NEWS

Novartis To Sell Parts of Sandoz

By NATHAN ALLEN

Novartis AG said it would sell parts of its Sandoz generic-drugs business in the U.S. in a deal worth up to \$1 billion, the latest move by its new chief executive to refocus the Swiss pharmaceuticals giant.

The Basel-based company said it would sell assets including Sandoz's U.S. dermatology business and generic oral solids portfolio to India's **Aurobindo Pharma** Ltd. for \$900 million in cash and, based on performance, up to \$100 million. Overall it plans to sell around 300 products that generated sales of \$600 million in the first half of the year.

Novartis said the sale was part of its strategy to pivot Sandoz toward higher-growth areas, such as more complex generics, value-added medicines and biosimilars—near-replicas of biologic drugs, which are made using living cells.

The sale comes at a tough time for the generic-drugs market. Sandoz had been a reliable money-maker for Novartis but its performance has suffered in recent quarters because of weaker prices for copycat drugs.

Analysts at Baader Helvea, a broker, said the deal was “the best of the worst options for a business under higher pricing and competitive pressure.”

More broadly, the sale is the latest move by CEO Vasant Narasimhan to shake up the company's wider portfolio since taking the helm earlier this year. In June, Novartis said it would spin off its Alcon eye-care unit, a business that analysts think could be valued at more than \$20 billion. That followed a move in March to sell its stake in a consumer health-care business to joint-venture partner GlaxoSmithKline PLC for \$13 billion.

Whole Foods Workers Urge Union

By HEATHER HADDON

Some Whole Foods employees want to unionize to address what they say are changes to corporate culture and diminished compensation under the ownership of **Amazon.com** Inc.

A group of workers sent an email Thursday to employees at most of the 490 Whole Foods stores, urging them to back the unionization drive.

A copy of the group's message to fellow employees, reviewed by The Wall Street Journal, said organizers want to “collectively voice our concerns to Whole Foods Market and Amazon leadership.”

The workers said they want to push Whole Foods and Amazon for better compensation, benefits and profit-sharing.

The unionization effort presents a potentially high-profile challenge to Amazon, which has opposed past organizing drives by warehouse workers and other employees.

Amazon workers in Germany, Spain and Poland held strikes around the company's Prime Day promotion in July to demand better health protections and job-safety measures. Germany's powerful service-workers' union has held



Checkout lines in Burbank, Calif. The Amazon.com unit says its wages are competitive.

share workplace concerns with their managers.

“We believe this direct connection is the most effective way to understand and respond to the needs of our workforce,” she said.

An Amazon spokeswoman didn't respond to a request to comment.

The Retail, Wholesale and Department Store Union, a national organization based in New York with 100,000 members, is assisting the effort.

“The RWDSU stands with workers in precarious positions no matter what—Amazon and Whole Foods workers are no different,” said Stuart Appelbaum, president of the union, which has also worked to represent Amazon workers. “We will not back down until Amazon workers are treated with dignity and respect,” he said.

Whole Foods paid \$20.15 an hour and \$41,911 a year on average in 2016, according to a company filing, more than many other grocers. But worker grievances started to multiply after Whole Foods laid off hundreds of workers in 2015 amid weak sales. Whole Foods eliminated hundreds of marketing jobs this year, deepening the discontent.

job actions over pay and working conditions in recent years.

Amazon has fought those efforts. The e-commerce company has said that it treats its

workers fairly and that reports of inhospitable conditions at its facilities are untrue.

“We offer competitive wages and benefits and are committed to

the growth and success of our team members,” a Whole Foods spokeswoman said. She added that Whole Foods employees are encouraged to

Volkswagen Heads to Trial Over Investor Suit

By WILLIAM BOSTON

BERLIN—**Volkswagen** AG faces as much as \$11 billion in damages related to its diesel emissions-cheating scandal if a German court sides with investors in a lawsuit that goes to trial next week.

The suit represents the most significant outstanding legal challenge still facing the company in the wake of the three-year-old scandal.

The case that will be heard starting Monday in a court in Braunschweig, near Volkswagen's headquarters in Wolfsburg, is a test suit. If

successful, it could unleash similar claims related to the emissions cheating, which has already cost the company about \$27 billion in fines, penalties and compensation.

On Sept. 18, 2015, U.S. environmental authorities accused Volkswagen of violating environmental law after it admitted to installing illegal software on more than 500,000 diesel vehicles sold in the U.S.

It later admitted to installing the software on nearly 11 million vehicles world-wide, the bulk of them in Europe.

The allegations sent Volkswagen shares falling 37% from

the closing price the day before the announcement to €106 on Sept. 22, when Volkswagen first issued a statement to financial markets warning of risks to the company's earnings from potential penalties in the aftermath of the U.S. Environmental Protection Agency's complaint.

Shareholders who suffered considerable losses from the sudden price drop now claim in the lawsuit that management waited too long to warn them of the risks and are seeking billions of dollars in compensation.

“This is the largest out-

standing legal risk for the company,” said Arndt Ellinghorst, automotive analyst at Evercore ISI, a London-based brokerage.

A decision in favor of investors is far from certain. German courts rarely grant large awards for damages in civil litigation cases.

“It will be difficult to prove that management deliberately misinformed the market in order to manipulate the share price,” Mr. Ellinghorst said.

Because Germany doesn't allow U.S.-style class-action lawsuits, the case being heard in Braunschweig is a test

case, brought by **Deka Investment** GmbH, one of the biggest investment funds in Germany.

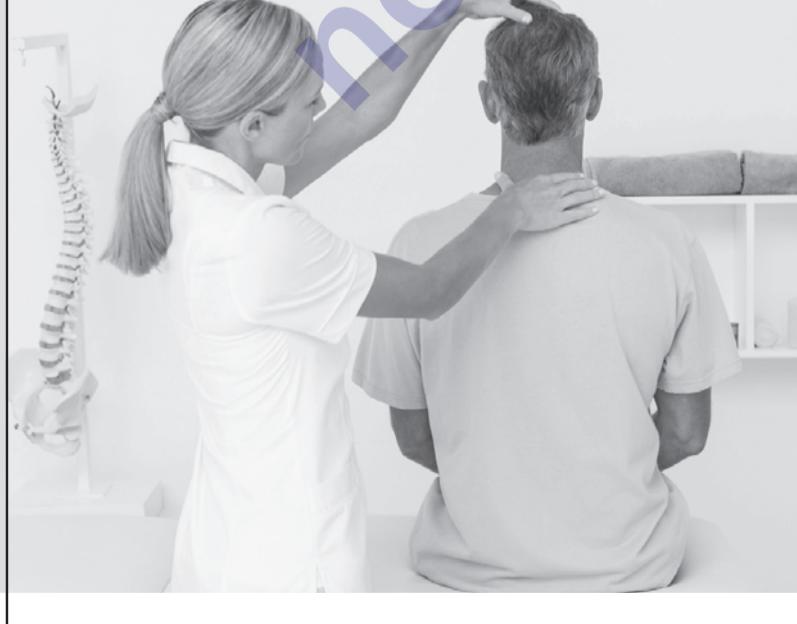
The outcome of Deka's lawsuit would inform the rulings on approximately 1,668 additional pending lawsuits that seek as much as €9.2 billion (\$10.7 billion) in damages from Volkswagen.

In Volkswagen's rebuttal, viewed by The Wall Street Journal, the company's lawyers argue that management couldn't have foreseen the enormous fines and penalties sought by U.S. authorities for the company's violations.

123 YEARS OF MANAGING PAIN THE DRUG-FREE WAY:

CHIROPRACTIC CARE

SAFE | EFFECTIVE | NON-INVASIVE



DOCTORS OF CHIROPRACTIC (DCs)

receive a minimum of seven years of higher education — and are specifically trained to diagnose, evaluate and provide non-pharmacologic care and rehabilitation to individuals suffering with neuro-musculoskeletal pain.

DCs collaborate with other health care providers, striving to improve your health and overall well-being without drugs or surgery.

TO FIND A LOCAL DOCTOR OF CHIROPRACTIC, VISIT
www.f4cp.org/findadoctor



PROUD SUPPORTERS OF THE PROFESSION

Biotics Research Corporation
Breakthrough Coaching
Cash Practice
ChiroHealthUSA
Chiropractic Economics
ChiroSecure

ChiroTouch
Dee Cee Laboratories
Dynamic Chiropractic
Foot Levelers
HawkGrips
KMC University

NCMIC Group
Performance Health
Secure Care
ScripHessco
Standard Process
The Joint

September 18, 2018 marks 123 years since the first chiropractic adjustment was performed.

BUSINESS NEWS



The Italian business family controls a company whose roads unit was responsible for maintaining the ill-fated Morandi Bridge in Genoa.

Benettos Take a Beating

By ERIC SYLVERS

Rich Payout

MILAN—The Benetton family has long been associated in Italy with its apparel brand's colorful sweaters and provocative advertisements, but that changed in a tragic few seconds last month when a highway bridge collapsed in Genoa, killing 43 people.

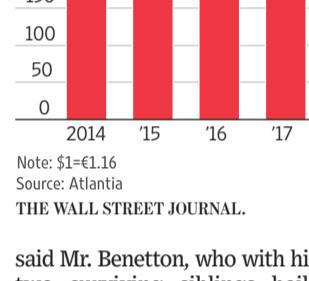
Politicians from Italy's anti-establishment government began their attacks on the Benettos immediately after the disaster. The family is one of Italy's richest dynasties thanks to its controlling stake in **Atlantia** SpA, an infrastructure holding company whose roads unit, **Autostrade per l'Italia** SpA, collects tolls for operating and maintaining half of Italy's highway system, including the stretch where the ill-fated Morandi Bridge stood.

Investigators are still trying to determine the cause of the bridge's failure, but the Benettos have been criticized over the past three weeks by politicians and on social media. Luigi Di Maio, leader of the 5 Star Movement, the largest party in Parliament, called the Benettos "shameful" for their almost complete silence since the bridge collapse. "I wouldn't let people with this lack of humanity manage this chair, let's not even talk about the highways on which Italians travel," he said.

Gilberto Benetton, who runs the family investment vehicle and is on Atlantia's board, on Thursday became the first family member to speak publicly about the bridge collapse and its aftermath. In an interview published in Italian daily *Corriere della Sera* he expressed condolences to the injured and families of the deceased.

"Where we're from, silence is considered a sign of respect,"

The Benetton family's holding company has received more than €1 billion in Atlantia dividends over the past four years. €350 million



Note: \$1=€1.16
Source: Atlantia
THE WALL STREET JOURNAL.

said Mr. Benetton, who with his two surviving siblings hails from northeast Italy.

The 77-year-old executive said a press release two days after the tragedy from family holding company Edizione had been sufficient. That release of offered condolences, said the family would do everything possible to help the truth emerge and noted that Autostrade had invested more than €10 billion (\$11.6 billion) in Italy's highway network over the past decade.

The family declined to comment further.

Politicians are heaping blame not only on the Benettos, but also Autostrade, which they accuse of slack maintenance that allowed the bridge to deteriorate. The company has apologized for the incident, but says it did nothing wrong.

Leading members of Italy's government, a coalition between the antiestablishment 5 Star and the nationalist League,

have said Autostrade should be stripped of its license for man-

aging the highways. Mr. Di Maio has called for the highways to be nationalized. Autostrade says its contract guarantees it billions of euros in damages if the license is canceled before it runs out in 2042.

For the Benettos, there has been damage to the reputation they have cultivated of being above the political fray but interested in advancing social causes. Some critics are calling for a boycott of their products.

"The Benettos have for years represented the progressive political left in Italy, but now this new government has managed to brand them as that type of left that has lost contact with people's real needs," said Giovanni Favero, a professor in the management department at Ca' Foscari University in Venice who wrote a book on the rise of the Benetton dynasty.

Also weighing on public opinion is the Benettos' rising fortune. It has ballooned since the 1990s following a pivot away from the family's clothing line to the highly profitable business of running freeways,

where critics say both maintenance and government oversight have been lax.

Last year, Atlantia paid almost €300 million in dividends to the Benettos, pushing their haul over the past four years to more than €1 billion. The payouts, which are the family's main source of income, could face political pressure following the bridge collapse. Mr. Di Maio and other politicians have said Autostrade should have spent more on maintenance and less on dividends, which go to Atlantia and on to its shareholders, including the Benettos.

The Atlantia stake accounted for half of the family's €12 billion in assets—until the bridge disaster sent Atlantia shares plunging, wiping €1.9 billion from the Benettos' wealth.

"It's unlikely the [license] will be revoked, but the possibility adds to the uncertainty and will keep Atlantia's share price suppressed," said Matteo Radaelli, an analyst at research firm Hammer Partners.

Atlantia declined to comment on how the bridge collapse might affect the company's dividend policy.

Online, Store Sales Fall at Barnes & Noble

By ALLISON PRANG AND JEFFREY A. TRACHTENBERG

Barnes & Noble Inc.'s sales swooned in the latest quarter as the struggling bookseller continued to face challenges attracting people to its stores.

Comparable sales fell 6.1% in the period ended July 28, a result the company said was lower than planned. Total sales declined 6.9% to \$794.8 million. Problems also extended to the company's online channel, where sales fell 14%, in part because of fewer promotions.

Despite the quarterly result, Executive Chairman Leonard Riggio said the company is making progress in efforts to stem the sales decline. Barnes & Noble reported sequential improvement in comparable sales in the past few months, with the metric falling 0.8% in August.

The latest quarterly report comes as the company deals with the fallout over the dismissal of its former chief executive, Demos Parneros. Barnes & Noble in July fired Mr. Parneros, who had led the bookseller since April 2017, for violations of company policies and didn't provide him with severance.

After Mr. Parneros's exit, a group of executives, including Barnes & Noble's finance and merchandising chiefs, have been handling CEO duties. Mr. Riggio has also been involved in management decisions.

Barnes & Noble, the nation's largest bookstore chain, reported a first-quarter loss of \$17 million, or 23 cents a share, compared with a year-earlier loss of \$10.8 million, or 15 cents a share. In addition to falling revenue, the results were hurt by a smaller income-tax benefit. At the same time, selling and administrative expenses fell 9%.

Shares of Barnes & Noble, down 32% year to date, fell 8.1% to \$4.55 on Thursday.

Barnes & Noble's operations have been pressured by the continuing migration of retail shopping online. An investment fund run by Richard

Schottenfeld has met with management about improving the company's performance. On Thursday, Mr. Schottenfeld said that the fund had increased its stake in Barnes & Noble to 6.9%.

Late last month Mr. Parneros filed a lawsuit in Manhattan federal court against Barnes & Noble, alleging he was fired "without warning or justification."

In a discussion with analysts, Mr. Riggio briefly addressed Mr. Parneros's lawsuit, saying the board had acted after "multiple events of significant misconduct, including sexual harassment, bullying behavior and other violations of company policies." In his lawsuit, Mr. Parneros denied that he had engaged in any misconduct at Barnes & Noble.

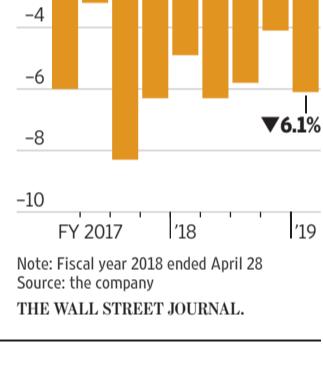
Mr. Riggio also took umbrage at Mr. Parneros's description of his views regarding certain current and former senior staffers, describing the lawsuit as containing "outrageous lies."

A spokesman for Mr. Parneros didn't have an immediate comment regarding Mr. Riggio's comments Thursday.

Barnes & Noble, Mr. Riggio said, will address the subject of finding a new CEO after the retailer's annual meeting on Oct. 3.

On the Books

Barnes & Noble's comparable-store sales, change from previous year



Note: Fiscal year 2018 ended April 28
Source: the company
THE WALL STREET JOURNAL.

ADVERTISEMENT

The Marketplace

To advertise: 800-366-3975 or WSJ.com/classifieds

NOTICE OF SALE

NOTICE OF PUBLIC SALE: Please take notice that Dock Street Capital Management LLC (the "Liquidation Agent"), on behalf of U.S. Bank National Association in its capacity as indenture trustee (in such capacity, the "Trustee"), will be conducting a public sale of certain collateral pledged by an issuer to the Trustee for certain collateralized debt obligations at the offices of the Liquidation Agent: 575-B Riverside Avenue, Westport, Connecticut 06880. The sale will occur on the date and time indicated below. The collateral to be sold at the sale consists of the following assets (the "Assets"):

Lot #	CUSIP	Issue Name	Asset Type	Original Face	Current Par Value
1	74060J209	PLT 2004-1 Pref Shares	CDO	\$0.00	\$562.50
2	362334B06	GSA 2006-3 A1	RMBS	\$7,500,000.00	\$83,758.46
3	61750FAD2	MSAC 2006-H6 A2B	RMBS	\$2,915,596.00	\$501,472.38
4	65536VA55	NAA 2006-AF2 1A1	RMBS	\$9,900,000.00	\$599,260.15
5	74060JAB6	PLT 2004-1A1 M7	CDO	\$3,000,000.00	\$0.00
6	02640J202	AHML 2004-4 M7	RMBS	\$5,000,000.00	\$0.00
7	02660TCP8	AHML 2004-6 B31	RMBS	\$5,000,000.00	\$0.00
8	07366HM1H	BALTA 2004-10 B2	RMBS	\$2,664,000.00	\$0.00
9	07366HV06	BALTA 2005-2 B2B	RMBS	\$2,115,000.00	\$0.00
10	12669GSM4	CWHL 2005-2 M8	RMBS	\$4,973,000.00	\$0.00
11	152314N15	CXHE 2005-B B	RMBS	\$3,000,000.00	\$0.00
12	23332UCR3	DSLA 2005-AR1 B2	RMBS	\$1,000,000.00	\$0.00
13	23332UCS1	DSLA 2005-AR1 B3	RMBS	\$1,376,000.00	\$0.00
14	29445FCW6	ELMT 2005-1 M9	RMBS	\$1,000,000.00	\$0.00
15	317350BN5	FINA 2004-2 B1	RMBS	\$2,817,000.00	\$0.00
16	32027PNP5	FFML 2004-FFH4 M11	RMBS	\$3,122,000.00	\$0.00
17	35729PKD1	FHLT 2005-1 M9	RMBS	\$2,500,000.00	\$0.00
18	36242DDX8	GSAMP 2004-AR2 B3	RMBS	\$6,759,000.00	\$0.00
19	36242DLU0	GSR 2004-12 B3	RMBS	\$2,701,000.00	\$0.00
20	36242DPSS0	GSR 2004-12 B3	RMBS	\$2,451,000.00	\$0.00
21	39524M4M4	GPMF 2005-AR1 M7A	RMBS	\$5,000,000.00	\$0.00
22	39538RAF4	GPMF 2005-AR1 B2	RMBS	\$4,501,000.00	\$0.00
23	45254TOF4	IMSA 2004-3 M5	RMBS	\$2,000,000.00	\$0.00
24	45660LKG9	INDX 2005-AR6 B2	RMBS	\$1,000,000.00	\$0.00
25	45660LG7	INDX 2005-AR6 B3	RMBS	\$4,000,000.00	\$0.00
26	66987WC81	NHEL 2004-4 B3	RMBS	\$2,000,000.00	\$0.00
27	70069FCN5	PPSI 2004-MCW1 M7	RMBS	\$2,000,000.00	\$0.00
28	92922FK23	WAMU 2005-AR6 B4	RMBS	\$5,000,000.00	\$0.00

The information above is current as of August 30, 2018 and is subject to change. All bids for the public sale must be submitted by the time noted above and in accordance with the terms and conditions of a bid package ("Bid Package"). Each bidder must be a financial institution or other entity that has the financial wherewithal to acquire the Assets. In addition, each bidder must be able to purchase such Assets at the respective purchase price for such Assets in good funds on the date of sale. The Assets are being sold on an "AS IS AND WHERE IS" BASIS, AND WITHOUT ANY REPRESENTATIONS OR WARRANTIES (WHETHER EXPRESSED OR IMPLIED), AND ARE MADE BY ANY SECURED PARTY, THE TRUSTEE, THE LIQUIDATION AGENT OR ANY OTHER PERSON ACTING FOR OR ON BEHALF OF THE TRUSTEE, AND WITHOUT ANY REOURSE AGAINST ANY SUCH PERSON. Any successful bidder must satisfy all transfer restrictions and other qualifications, and deliver such investment letters and legal opinions, as may be required under the applicable documentation relating to the Assets. For further information regarding the Assets or sale and to obtain the Bid Package, please contact either David Crowley by telephone at (212) 457-8258 or by e-mail at dcrowley@dockstreetcap.com or Jeffrey Holtman by telephone at (212) 457-8259. Any written communication to the Liquidation Agent concerning the Assets or the sale must include the name of the financial institution or entity interested in bidding and the name, e-mail address and address of the person at such institution or entity that the Liquidation Agent can contact in order to provide further information regarding the Assets and the sale.

NOTICE OF PUBLIC SALE: Please take notice that Dock Street Capital Management LLC (the "Liquidation Agent"), on behalf of U.S. Bank National Association in its capacity as indenture trustee (in such capacity, the "Trustee"), will be conducting a public sale of certain collateral pledged by an issuer to the Trustee for certain collateralized debt obligations at the offices of the Liquidation Agent: 575-B Riverside Avenue, Westport, Connecticut 06880. The sale will occur on the date and time indicated below. The collateral to be sold at the sale consists of the following assets (the "Assets"):

Lot #	CUSIP	Issue Name	Asset Type	Original Face	Current Par Value
1	00252FBG5	AMIT 2005-1 M9	RMBS	\$2,000,000.00	\$2,000,000.00
2					

BUSINESS NEWS

Blackstone's Real-Estate Phenom

Kathleen McCarthy oversees \$119 billion in assets and more than 450 employees

BY MIRIAM GOTTFRIED

Blackstone Group LP's real-estate business has grown nearly sixfold over the past eight years, surpassing private equity to become the firm's largest division and biggest source of profits. Behind that meteoric rise is a woman whose ascent has followed a similarly steep trajectory.

Kathleen McCarthy landed a promotion this year that vaulted her into a select group of women who have reached the upper echelons of the male-dominated worlds of real estate and private equity. She was named Blackstone's co-head of real estate, alongside fellow co-head Ken Caplan, after their boss, Jon Gray, became the firm's president and chief operating officer in February.

Ms. McCarthy is a foodie and a fan of alternative-rock music whom colleagues described as smart, driven and tenacious. Some compare her empathetic leadership style to Mr. Gray's.

Her advancement is emblematic of how the 33-year-old New York private-equity firm, which manages about \$440 billion, is thinking about its next generation of leaders.

Like some peers, Blackstone is making an effort to attract more women. While men still dominate its leadership roles, the firm has made progress on recruitment. It says nearly 40% of its 2018 analyst class are women, up from 15% in 2015.

Ms. McCarthy's rise has been notably swift at a firm with a history of promoting longtime veterans into its upper ranks.

She joined Blackstone's real-estate business in 2010 in an investor-relations role and became its chief operating of-



Ms. McCarthy joined the company's real-estate business in 2010 and became operating chief three years later.

ficer three years later. She turned 40 last month.

"She's got a gift," said Blackstone Chief Executive Stephen Schwarzman. "Some people can effortlessly hold the table, and people look toward them. In a way, she's got some of the characteristics Jon Gray has in that she's easy to take in large doses."

Ms. McCarthy's popularity among Blackstone's investors was cemented in a moment now legendary among investors and colleagues. Standing on a podium in November 2014, in a ballroom at the firm's annual meeting of real-estate investors at New York's Waldorf Astoria Hotel, she told the hundreds of besuited attendees that fundraising for Blackstone's next real-estate fund needed to be completed by March 27, 2015.

Attendees were puzzled by the specificity of her demand until she turned to the side and revealed she was several months pregnant. Blackstone delivered, setting a record for the largest private-equity real-

estate fund by raising \$14.5 billion by March 27—right on schedule.

Despite Ms. McCarthy's meticulous planning, her daughter was born a day early, on March 26.

"Fundraising tends to drift," Ms. McCarthy said in an interview. "I said, 'I have something that's not going to drift. This baby is going to

In her role, she tackles investor relations, legal, technology and product development.

come out.'

Blackstone's real-estate business, which has \$119 billion in assets under management and more than 450 employees, is a major global player and one of the largest owners of property in the U.S. It owns Chicago's Willis Tower, the Cosmopolitan of

Las Vegas resort and casino, and thousands of homes through a stake in Invitation Homes Inc.

This year Blackstone sold the last of its stake in Hilton Worldwide Holdings Inc., an investment that earned it more than \$14 billion, the most ever for a private-equity investment in real estate.

As co-heads, Ms. McCarthy and Mr. Caplan divide business responsibilities along lines that mirror their previous roles. Mr. Caplan, formerly the division's chief investment officer, continues to oversee investing. Ms. McCarthy tackles everything else, including investor relations, legal, human resources, technology and product development.

"We've always had a great investing process," Mr. Gray said in an interview. "What Kathleen did was raise our game in an enormous way."

Ms. McCarthy is no stranger to investing. Before Blackstone, she worked in the real-estate principal investment area at Goldman Sachs

Group Inc.

"She was always the first person to raise her hand for a complicated assignment to work with the most senior people," said Wesley LePatner, a senior managing director in Blackstone's real-estate group, who worked with Ms. McCarthy at Goldman.

As her manager, Ms. LePatner said Ms. McCarthy ends many conversations with the question, "Is there anything else I can do to be helpful?"

Mr. Gray said that when Ms. McCarthy was making the move from Goldman to Blackstone, he spent most of the interview trying to determine whether she wanted a job that would take her away from investing. She insisted she wanted to learn the more behind-the-scenes, fundraising side of the business.

"I thought it would be a really important pairing with acquisitions experience, if I ever wanted to have a leadership role," she said. "Jon seemed skeptical. I need to remind him that I was right."

EU Clears Apple's Deal for Shazam

BY ANTHONY SHEVLIN

Apple Inc. received European Union approval to acquire **Shazam Entertainment** Ltd., allowing the technology giant to close one of its most prominent deals in years—and helping its music business to battle **Spotify Technology SA** for streaming-music subscribers.

The approval Thursday follows an investigation by the European Commission, the bloc's regulator, assessing the deal's impact on competition in Europe, in line with the EU's strategy in recent years to closely look at mergers involving data-rich companies.

Regulators were concerned that by acquiring Shazam—an app that helps users identify songs playing around them—Apple could gain access to commercially sensitive data about its competitors' customers, allowing Apple to encourage them to switch to its own streaming service, Apple Music.

"After thoroughly analyzing Shazam's user and music data, we found that their acquisition by Apple would not reduce competition in the digital music-streaming market," said EU antitrust chief Margrethe Vestager.

The decision follows a string of setbacks for Silicon Valley firms in the EU, which has developed a reputation in recent years for being one of the world's toughest enforcers of antitrust law.

Apple announced the acquisition of U.K.-based Shazam in December. After identifying a song, Shazam directs users to Apple Music or Spotify to listen to and potentially buy or stream the music. It would also give Apple access to additional information on consumers' musical interests.

WSJ PRO CYBERSECURITY SMALL BUSINESS ACADEMY

Last year, cyberattacks cost small and medium-sized businesses an average of \$2.2m.

Save your company money and protect your business with top cybersecurity experts.

The Wall Street Journal has partnered with Vistage, the FBI-affiliated InfraGard San Diego, and CySec professional trainers (ISC)² to present the WSJ Pro Cybersecurity Small Business Academy. We'll help you identify, prioritize and execute the actions needed to protect your business from cybercrime.

October 15-16, 2018

Monarch Beach Resort, Dana Point, California

Register today: cyber.wsj.com/sba

Early bird discount ends September 14. Use code: SBAEarly200



VISTAGE

(ISC)²

MARKETS DIGEST

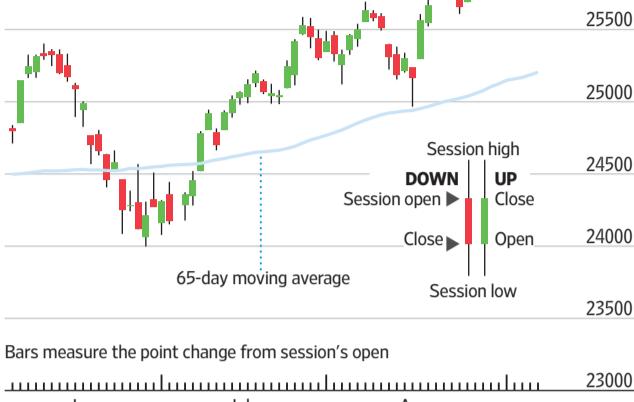
EQUITIES

Dow Jones Industrial Average

25995.87 ▲ 20.88, or 0.08%
 High, low, open and close for each trading day of the past three months.

Trailing P/E ratio 23.50 19.94
 P/E estimate * 16.78 18.53
 Dividend yield 2.12 2.36
 All-time high 26616.71, 01/26/18

Current divisor 0.14748071991788



Bars measure the point change from session's open

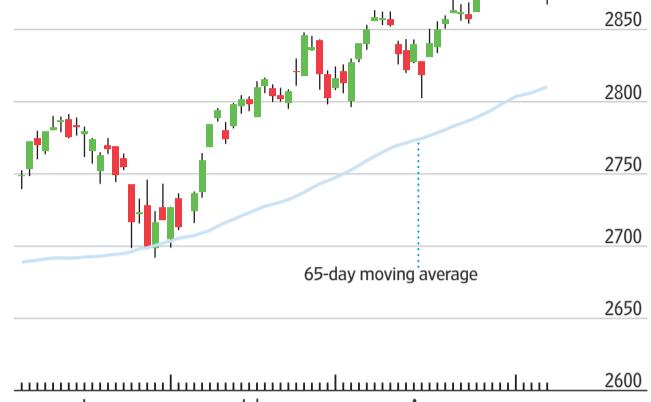
June July Aug.
 23000 24000 25000 26000

*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.

S&P 500 Index

2878.05 ▼ 10.55, or 0.37%
 High, low, open and close for each trading day of the past three months.

Trailing P/E ratio 24.53 23.86
 P/E estimate * 17.98 18.85
 Dividend yield 1.81 2.00
 All-time high 2914.04, 08/29/18



June July Aug.
 2600 2700 2800 2900

Nasdaq Composite Index

7922.73 ▼ 72.45, or 0.91%
 High, low, open and close for each trading day of the past three months.

Trailing P/E ratio 25.81 25.75
 P/E estimate * 21.97 21.59
 Dividend yield 0.94 1.11
 All-time high: 8109.69, 08/29/18



June July Aug.
 7200 7300 7400 7500

Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	52-Week		YTD % chg	3-yr. ann.
						High	Low		
Dow Jones									
Industrial Average	26073.68	25880.84	25995.87	20.88	0.08	26616.71	21784.78	19.3 5.2 17.3	
Transportation Avg	11438.40	11353.27	11367.29	-19.44	-0.17	11436.36	9346.03	21.6 7.1 13.4	
Utility Average	745.07	737.20	741.90	2.28	0.31	774.47	647.90	-0.3 2.6 11.0	
Total Stock Market	30074.81	29815.85	29912.38	-119.78	-0.40	30290.78	25444.35	17.4 8.1 14.2	
Barron's 400	783.60	775.31	776.55	-5.22	-0.67	786.73	639.65	21.4 9.2 14.3	

Nasdaq Stock Market

Nasdaq Composite	8001.97	7885.49	7922.73	-72.45	-0.91	8109.69	6360.19	23.8 14.8 19.1	
Nasdaq 100	7532.30	7405.32	7453.17	-70.09	-0.93	7660.18	5867.35	25.0 16.5 21.2	

S&P

500 Index	2892.05	2867.29	2878.05	-10.55	-0.37	2914.04	2461.43	16.8 7.6 14.4	
MidCap 400	2045.12	2028.14	2031.54	-7.01	-0.34	2050.23	1713.58	18.6 6.9 13.6	
SmallCap 600	1094.27	1083.81	1084.05	-7.71	-0.71	1098.36	837.41	29.5 15.8 17.9	

Other Indexes

Russell 2000	1731.42	1713.81	1714.47	-13.18	-0.76	1740.75	1398.67	22.6 11.7 14.7	
NYSE Composite	12993.16	12900.82	12938.91	-29.64	-0.23	13637.02	11879.61	8.9 1.0 9.4	
Value Line	588.38	582.96	583.59	-3.57	-0.61	593.57	514.86	13.3 3.8 8.8	
NYSE Arca Biotech	5285.49	5164.29	5174.03	-110.12	-2.08	5342.46	4045.25	22.7 22.5 11.3	
NYSE Arca Pharma	576.74	572.39	575.59	-1.43	-0.25	593.12	516.32	7.0 5.6 2.1	
KBW Bank	110.95	109.88	110.06	-0.86	-0.77	116.52	89.71	22.7 3.1 16.3	
PHLX® Gold/Silver	64.19	62.69	62.91	-0.16	-0.25	93.26	62.91	-32.6 -26.2 11.5	
PHLX® Oil Service	138.92	134.97	135.40	-3.42	-2.46	170.18	124.84	6.5 -9.5 -8.6	
PHLX® Semiconductor	1399.59	1365.32	1366.35	-37.48	-2.67	1449.90	1093.49	23.4 9.0 31.7	
Cboe Volatility	15.41	13.72	14.65	0.74	5.32	37.32	9.14	26.8 32.7 -19.2	

\$ Nasdaq PHLX

Sources: SIX Financial Information; Dow Jones Market Data

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 50,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
iShares MSCI Emg Markets	EEM	8,320.2	41.78	0.02	0.05	41.87	41.68
SPDR S&P 500	SPY	8,041.9	288.03	-0.13	-0.05	289.12	287.52
Invesco QQQ Trust I	QQQ	3,798.7	181.65	-0.16	-0.09	181.94	181.64
Invesco Senior Loan ETF	BKLN	2,786.3	23.07	-0.02	-0.09	23.09	23.07
iShares MSCI EAFE ETF	EFA	2,699.9	65.75	-0.21	-0.32	66.00	65.75
Teva Pharmaceutical ADR	TEVA	2,644.1	21.79	0.04	0.18	21.95	21.75
General Electric	GE	2,383.4	12.46	-0.05	-0.40	12.62	12.35
Southern	SO	2,090.6	45.76	...	unch.	45.99	44.96

Percentage gainers...

Okta CIA	OKTA	856.8	69.89	9.69	16.10	71.54	59.30
Five Below	FIVE	593.3	126.30	10.79	9.34	127.30	114.70
Marvell Tech Group	MRVL	1,312.8	20.71	1.25	6.42	21.50	19.05
Palo Alto Networks	PANW	238.8	234.00	13.63	6.19	237.00	220.00
Direxion Brazil Bull 3X	BRZU	175.9	17.41	1.01	6.16	18.25	16.39

...And losers

Tilray</

COMMODITIES

WSJ.com/commodities

Futures Contracts

Metal & Petroleum Futures

	Contract						Open interest
	Open	High	Low	Settle	Chg	Interest	
Copper-High (CMX) -25,000 lbs.; \$ per lb.	2,6080	2,6470	2,6080	2,6185	0.0260	3,785	
Sept 2,6080	2,6470	2,6080	2,6105	2,6365	0.0265	152,856	
Gold (CMX) -100 troy oz.; \$ per troy oz.	1202.00	1202.00	1198.30	1197.90	3.00	92	
Oct 1197.00	1207.40	1195.70	1199.00	2.90	45,201		
Dec 1202.50	1212.70	1200.50	1204.30	3.00	35,254		
Feb'19 1209.50	1218.10	1206.60	1210.00	3.10	35,254		
June 1222.00	1229.30	1221.30	1221.40	3.10	9,298		
Dec 1242.50	1246.50	1237.80	1239.10	3.10	3,799		
Palladium (NYM) -50 troy oz.; \$ per troy oz.	970.80	974.70	959.00	962.10	0.90	16,984	
Sept 960.80	974.70	959.00	962.10	0.90	16,984		
March'19 956.70	967.00	953.00	955.60	0.20	592		
Platinum (NYM) -50 troy oz.; \$ per troy oz.	793.80	793.80	790.30	789.70	6.60	1	
Sept 793.80	793.80	790.30	789.70	6.60	1		
Oct 784.80	796.30	781.00	790.90	6.60	74,900		
Silver (CMX) -5,000 troy oz.; \$ per troy oz.	141.30	142.25	140.50	140.75	-0.043	1,442	
Dec 142.20	143.40	141.30	141.81	-0.039	185,289		
Crude Oil, Light Sweet (NYM) -1,000 bbls.; \$ per bbl.	68.63	69.02	67.00	67.77	-0.95	398,883	
Nov 68.32	68.72	66.72	67.52	-0.90	228,800		
Dec 68.06	68.47	66.50	67.30	-0.87	289,923		
Jan'19 67.85	68.22	66.30	67.07	-0.87	163,997		
June 66.35	66.93	65.17	65.87	-0.80	168,156		
Dec 64.72	65.23	63.65	64.28	-0.68	235,376		
NY Harbor USLD (NYM) -42,000 gal.; \$ per gal.	2,2287	2,2454	2,1910	2,2091	-0.0254	130,222	
Nov 2,2473	2,2473	2,1943	2,2123	-0.0251	73,029		
Gasoline-NY RBOB (NYM) -42,000 gal.; \$ per gal.	1,9598	1,9845	1,9260	1,9510	-0.138	138,030	
Oct 1,9471	1,9702	1,9130	1,9375	-0.0149	110,461		
Natural Gas (NYM) -10,000 MMBtu; \$ per MMBtu.	2,793	2,797	2,765	2,772	-0.023	225,657	
Dec 2,810	2,815	2,783	2,791	-0.022	209,481		
Dec 2,905	2,909	2,878	2,885	-0.022	144,451		
Jan'19 2,991	2,996	2,968	2,974	-0.021	198,735		
March 2,860	2,862	2,840	2,845	-0.017	201,093		
April 2,599	2,603	2,582	2,585	-0.018	159,460		

Agriculture Futures

Corn (CBT)-5,000 bu.; cents per bu.							
Sept 353.50	354.50	350.75	353.50	1.75	3,408		
Dec 365.50	367.75	363.50	366.25	1.00	989,938		
Oats (CBT) -5,000 bu.; cents per bu.	245.00	247.50	245.00	234.25	.50	7	
Dec 247.25	249.25	245.25	247.00	.50	3,548		
Soybeans (CBT) -5,000 bu.; cents per bu.	828.25	829.75	824.00	826.75	1.25	543	
Nov 838.25	842.75	834.75	839.25	1.25	438,423		
Soybean Meal (CBT) -100 tons; \$ per ton.	306.50	311.90	306.50	311.00	4.80	1,617	
Dec 309.70	313.50	309.30	314.00	4.30	222,196		
Soybean Oil (CBT) -60,000 lbs.; cents per lb.	28.15	28.25	28.10	28.16	-.02	1,282	
Dec 28.65	28.65	28.45	28.53	-.03	254,463		
Rough Rice (CBT) -2,000 cwt.; \$ per cwt.	1080.00	1080.00	1080.00	1077.50	7.00	18	
Sept 1080.00	1095.00	1080.00	1088.00	7.00	6,654		
Wheat (CBT) -5,000 bu.; cents per bu.	490.00	492.25	487.75	486.00	-7.75	746	
Dec 522.00	524.50	512.50	513.75	-8.00	218,777		
Wheat (KCI) -5,000 bu.; cents per bu.	497.25	500.50	493.25	490.50	-11.25	67	
Dec 528.25	529.75	516.25	516.75	-11.25	151,561		
Wheat (MPLS) -5,000 bu.; cents per bu.	562.00	562.00	555.75	555.75	-.82	44	
Dec 581.50	582.25	571.00	571.75	-8.50	3,732		
Cattle-Feeder (CME) -50,000 lbs.; cents per lb.	151.90	152.400	151.450	151.775	.050	3,883	
Oct 151.65	152.150	151.50	151.525	.050	17,782		
Cattle-Live (CME) -40,000 lbs.; cents per lb.	109.250	109.425	108.625	108.900	-.150	110,726	
Dec 113.925	114.125	113.425	113.725	-.025	80,858		
Hogs-Lean (CME) -40,000 lbs.; cents per lb.	53.75	54.975	52.825	54.975	3.00	90,449	
Dec 55.900	56.850	55.775	56.675	1.500	68,659		
Lumber (CME) -110,000 bd. ft.; \$ per 1,000 bd. ft.	1,020.50	1,020.425	1,018.25	1,018.900	-.015	1,018,726	
Sept 443.80	449.00	431.10	435.70	-.960	673		
Nov 406.00	411.20	397.40	397.50	-.1490	2,841		
Milk (CME) -200,000 lbs.; cents per lb.	2,300	2,300	2,300	2,310	-.4	504	
Dec 2,314	2,322	2,264	2,281	-.30	116,741		
Coffee (ICE-US) -37,500 lbs.; cents per lb.	99.05	99.05	99.05	97.95	-2.15	53	
Dec 103.65	104.15	102.05	102.20	-.160	177,616		
Sugar-World (ICE-US) -112,000 lbs.; cents per lb.	11.61	11.26	10.80	11.26	-.038	4,938	
Dec 11.59	11.59	11.26	11.26	-.038	4,938		

Currency Futures

Source:SIX Financial Information

Japanese Yen (CME)-¥125,000,000; \$ per 100Y							
Sept .8976	.9054	.8971	.9027	.0052	173,511		
Dec .9034	.9113	.9033	.9087	.0052	13,946		
Canadian Dollar (CME) -CAD 100,000; \$ per CAD	.7593	.7619	.7562	.7615	.0031	140,851	
Sept .7593	.7619	.7562	.7628	.0031	9,974		
British Pound (CME) -£62,500; \$ per £	1,2195	1,2097	1,2011	1,2038	-.0035	29,278	
Dec 1,2970	1,3018	1,2954	1,2990	-.0035	18,672		
Swiss Franc (CME) -CHF 125,000; \$ per CHF	1,0305	1,0370	1,0301	1,0360	.0065	74,360	
Dec 1,0385	1,0452	1,038					

BIGGEST 1,000 STOCKS

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are composite quotations that include primary market trades as well as trades reported by Nasdaq BX (formerly Boston), Chicago Stock Exchange, Cboe, NYSE National and Nasdaq ISE. The list comprises the 1,000 largest companies based on market capitalization.

Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume.

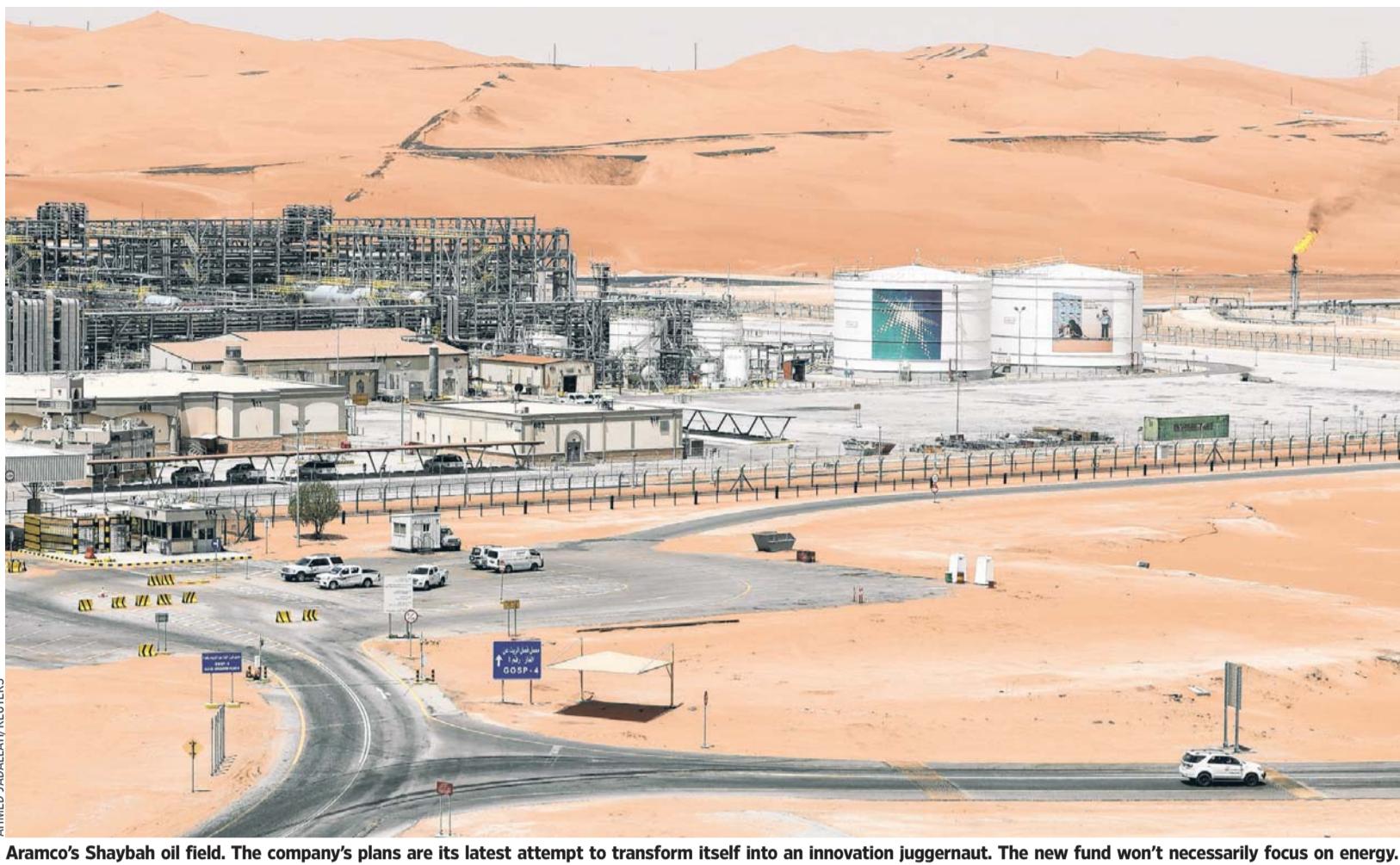
Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher.

Wall Street Journal stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices from 4 p.m. the previous day.

Thursday, September 6, 2018

Net Stock Sym Close Chg

BANKING & FINANCE



AHMED JADALLAH/REUTERS

Aramco's Shaybah oil field. The company's plans are its latest attempt to transform itself into an innovation juggernaut. The new fund won't necessarily focus on energy.

Bankruptcy Is Costing Companies A Lot More

BY KATY STECH FEREK

PenAir Chief Operating Officer David Richards thought the \$156,215 bankruptcy fee was a mistake.

The Anchorage, Alaska, airline had been in bankruptcy since August 2017, paying a quarterly fee of about \$20,000 that the Justice Department collects from companies in chapter 11. The latest bill was nearly eight times that amount.

It wasn't an error. PenAir was one of the first businesses to feel the effect of an increase in the fees the court system is charging companies for going through the bankruptcy process. The quarterly fee is now capped at \$250,000; the previous cap was \$30,000.

Some bankruptcy lawyers and financial advisers say the price increase is pushing the cost of bankruptcy to an unaffordable level for businesses, which already are struggling between reorganization and shutting down.

With a stronger economy, fewer companies have filed for bankruptcy since 2009, which has led to fewer quarterly fees collected by the U.S. Trustee Program, a Justice Department division that monitors cases for wrongdoing. The fees the program collects from companies can be used to reimburse the government for the federal money it has spent or held in its own account. The program's account contained about \$15 million on Sept. 30, 2017. A Justice Department representative declined to state the fund's current balance.

Congress approved the price change, which went into effect at the start of the year.

Justice Department officials said the change will affect 10% of companies that file for chapter 11 protection. Last year, 6,350 businesses filed for chapter 11. Trustee program director Clifford White said that companies that use the bankruptcy court system should pay for its oversight.

CFPB Keeps Up Financial Scrutiny

BY YUKA HAYASHI

WASHINGTON—The Consumer Financial Protection Bureau has in recent months found illegal activities in mortgage and auto-loan servicing and at payday-lending companies, a sign the bureau continues to scrutinize financial companies under the Trump administration.

The CFPB provided an update on its supervision and examination activities in a report released Thursday—the first since acting Director Mick Mulvaney took over in November 2017. Mr. Mulvaney, a Trump appointee, has introduced a more collaborative enforcement approach to companies the CFPB oversees than was the case during the Obama administration. That has prompted criticism from officials hired in the prior administration.

"What's notable is that the supervisory or examination part of the CFPB has experienced very little change. It's largely business as usual," said Alan Kaplinsky, a lawyer at Ballard Spahr LLP.

The report said the CFPB found violations among servicers of auto loans and home mortgages, sectors identified as having issues by the CFPB's previous leadership.

The report doesn't include company names or detail possible enforcement actions, in line with CFPB practice during the Obama administration.

Examiners observed various deceptive and unfair acts or practices, including repossession vehicles after the repossession was supposed to be canceled, or sloppy billing practices that caused consumers to be late on payments.

Aramco Weighs Tech Venture Fund

BY RORY JONES
AND SUMMER SAID

Saudi Arabia's national oil company is considering a \$1 billion venture-capital fund to invest in international technology firms, according to people familiar with the proposal, as the kingdom deepens efforts to diversify its economy.

The new fund of Saudi Arabian Oil Co., better known as Aramco, would make multimillion-dollar investments in technologies that complement the oil giant's operations. The company is also considering opening an office in Silicon Valley or elsewhere in the U.S. to generate deals, the people said.

A spokesman for Aramco declined to comment.

Aramco's plans are Saudi Arabia's latest attempt to transform itself into an innovation juggernaut.

More broadly, the kingdom has bet billions of dollars on technologies that can hedge against a potential decline in the demand for oil—the country's biggest revenue source

into technologies that benefit Aramco's sprawling operations but don't necessarily focus on energy, the people familiar with the venture said.

Aramco wants to locate tech firms in Saudi Arabia to create jobs, though that goal isn't the primary reason for establishing the fund, the people added.

The new fund hasn't been finalized. Saudi Arabia has broached big plans for modernizing its economy and business culture without following through on some, including a proposed initial public offering of Aramco that has been indefinitely delayed.

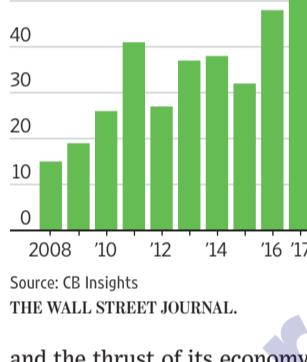
A spokesman for Aramco declined to comment.

Aramco's plans are Saudi Arabia's latest attempt to transform itself into an innovation juggernaut.

More broadly, the kingdom has bet billions of dollars on technologies that can hedge against a potential decline in the demand for oil—the country's biggest revenue source

Energy Venture

Oil and gas firms have increased their venture-capital investments in technology.



Source: CB Insights

THE WALL STREET JOURNAL

has also splashed more than \$4 billion on Silicon Valley startups including Uber Technologies Inc. and Magic Leap Inc., and taken a nearly 5% stake in publicly-owned Tesla Inc.

A new fund would put Aramco at the center of Saudi plans to use technology to transform the economy, mirroring its historical role as the country's most reliable executor of important projects, said Helima Croft, managing director and global head of commodity strategy at RBC Capital Markets.

"It makes a lot of sense to tap Aramco to do this," said Ms. Croft. "They were always the go-to if you needed to get something done."

Last month, Aramco paid \$1.74 billion for the 50% it didn't already own in the Dutch high-tech tire maker Lanxess.

Saudi Aramco Energy Ventures has invested in roughly 30 companies, including a Silicon Valley startup that con-

verts gas to chemicals and a German firm that creates parts of solar panels, according to its website. The oil giant's entrepreneurship center, also known as Wa'ed, has written 17 checks for stakes, including for a perfume e-commerce platform, a payments system and a medical booking site, according to tech website Crunchbase.

Aramco and Saudi energy ministry officials have held talks on developing data-center hubs with U.S. technology companies Alphabet Inc., Google's parent, and Amazon Web Services, part of Amazon.com Inc.

The U.S. Patent and Trademark Office granted Aramco 230 patents last year, four times as many as in 2013.

Aramco's most recent patents have included fluids to break rocky oil formations using micro-particles, a docking station for mobile robots deployed in oil fields and techniques to remove carbon from fuels.

Benoit Faucon contributed to this article.

U.S. Probes Wells Staff

Continued from page B1
problems there are more widespread than previously thought, the people said.

The problems with altered documents initially centered in the part of the wholesale

banking business called the business-banking group, which focuses on companies with annual sales of \$5 million to \$20 million.

Wells Fargo has found similar problems in its commercial-banking division, which primarily serves middle-market companies, and its corporate trust services group, which helps with the administration of securities issued by companies and governments, one of the people said.

Wells Fargo's Mr. Elias said in a statement that "this par-

ticular situation involved a new process and a new document for our team members to complete." He said the bank is taking corrective actions and instituting additional training.

"Even though this matter has not negatively impacted our customers, we take all issues relative to documentation seriously and expect appropriate behavior from front line team members through senior leaders," he added. "If we get something wrong, we fix it."

The Journal previously reported that employees altered the customer documents as Wells Fargo was rushing to meet a deadline to comply with a 2015 consent order from the Office of the Comptroller of the Currency.

The regulator had ordered the bank to beef up its anti-money-laundering controls, including its processes for ensuring that there are proper identification documents and that the bank has the ability to see client activities across a common database.

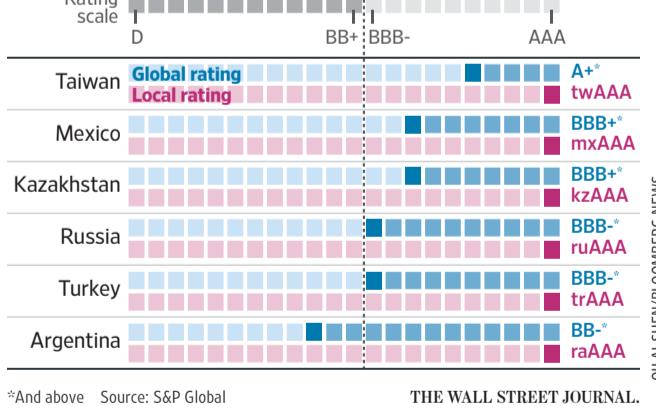
When the OCC issued the consent order, Wells Fargo had more than 100,000 customer accounts it needed to verify, the Journal previously reported.

Wells Fargo in May formally asked the OCC for an extension beyond the initial June 30, 2018, deadline.

Over the past year or so, the bank has been reaching out to thousands of clients requesting updated documentation on information such as relevant client addresses or dates of birth.

Rate Hikes

How S&P's credit ratings in some regions or countries correspond with its global scale



And above Source: S&P Global

THE WALL STREET JOURNAL



In China's \$11 trillion bond market, 17% of bonds are rated triple-A and 76% double-A.

Continued from page B1

markets portfolio manager of debt at Neuberger Berman.

An S&P spokesman said the company has no additional comments on its plans for China, where its global rivals Moody's Investors Service and Fitch Ratings are also applying for licenses. Until last year, the three were restricted from operating independently there.

Globally, S&P's scale goes

from triple-A to D to signify the relative risk of bonds and debt issuers. Just two American nonfinancial corporations—Microsoft Corp. and Johnson & Johnson—have the highest rating, reflecting their "extremely strong capacity to meet financial commitments," according to S&P. Microsoft in recent years issued 30-year bonds priced to yield just 3.7%.

Even the U.S. government, widely seen as one of the safest creditors in the world, gets only a double-A+ from S&P. More than half of U.S. companies and municipalities have speculative-grade, or "junk" ratings, defined as double-B+ and lower.

By contrast, in China's \$11 trillion bond market—which has been open only to domestic credit-rating companies—roughly 17% of bonds are triple-A and 76% double-A, according to Wind Info.

"It is almost like being in a classroom where everyone is getting a [top grade], but in reality, not everyone is that good," said Aninda Mitra, a sovereign analyst with BNY Mellon Investment Management, adding that investors hope S&P's China venture can better differentiate the relative risks.

HNA Group Co., for instance, has a triple-A rating from Shanghai Brilliance and Investors Service Co., even though the company is shedding assets to

meet its debt obligations and last fall paid close to 9% to borrow money for one year. S&P used to provide Shanghai Brilliance with technology and training help but said earlier this year it was discontinuing the partnership. It wasn't involved in rating bonds.

Global credit-rating companies came under fire during the financial crisis over the triple-A ratings they had given to subprime mortgage bonds, bond-insurance companies and other structured-debt instruments. Scores of downgrades and defaults made investors skeptical of the rating companies, which are paid by issuers for their assessments.

In China, S&P would likely have a hard time persuading

bond issuers to pay for ratings if they are much lower than those from domestic raters. There are also practical reasons for an inflated scale in China, where many financial institutions, such as banks and insurance companies, as well as some asset managers, are restricted from buying bonds below a certain rating level.

S&P has rated roughly 300 Chinese issuers that have sold debt outside the country to foreign investors. The highest rating it has given such debt is A+, five notches below its top grade. That matches S&P's sovereign rating on China, which it says reflects the country's economic and financial risks after a prolonged period of strong credit growth.

Continued from page B1

markets portfolio manager of debt at Neuberger Berman.

An S&P spokesman said the company has no additional comments on its plans for China, where its global rivals Moody's Investors Service and Fitch Ratings are also applying for licenses. Until last year, the three were restricted from operating independently there.

Globally, S&P's scale goes

from triple-A to D to signify the relative risk of bonds and debt issuers. Just two American nonfinancial corporations—Microsoft Corp. and Johnson & Johnson—have the highest rating, reflecting their "extremely strong capacity to meet financial commitments," according to S&P. Microsoft in recent years issued 30-year bonds priced to yield just 3.7%.

Even the U.S. government, widely seen as one of the safest creditors in the world, gets only a double-A+ from S&P. More than half of U.S. companies and municipalities have speculative-grade, or "junk" ratings, defined as double-B+ and lower.

By contrast, in China's \$11 trillion bond market—which has been open only to domestic credit-rating companies—roughly 17% of bonds are triple-A and 76% double-A, according to Wind Info.

"It is almost like being in a classroom where everyone is getting a [top grade], but in reality, not everyone is that good," said Aninda Mitra, a sovereign analyst with BNY Mellon Investment Management, adding that investors hope S&P's China venture can better differentiate the relative risks.

Global credit-rating companies came under fire during the financial crisis over the triple-A ratings they had given to subprime mortgage bonds, bond-insurance companies and other structured-debt instruments. Scores of downgrades and defaults made investors skeptical of the rating companies, which are paid by issuers for their assessments.

In China, S&P would likely have a hard time persuading

MARKETS

Coffee Futures Hit 12-Year Low

Emerging-markets rout hits producers, but consumers will get little benefit

BY JULIE WERNAU

Prices for coffee futures have fallen to their lowest level in more than a decade, highlighting how a recent rout in emerging markets is rattling global trade.

Arabica coffee futures have lost 23% so far this year, dropping below \$1 a pound early this week,

COMMODITIES the lowest level since 2006. The declines were sparked by surging production and a sharp decline in the Brazilian real, which is encouraging exports from the world's largest coffee producer as prices there remain stable in local currency terms.

That has dealt a blow to other major producers of the mild arabica bean, including Colombia and Honduras. Coffee prices there are down more than 20% in local currency terms, even as citizens are enjoying a relatively stable exchange rate, because small exporters can be vulnerable to swings in the currency markets of larger producers.

The price of a morning latte, however, is unlikely to fall as far, since such declines rarely trickle down to consumers, analysts said.

Prices for single cup coffee are down 4% so far in 2018, Rabobank said, and roast and ground coffee prices have fallen 1%.

At the same time, Starbucks Corp.'s third quarter revenue



Workers package coffee beans for export at a Dinamo Inter-Agricola Ltda. facility in Brazil.

reached a record \$6.3 billion, the company said in July, an 11% increase year over year, thanks in part to higher per-cup prices in the U.S. Shares have gained roughly 10% this quarter, though they remain down 6.3% for the year.

The fall in coffee futures comes as investors have punished the currencies of countries deemed most vulnerable to rising U.S. interest rates and a resurgence in the dollar.

Dollar strength is a danger for some countries because it weakens their currencies and

makes it more difficult to service dollar-denominated debt, while higher U.S. rates make riskier assets relatively less attractive.

In Brazil, where producers sell coffee in dollars and convert those overseas sales into reais, coffee futures have dropped just 3% this year in local currency terms, due to a 20% sell-off in the country's currency versus the dollar.

The MSCI Brazil stock index has tumbled 23% this year and Brazilian bonds in the JP Morgan EMBI Global Diversified

benchmark bond index are down 6.7%, yet the weaker currency has shielded coffee producers even as competitors in other, relatively stable countries suffer.

The breach of the \$1 per pound on the futures exchange has prompted requests for measures to help farmers in Colombia and Honduras, for example, as prices there have fallen below the cost of production.

The two countries, "have not 'benefited' from the same devaluation of their currencies," said Rodrigo Costa, director of trading at Comexim USA in New York.

During a similar emerging-market rout in 2015, both Colombia and Brazil's currencies fell sharply against the dollar, raising coffee prices in local currency terms even as dollar-priced coffee futures fell 24%.

Meanwhile, speculators are betting in record numbers that coffee prices will continue to decline as Brazilian farmers harvest what analysts are forecasting to be a record coffee crop.

Oil Prices Drop As Total U.S. Fuel Inventories Rise

BY DAN MOLINSKI AND CHRISTOPHER ALESSI

U.S. oil prices fell sharply Thursday after a weekly report showed U.S. inventories of petroleum products are already starting to rise now that summer is ending and the lower-demand fall season is near.

Light, sweet crude for October delivery fell 1.4% to close at \$67.77 a barrel on the New York Mercantile Exchange. Brent crude, the global benchmark, lost 1% to \$76.50 a barrel.

The Energy Information Administration said Thursday that crude-oil inventories fell by 4.3 million barrels last week. And while that data point alone is bullish, the report also showed gasoline and distillates inventories rose by a combined 5 million barrels, and the grand total of crude oil and processed petroleum products rose by a bearish 3.6 million barrels.

"The fundamentals are starting to get a little bit questionable," said Ric Navy, senior vice president for energy futures at R.J. O'Brien & Associates.

The EIA report also showed U.S. crude oil exports fell 271,000 barrels a day last week, to 1.5 million barrels a day.

Mr. Navy said Thursday's report on U.S. oil inventories wasn't the only factor in oil's decline, noting overall global

demand is also becoming a bigger concern.

"There are more clouds as far as economies go, and the tariff disputes are also a factor," he said.

Alfonso Esparza, senior analyst at foreign-exchange trading group Oanda, said additional tariffs may hurt demand for oil.

"The threat of a new round of tariffs on Chinese goods looms over the market," Mr. Esparza said. "China is expected to retaliate, escalating the trade war between the two economies and dragging down global growth forecasts."

The sharp drop in prices represents a quick reversal from earlier in the week, when prices jumped Tuesday on short-term supply concerns as tropical storm Gordon in the U.S. Gulf Coast was seen hitting oil production and refining activity.

But the storm failed to strengthen into a hurricane, proving much less problematic for U.S. oil-and-refining operations than many investors feared.

"I believe the main reason [for Thursday's price decline] is a correction after prices rose ahead of Gordon," said Bernadette Johnson of Drillinfo.

"The storm was priced in, but then changed course and prices came back down a

bit."

Oil-market participants are looking ahead to monthly reports out next week from the International Energy Agency and the Organization of the Petroleum Exporting Countries, with an eye to how much OPEC's output increased last month.

OPEC and its partner producers, including Russia, agreed in late June to start ramping up production in July after more than a year of holding back output. The move helped to cap rapidly rising prices.

Among refined products, gasoline futures for October delivery fell 0.7% to \$1.9510 a gallon. Diesel futures declined 1.1%, to \$2.2091 a gallon.

Source: Dow Jones Market Data

THE WALL STREET JOURNAL.

Gasoline and distillate inventories rose last week by 5 million barrels, driving up total fuel numbers.

Stalling

U.S. crude-oil futures, front-month contract

\$80 a barrel



Source: Dow Jones Market Data

THE WALL STREET JOURNAL.

Chinese Investors Cut Exposure to Hong Kong

BY SHEN HONG AND JOANNE CHIU

Mainland Chinese investors have trimmed their bets on Hong Kong-listed stocks, reflecting pessimism about China's economy, the world's second largest, and concerns about the Hong Kong dollar.

Investment in Hong Kong by mainland Chinese investors, using the Stock Connect program that was launched in 2014, shrank by a record \$3.53 billion last month. August was also the fourth month this year when mainland investors sold more Hong Kong shares than they bought through this trading

link. The Hang Seng Index is down about 9% this year.

Large state-run firms and other favorite picks of mainland investors have fallen sharply—such as **China Life Insurance** Co., which lost 1.3% to hit a fresh 26-month low of 17.16 Hong Kong dollars (\$US\$2.19) Thursday.

Tencent Holdings Ltd., the most valuable Hong Kong-listed company and a popular choice for mainland buyers, fell 2.5% to a one-year low of HK\$316.60. The stock has fallen 22 percent this year.

So far this year, Hong Kong has drawn \$8.95 billion of net inflows from the mainland through the trading link as of Wednesday, just about one-fifth of 2017's \$43.3 billion net

inflows.

That is in contrast with money flowing north. Although the Shanghai Composite has lost 18% this year, foreign investors have piled in, after shares traded in Shanghai and Shenzhen joined MSCI's influential emerging market index in June.

Foreign investors bought a net \$5.2 billion of Shanghai and Shenzhen shares last month, up from \$4.2 billion in July.

The sums are small in the context of a Hong Kong exchange with \$4.2 trillion in market capitalization as of the end of July, according to the World Federation of Exchanges.

Cumulative net inflows

from the mainland are just \$90.2 billion. However, analysts say it has nonetheless depressed valuations.

"Mainland investors' caution about domestic stock markets has affected stock prices in Hong Kong," said Gao Ting, head of China strategy at UBS Securities, the Swiss bank's onshore joint venture.

Jason Lui, head of equity and derivatives strategy for Asia Pacific at BNP Paribas, said while Chinese investors were becoming more sensitive to global uncertainty, the pull-back wasn't a definitive sign they had lost faith in Hong Kong.

"We believe the southbound flow is a long-term tool for domestic Chinese investors to diversify their investments," he said.

Chinese markets are also unusually dominated by flighty retail investors. "This is the difference between people who look at returns in three to five years and those with one week on their mind," said Wendy Liu, head of China equity research at Nomura International.

Foreign investors pay more attention to fundamentals such as business models, while their mainland peers are more speculative, said Ms. Liu.

In Asian markets Thursday, stocks were mixed. The U.S. dollar meanwhile was steady against the Chinese yuan in the freely traded offshore currency markets, at 6.8510.

Treasurys Gain on Weakness In Stocks

BY DANIEL KRUGER

U.S. government bond prices rose Thursday as trade tensions and unsettled emerging markets pushed investors toward the safety of fixed income.

The yield on the benchmark 10-year Treasury note fell the most in more than two weeks to 2.877% from 2.902% Wednesday. Yields fall as bond prices rise.

CREDIT MARKETS Yields fell alongside the S&P 500 after payroll processor

Automatic Data Processing Inc. and forecasting firm Moody's Analytics said Thursday that the economy added fewer jobs than predicted in August.

Last month's gains of 163,000 positions missed projections from economists polled by The Wall Street Journal, who expected 190,000 new private-sector jobs. The increase in private payrolls in August compares with 219,000 jobs added in the private sector in July.

A separate report from the Labor Department on Thursday said that initial jobless claims, a proxy for layoffs across the U.S., declined to a seasonally adjusted 203,000 in the last week of August, the smallest number since 1969.

Meanwhile, speculators are betting in record numbers that coffee prices will continue to decline as Brazilian farmers harvest what analysts are forecasting to be a record coffee crop.

The U.S. Bureau of Labor Statistics will release its nonfarm job numbers on Friday. Economists polled by The Wall Street Journal are expecting 192,000 new nonfarm jobs and an unemployment rate of 3.8%.

While economic growth appears robust, investors are watching developments in trade and emerging markets, which could pose a threat to the current expansion. The U.S. is engaged in talks with its largest trading partners as the Trump administration tries to put the country on more advantageous footing.

"There's no doubt the job market is strong, the economy is strong," said Matt Salzillo, a bond manager at Ryan Labs Asset Management. "People are worried about trade wars pushing us over the edge and ending the good times we're having."

Treasury Sets Sale Of \$189 Billion in Debt for Next Week

The Treasury Department will auction \$189 billion in securities next week, comprising \$103 billion in new debt and \$86 billion in previously sold debt. Details (all with minimum denominations of \$100):

◆ **Monday:** \$48 billion in 13-week bills, a reopening of an issue first sold on June 14, 2018, maturing Dec. 13, 2018. Cusip number: 912796QN2.

Also, \$42 billion in 26-week bills, dated Sept. 13, 2018, maturing March 14, 2019. Cusip number: 912796RB7.

Noncompetitive tenders for both issues must be received by 11 a.m. EDT Monday and competitive tenders, by 11:30 a.m.

◆ **Tuesday:** \$26 billion in 52-week bills, dated Sept. 13, 2018, maturing Sept. 12, 2019. Cusip number: 912796RA9. Also, \$35 billion in three-year notes, dated Sept. 17, 2018, maturing Sept. 15, 2021. Cusip number: 9128285A4.

Noncompetitive tenders for the bills must be received by 11 a.m. Tuesday and competitive tenders, by 11:30 a.m. For the notes, the deadlines are noon and 1 p.m., respectively.

◆ **Wednesday:** \$23 billion in nine-year, 11-month 2.875% notes, a reopening of an issue first sold on Aug. 15, 2018, maturing Aug. 15, 2028. Cusip number: 9128284V9. Noncompetitive tenders must be received by noon Wednesday; competitive tenders, by 1 p.m.

◆ **Thursday:** \$15 billion in 29-year, 11-month 3% bonds, a reopening of an issue first sold on Aug. 15, 2018, maturing Aug. 15, 2048. Cusip number: 912810SD1. Noncompetitive tenders must be received by noon Thursday; competitive tenders, by 1 p.m.

MARKETS

Chip Makers Drive S&P, Nasdaq Lower

BY BEN ST. CLAIR
AND AMRITH RAMKUMAR

Weakness in technology shares pulled the S&P 500 lower for the third straight session Thursday as worries about regulation and trade continue to hang over the market's best-performing sector.

A day after internet stocks led the group lower, semiconductor stocks were the laggard. **Micron Technology** shares slumped after Baird analysts lowered their price target on the stock, and **KLA-Tencor**, **Lam Research** and **Applied Materials** were also among the S&P 500's worst performers, with each of the four companies dropping at least 5%. Investors weighed mixed comments about industry pricing from executives at a Citigroup technology conference.

Trade developments have buffeted chip makers throughout the year because of their reliance on global commerce, particularly through China. Although the shares recovered last month, some analysts expect swings to continue as trade discussions roll on.

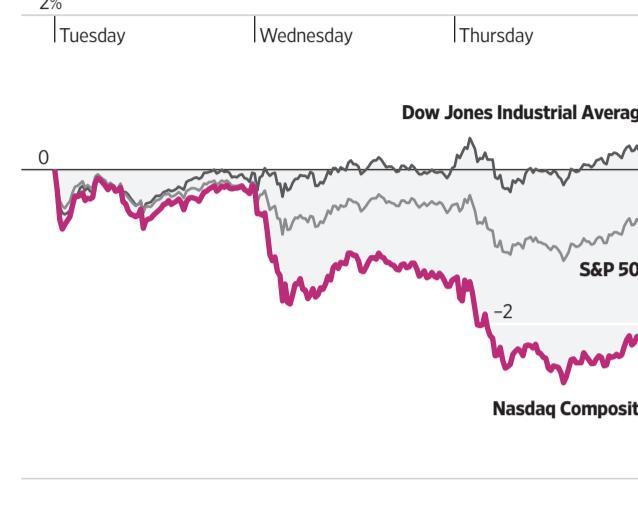
More broadly, some investors predict the volatility that has engulfed stocks around the world to spread to the U.S. if the trade dispute with China intensifies.

The possibility of additional tariffs "doesn't seem particularly priced into U.S. markets," said Clark Fenton, managing partner and chief investment officer at Agilis Investment Management.

Investors are waiting to see if the Trump administration will move ahead with tariffs on an additional \$200 billion of Chinese goods.

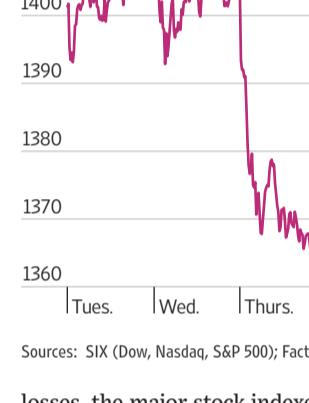
The tech-heavy Nasdaq Composite fell 72.45 points, or 0.9%, to 7922.73, while the S&P 500 shed 10.55 points, or 0.4%, to 2878.05. The Dow Jones Industrial Average inched up 20.88 points, or less than 0.1%, to 25995.87. Despite the recent

Index performance



The Nasdaq Composite has underperformed other major benchmarks this month, dragged down by a sinking technology sector. Anxiety about heftier regulation and trade tensions has weighed on some of the market's best-performing stocks of recent years, stoking volatility throughout the broader group.

PHLX Semiconductor index



Sources: SIX (Dow, Nasdaq, S&P 500); FactSet (stocks, Treasuries, PHLX); Dow Jones Market Data (dollar index)

WSJ Dollar Index



Sources: SIX (Dow, Nasdaq, S&P 500); FactSet (stocks, Treasuries, PHLX); Dow Jones Market Data (dollar index)

Share-price performance



Sources: SIX (Dow, Nasdaq, S&P 500); FactSet (stocks, Treasuries, PHLX); Dow Jones Market Data (dollar index)

Yield on 10-year U.S. Treasury



Sources: SIX (Dow, Nasdaq, S&P 500); FactSet (stocks, Treasuries, PHLX); Dow Jones Market Data (dollar index)

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

WSJ.com/Heard

Email: heard@wsj.com

Some Adult Behavior From CBS

Memory Dump
Piles Up

When it comes to memory chips, the near future may be forgettable.

The sector has been under a cloud for most of the summer as prices for NAND Flash chips have slipped. Reports that memory-chip leader **Samsung** would delay a new production line also hurt sentiment. Concerns were reinforced Thursday after **KLA-Tencor**, which makes semiconductor production equipment, told investors that shipments for the December quarter will be lower than it had thought. The main culprit, according to CFO Bren Higgins, was "one large project" pushed out to next year.

Those comments followed downbeat reports on memory from analysts at Morgan Stanley and Robert W. Baird. Both warned of further weakening in NAND prices. Baird also cut its price target on memory producer **Micron** by 25%. Finally, Karl Ackerman of Cowen & Co. pointed to price competition for the type of flash memory used in solid-state drives.

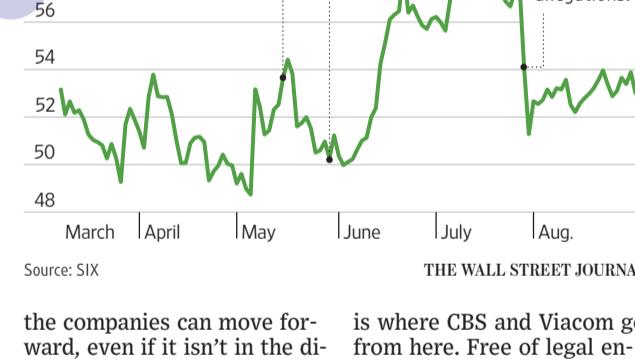
It proved to be a perfect storm for an already waterlogged sector. Shares of KLA and Micron both fell nearly 10% Thursday. **Lam Research**, **Applied Materials** and **Western Digital**—already among the worst-performing chip stocks this year—also slid Thursday.

All also are trading at substantial discounts to the chip sector's average multiple of forward earnings. That might look tempting considering the record sales and earnings of most of these companies recently, but history has shown memory stocks don't rise when chip prices are falling. Investors have long memories, too.

—Dan Gallagher

Broken Recovery

CBS stock performance



the companies can move forward, even if it isn't in the direction of immediate CBS-Viacom consolidation. CBS shares rose 3.2% Thursday, while Viacom was flat.

One step forward for CBS involves dealing with Mr. Moonves. Board members are negotiating a possible exit for him.

The question for investors

CBS can't be snapped up by **Comcast**, which owns NBC, or by **Walt Disney**, which owns ABC. Once high tempers come down and Mr. Moonves is gone, CBS may find that its best option is to merge with Viacom after all.

Meanwhile, what of CBS in Mr. Moonves's absence? He has been hailed as a media genius. The same was said about Steve Wynn, the casino genius behind Wynn Resorts who resigned amid allegations of sexual misconduct, but the company has done fine without him.

The biggest surprise in these two deals may be the awakening of CBS's board, which has been beholden to Mr. Moonves. It could cost the company \$100 million to get rid of its CEO, and the board itself may be tossed out soon after. But a CBS with a fresh board and new management might be rewarded by investors, even without a deal.

—Elizabeth Winkler

OVERHEARD

Harley-Davidson has had a bumpy ride this year.

The motorcycle manufacturer's shares have lagged behind the S&P 500 by nearly 22%, and the company raised President Trump's ire while suffering from his tariff decisions.

A little bit of Silicon Valley magic can heal a lot of wounds, though.

Harley-Davidson said Wednesday that it would hire about 25 people in the West Coast innovation hub to work on its electric bikes. The investing public should approve given the tech sector's halo of late.

The non-bike-riding public may cheer the coming of quiet electric bikes. However, the noise created by middle-aged men vrooming through suburbia on weekends won't go away.

Harley-Davidson promises that the new bike "has a look, sound and feel that is authentic and original."

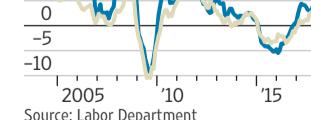
Norfolk Southern Is Showing Railroads Can Keep Rolling

Pay to Play

Producer-price indexes, change from a year earlier

Rail freight

Long-distance trucking



Source: Labor Department

work concentrated in the densely populated Eastern U.S., looks well-placed.

For the first time since at least the early 2000s, trucking costs are rising faster than rail costs, even though rail is often cheaper. Manufacturers are beginning to substitute rail for long-haul trucking on

larger portions of their routes, sacrificing speed for cost. Norfolk's revenue from intermodal shipments—container traffic coming from or going to trucks and ships—was 20% higher last quarter than a year earlier, while per unit pricing was up 8%. That far outpaced its overall operating revenue and pricing gains of 10% and 4%, respectively.

The trend is likely to accelerate in the third quarter. Long-distance trucking costs rose 12% on the year in July, according to Labor Department statistics—the fastest since at least 2004. Rail costs rose by just 6.2%. As U.S. transport capacity keeps getting tighter, railroads still have plenty of scope to raise prices without losing customers. Norfolk, according to

the company, has the most extensive intermodal network in the Eastern U.S.—leaving it uniquely well positioned to benefit from this trend. Railroads have their own congestion problems, but many of the recent issues have been at competitors such as **CSX**, which is in the midst of implementing a new "precision railroading" scheduling strategy, and at **Union Pacific**, which has been dealing with a major tunnel collapse in Oregon.

The cost side of the equation is equally important. Trucking companies are raising prices fast, but they are also getting killed on costs—the labor market for truckers is ultratight and fuel costs are high. As a result, even though trucking companies

like **J.B. Hunt** are seeing sales grow briskly, their margins aren't great. J.B.'s second-quarter operating margin was 10%, according to FactSet, down from 12% in late 2015. Norfolk's was 35%, near its highest this millennium, and up from 27% in 2015.

One concern is valuation. Norfolk Southern trades at 18 times forward earnings, a touch higher than the S&P 500 at 17 times. But the capital-intensive nature of railroads—and their position atop a crucial logistics bottleneck—means they can do well when the economy is running hot, rising variable costs are hitting competitors and spare capacity is limited. Investors should consider hopping aboard.

—Nathaniel Taplin



A Novel Back Story
Writer Ken Follett's quiet childhood **M4**

HOMES | MARKETS | PEOPLE | REDOS | SALES

MANSION

THE WALL STREET JOURNAL.

Unreal Real Estate
How home shows on TV distort reality **M12**

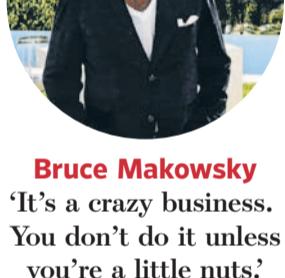


Friday, September 7, 2018 | **M1**



WAR OF THE MEGAMANSIONS!

THE PROVOCATEUR



Bruce Makowsky

'It's a crazy business. You don't do it unless you're a little nuts.'

THE MYSTIC



Raj Kanodia

'I have a very strong relationship and belief in God. It's sort of an insurance policy against all odds.'

A handful of Los Angeles developers are betting their over-the-top creations will outrun the market and sell for hundreds of millions of dollars; a modern-day palace with a candy wall and a helipad.

BY KATHERINE CLARKE

Bruce Makowsky knew exactly what he wanted: a gigantic photograph of a statuesque blonde clad in a black gown and standing on the trunk of a Rolls-Royce Phantom Drophead, a \$500,000 coupe with interiors swathed in Hermès leather. In her hands would be a chainsaw branded with Rolls Royce emblems.

"Give a beautiful blonde a chainsaw. But not any chainsaw, give her a chainsaw with Rolls Royce emblems," chuckles Shawn Elliott, one of Mr. Makowsky's real-estate agents, as he gazes at the resulting photo. "That's Bruce's mind in a nutshell."

The picture is one of many pieces of art commissioned by Mr. Makowsky for the purpose of decorating his goliath Los Angeles spec home, now on the market for \$188 million. An imposing man who made his first fortune selling affordable leather bags on home shopping channel QVC, Mr. Makowsky has spent millions on custom furniture and accessories from the likes of Fendi, Roberto Cavalli and Louis Vuitton.

At a time when many believe the ultra high-end real-estate market has peaked, a handful of colorful characters are forging on ahead, building some of the most lavish and expensive homes this country has ever seen. These Los Angeles developers are constructing modern-day palaces that serve as

monuments to excess, with candy rooms, commercial-sized movie theaters, helipads and hair salons. The bet: Their over-the-top creations will outrun the market and sell for hundreds of millions—even up to \$500 million for the priciest home hitting the block.

Like Mr. Makowsky, most of these gunslingers didn't start in real estate. Directly adjacent to Mr. Makowsky's Bel Air project is another mammoth spec home. Asking \$180 million, it is the brainchild of Raj Kanodia, a celebrated plastic surgeon who specializes in rhinoplasties and counts Kim Kardashian as a client.

Scott Gillen, who is building an \$85 million spec mansion in Malibu, was a decade earlier directing commercials for brands like Mercedes-Benz and BMW. And Nile Niami, the builder behind "The One," a \$500 million house under construction in Bel Air, and "Opus," a \$68 million entry in Beverly Hills, did makeup special effects for low-budget movies and then ran his own company producing movies like "The Patriot," a feature starring Steven Seagal as a doctor who must race to find a cure for a deadly virus.

Mr. Niami, 50, recently offered a tour of his personal West Hollywood home. Sporting sunglasses, a \$55,000 Corum Tourbillon watch and a deep tan, he says he has just returned from an ultraexclusive celeb-studded fasting retreat and dropped 11 pounds for his coming trip to Burning Man.

Walking around his roughly 10,000-square-foot

Please turn to page M6

THE ARTIST



Scott Gillen

'I'm a filmmaker at heart... Everything is a shot to me.'

THE JET SETTER



Nile Niami

'I've been focused on building the money, building the money. Because I came from nothing.'

A Rental Aims For the Stars

London observatory built for a king to see a 1769 celestial event seeks \$41,600 a month.

BY RUTH BLOOMFIELD

KING GEORGE III is perhaps most famous for losing Britain's trans-Atlantic colonies in the Revolutionary War. And the monarch's shaky mental health was examined in the Oscar-winning movie "The Madness of King George." But a lesser-known fact is that the king was fascinated by science.

He was particularly enthused at the prospect of viewing the passage of the planet Venus across the face of the sun—a phenomenon that occurs less than once in a century—and commissioned an observatory from which to view this rare astrological event.

Plans for the lavish Italianate building, topped with a cupola designed to house a large telescope, were drawn up by the architect Sir William Chambers. The observatory was completed just in time for his majesty, accompanied by his wife Queen Charlotte, to see the transit of Venus on June 3, 1769.

According to a history of the observatory, published in 1885 by Robert Henry Scott, secretary of the Meteorological Council, the king's interest in the stars never paled, and



The King's Observatory sits on almost 7 acres in the London neighborhood of Richmond.

being in the country—a sort of Arcadian ideal—while still being close to central London," said Edward Simpson, lettings manager at estate agent Jackson-Stops, which is marketing the 6,537-square-foot property. "It will appeal to anyone with an interest in history, or an interest in the royal family, and of course it is extremely private."

The royal family retains an interest in the observatory to this day. It is part of the Crown Estate, which holds and manages hereditary property on behalf of the queen. The building was rented out as office space to a series of commercial companies during the 1980s, 1990s and early 2000s.

The current owner acquired a 150-year lease on

the building during this period. He is known to be a British businessman, based in Hong Kong, although he has kept his identity hidden behind a shell company—Kew Holdings Ltd.

"I think he has got a real passion for history," said Mr. Simpson. "His dream was always to restore the building and he has spent a lot of money on doing so."

In 2014, building permits to convert the observatory

Please turn to page M5

"It is going to appeal to someone who wants the feeling of

PRIVATE PROPERTIES

Zaha Hadid's Home Sells

The Miami Beach home of the late Pritzker Prize-winning architect Zaha Hadid has sold for \$5.75 million—a steep discount to the \$10 million it originally sought last year.

Ms. Hadid used the unit in the W South Beach while she was designing a high-rise condominium in the area, according to Angelica Garcia of ONE Sotheby's International Realty, one of the listing agents. Ms. Hadid died in 2016, and the property first listed in the spring of 2017. Ms. Garcia, who took over the listing in November 2017, said the original asking price was unrealistic, and reduced the price to \$6.5 million.

Ms. Hadid bought the two units that make up the main apartment in 2010 for a total of \$2.79 million and purchased a studio, which is accessible through a connecting door, for \$1.38 million in 2015, public records show.

Altogether, the units comprise 2,541 square feet with three bedrooms. She designed the home with her signature futuristic flair; a section of the unit's wall is lined in steel, which reflects the ocean and the sky, Ms. Garcia said. There are ocean views from many of the rooms.

The buyer is New York and Boston-based tech executive Ray Bassiouni, chairman of ATI systems, which installs emergency warning and notification systems. Mr. Bassiouni already owned two units in the building, and called himself a fan of Ms. Hadid's work. "Everything she touched was unbelievable," he said. Mr. Bassiouni said he plans to keep his other units, since the W South Beach has a rental program that allows owners to lease their units.

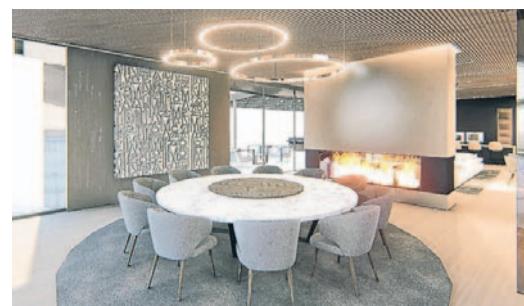
Ms. Hadid, an Iraqi-British architect, was the first woman to be awarded a Pritzker Prize. She designed



In W South Beach, top, the unit, above, was used by Zaha Hadid when she was working in the area.

projects such as the Maxxi National Museum of 21st Century Arts in Rome and the London Aquatics Centre for the 2012 Olympics. Christian Gibbon, general manager of Zaha Hadid Holdings in London, declined to comment.

Ms. Garcia co-listed the property with Ivan Chornay, also of ONE Sotheby's. David Pulley of Douglas Elliman represented the buyer. —Katherine Clarke



A rendering of the Bel-Air home.

Los Angeles Home Seeks \$88 Million

An under-construction Los Angeles megamansion that is on the same street as the homes of Elon Musk and social-media celebrity Dan Bilzerian is slated to come on the market for \$88 million.

The approximately 19,000-square-foot house contains a 1,700-gallon fish tank, a wine and cigar lounge and a wellness center with a massage room, gym and yoga area, according to the architect Michael Palumbo. Outside are several water features, including an infinity pool that merges into a waterfall.

The Bel-Air property is being built by Elite Investment Management, a Los Angeles private-development firm headed by real-estate developers Jonathan

Menlo and Meir Siboni. A limited-liability company managed by Elite purchased the site for \$13.5 million in 2015, property records show. The home is almost complete after almost three years of construction, according to the listing agent, Tomer Fridman of Compass.

The property is just the latest megamansion to list in Los Angeles. Around the corner, a \$500 million mansion known as "The One," developed by spec home builder Nile Niami, is also under construction.

Asked if he believes the market is oversaturated, Mr. Fridman said he believed there were still buyers for these types of homes. "It just has to be a very unique product," he said.

—Katherine Clarke

► The estate of a Heinz heiress lists a Manhattan townhouse for \$21 million. **M10**

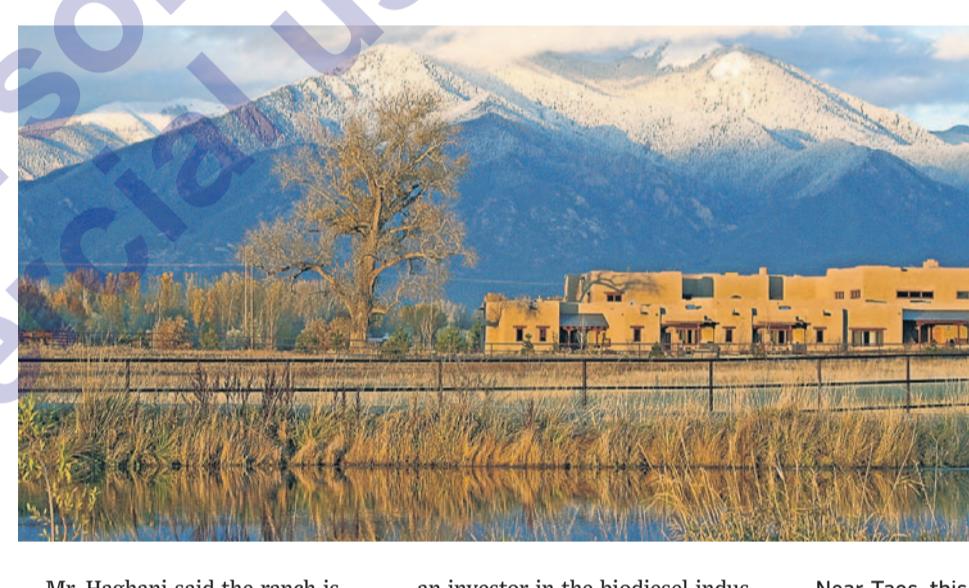
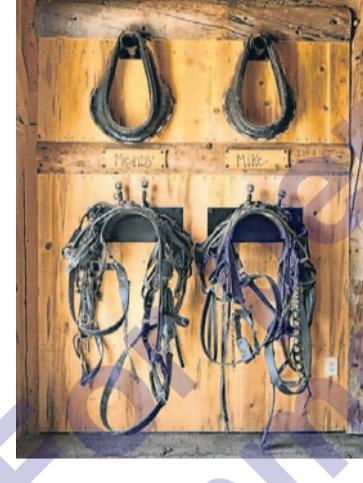
Taos Ranch Goes Up for Auction

A 190-ACRE RANCH near Taos, N.M., is slated to go on the auction block on Dec. 6 with a reserve price of \$19 million, a 65% haircut off its original asking price.

The property first listed last summer for \$55 million, then was taken off the market after a few months, according to Misha Haghani of Paramount Realty USA, the auction house handling the sale. The seller had listed the property himself.

Known as Blackstone Ranch, the property comprises 15 structures, including a roughly 27,000-square-foot main house, a nearly 10,000-square-foot guesthouse, a greenhouse and barns for horses and livestock. The main house is adobe style and has traditional Southwestern details, such as hand-carved wood furniture and native prints. It also comes with a yoga and a meditation room and a dining room that could accommodate up to 150 people, according to Paramount.

The ranch is located about half a mile from the town of Taos, which is known as Santa Fe's hipper sister and has attracted residents like Georgia O'Keeffe and D.H. Lawrence. It is about 20 miles from the Taos Ski Valley and about 50 miles from Santa Fe.



Mr. Haghani said the ranch is permitted for multiple alternative uses, including as a corporate wellness retreat or a conference or religious center. It could also be an operational ranch.

The seller is Samuel P. Black, III,

an investor in the biodiesel industry. He bought the land in 2003 and constructed most of the structures from scratch, to the total tune of about \$45 million, Mr. Haghani said.

—Katherine Clarke

Near Taos, this ranch's 15 structures include a roughly 27,000-square-foot home.

New Jersey Gold Coast Properties

The Wall Street Journal's popular special advertising feature will fuel the conversation around the Hudson Waterfront's up-and-coming new projects, while celebrating the attractions and diverse culture of living on New Jersey's Gold Coast.

This section, distributed to our Greater New York audience, provides a targeted opportunity to reach serious property seekers with an eye toward space, lifestyle and access.

Publish Date: 10/19 | Close Date: 9/21 | Section: Mansion

For advertising opportunities, please contact: Deborah Falcone at deborah.falcone@wsj.com | 212.597.5790

MANSION

BALANCE SHEET

Now, It's Nearly Perfect

After close to 20 years of renovations costing almost \$800,000, a family in Denmark has it just about right

By J.S. MARCUS

Some two decades after buying a villa in Copenhagen's Whiskey Belt, Kaja Moller and her husband, Claus Wiegand Larsen, have finally settled in.

While raising two children, the couple also transformed their family home from a rundown 1904 house to a showcase of Nordic luxury befitting two executives working in furniture design and in construction.

The two-story, three-bedroom home, in one of the prosperous suburbs north of the Danish capital—named for the supposed drink of choice for the country's affluent—began in late 2000, just after they bought the property for about \$700,000.

"It was a disaster!" says Ms. Moller of the original property. The previous occupants were an elderly couple with 11 dogs, she says, emphasizing the number. They had barely touched the property since buying it decades earlier.

Between 2001 and 2017, Ms. Moller and Mr. Larsen knocked down walls, added dormer windows, spent about \$47,000 on landscaping and redid the kitchen—twice. Last year they declared their remodeling efforts completed after finishing the installation of top-of-the-line, long-plank oak floors and a new upstairs bathroom.

The couple estimates spending about \$780,000 over the years on the 3,200-square-foot house, bringing their total investment to close to \$1.5 million. Properties in their area of similar size are now selling for nearly \$2 million.

The two—she is 57 and he is 56—share the home with their 18-year-old son, Sebastian. Their daughter, Kira, 25, lives in an apartment in Copenhagen but still makes occasional use of her former bedroom.

Ms. Moller, co-owner and CEO of Fredericia, a Danish furniture company, says the multiyear renovation had an inspired start. The initial idea of her husband, an executive at a Danish construction company, was to turn the ground floor's back windows into doors, allowing easier access to a half-acre backyard and bringing more natural light into the living room and kitchen.

During that first renovation, to 2001, the Mollers created a vast eat-in kitchen out of two storage areas and a cloak room, and converted a small existing kitchen into a home office. They added a fireplace, for heat and for atmosphere, and added nearly 2 feet to the height of their living room by clearing away a lowered ceiling that gave the house an incongruous 1960s atmosphere.

A dramatic makeover of the backyard came in 2014. The yard, unusually big for the area, was one of the features that drew the couple to the property in the first place, says Ms. Moller. After their own attempt "to do something nice" they called in Creative Gardens, a group of Danish-based British garden designers, who reimaged the area.

Instead of planting around the periphery, she says, the gardeners moved shrubs and flowers closer to the house. "They said we needed coziness around the terrace," she said. They also doubled the terrace space. Ms. Moller added lounge furniture from Cane-line, Denmark's upscale outdoor design company, and a 15-foot out-



KEY COSTS

Hardwood floors

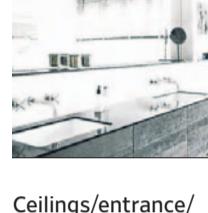
\$63,000

Kitchen

\$235,000

Upstairs bathroom

\$78,000



Ceilings/entrance/reconstruction of floorplan

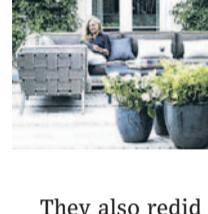
\$235,000

New dormers, plus reconstruction

\$78,000

Garden

\$47,000



They also redid the upstairs bathroom for \$78,000. A guest bathroom downstairs was redone in the first renovation.

The lack of a formal dining area remains a sore spot for Ms. Moller. "My biggest problem is that the kitchen is too small for having a lot of guests," she says.

Before the latest renovation, the couple had considered moving, but were reluctant to give up their lot, carved out of a former apple orchard and still home to a number of fruit trees. Outdoor heaters, an outdoor hearth and a fire pit mean that al fresco entertaining in cooler weather is an option, and the terrace is Ms. Moller's go-to spot. "I sit here with my computer and a glass of something when I come back from work," she says of her weather-resistant Cane-line sofa.

The couple's long-term plans include spending more time in the south of France, where they are now renovating a vacation home for year-round use. Meanwhile, they are weighing more ways to make the most of a Scandinavian winter.

Kaja Moller, at center, with her children, Kira, 25, and Sebastian, 18, in their Copenhagen-area home, top, the family has been renovating for nearly 20 years. Above, the kitchen after its second makeover.

door table made of refurbished wood.

Back inside, the couple splurged in the living room, spending \$63,000 on the oak-plank floors from Denmark's Dinesen, which complement an antique Chinese chest. The ornate chest, in turn, plays off two sleek wood-and-leather chairs by the late Borge Mogensen, a Midcentury Modern Danish master associated with Ms. Moller's furniture brand.

The Mollers also decided to redo their 2001 kitchen, laying down new ceramic floors against the pale oak finishes in the living room. They installed new lighting, evened out countertop heights and added a new kitchen table. They kept their old gas stove from Italy's Smeg and updated the sink with faucets that can run boiling and carbonated water. The kitchen cost \$235,000.

Upstairs, they removed a walk-in closet, lending an airiness to a sitting area that is also a home gym for Mr. Larsen, an endurance athlete who participates in Ironman triathlons.

 PLATINUM
LUXURY AUCTIONS

PlatinumLuxuryAuctions.com | 800.262.5132

Whether it's a luxurious waterfront condo in Miami, or a 9-acre estate in New Jersey, we're confident you'll find something special within our current collection of luxury real estate offerings.

Luxury Real Estate Deserves a Luxury Auction®.



BASKING RIDGE, NJ
SEPT 28

PREVIOUSLY
\$2.95m
No Reserve!



MIAMI, FL
OCT 06

SIX (6) WATERFRONT CONDOS
AT LEAST THREE (3) SELLING
WITHOUT RESERVE!

NJ property offered by Kristen Lattimore Sotheby's International Realty (LI#B0929100). Listing Agent Michael Lattimore (LI#0334689). Bid calling by New Jersey Auctioneer Alfred J. Finecallier (LI#9406638). FL properties offered by Platinum Luxury Auctions, a licensed FL Real Estate Corporation (CQ103693) and licensed Foreign Auction Business (AB#2956). Bid calling by Florida RE Broker Taylor R. Lenock (843110803). Platinum Luxury Auctions is a registered Foreign LLC with the state of NJ (ID#0450234983) performing auction-marketing services as part of that transaction. RE brokerage services not performed where prohibited. Sotheby's International Realty, the Sotheby's International Realty logo and affiliate logos are registered (or unregistered) service marks used with permission. Neither Sotheby's, Sotheby's International Realty Affiliates LLC, nor any of their affiliated companies is providing any product or service in connection with this event other than as required by applicable law.

THE SPONSOR IS AP BLOCK 176 VENTURE URBAN RENEWAL, LLC, AN ISTAR COMPANY, AND MAKES NO REPRESENTATION OR WARRANTIES EXCEPT AS MAY BE SET FORTH IN THE PUBLIC OFFERING STATEMENT. NO OFFER IS MADE WHERE PROHIBITED BY LAW. RENDERING BY BINYAN STUDIOS.

© 2018 Platinum Luxury Auctions, Inc. All rights reserved.

TIJA BORGSMIDT FOR THE WALL STREET JOURNAL (5)

TIJA BORGSMIDT FOR THE

MANSION

HOUSE CALL | KEN FOLLETT

The Home Where Fun Fell Short

The future novelist grew up in a no-pleasure zone, so he read adventure books and yearned for music and movies

A lot was forbidden by my parents when I grew up in Cardiff, Wales. In the 1950s, we didn't have a radio or TV, and I wasn't allowed to go to the movies. I looked forward to Mondays, when my school friends talked about what they watched and heard over the weekend. I envied them bitterly.

My parents belonged to a Puritan religious group and disapproved of pleasure.

To keep up with pop music, I had to stand outside a nearby trucker's café to listen to the jukebox. I loved Buddy Holly's "It Doesn't Matter Any More." I still do.

By default, books were my sole diversion. I adored Enid Blyton's young-adult mysteries. In her books, there were always a bunch of kids doing something exciting. She was a great storyteller.

I was the oldest of three children. My sister, Hannah, was four years younger than me and my brother, James, was 10 years younger. My sister and I shared a double bed and our baby brother had his own room.

In Cardiff, we lived in a two-story brick row house with tan window sashes on a cul-de-sac. All of my friends lived in identical houses. No one on our block could afford a car. My grandfather had a car, and when he drove down our street, everyone stared at it.

After school, kids converged in the street. We played English football, cricket and hide-and-seek. In the front and back of our house were railroad embankments. Up beyond the grass and bushes were the tracks.

Looking back, it's a miracle none of us were run down by a train. We didn't play on the tracks, but we didn't have any qualms about walking on them, despite our parents' stern warnings.

My father, Martin, worked for Britain's equivalent of the IRS. He started working there as a clerk when he was 16. It was a good job. He had studied accounting at home and eventually passed the inspector's exam. He was put in charge of a regional office.

My mother, Veenie, was a homemaker. She was highly imaginative. When I was small, she entertained me by singing, reciting nursery rhymes and telling stories. Early on, I was her only company all day. I don't know if I inherited her imagination or I picked it up along the way. She loved jokes and cherished funny grammatical mistakes people made.

When I turned 10, my father received a promotion and we moved to the suburbs of North London. The area was leafy and pleasant, and our house was something of an upgrade. It was semidetached, and we had a garden. We still had only



Ken Follett in his home office in Stevenage, England. Inset, with his family in Cardiff, Wales, in December 1957.

three bedrooms, but there weren't railroad lines running outside. It clearly was a more affluent neighborhood.

In the early 1960s, my father bought a car—a two-tone Hillman Minx in powder blue and cream. By then Dad had weakened and also bought a radiogram. It was a huge piece of furniture with a built-in radio and turntable.

As a family, we listened first to classical records. But eventually I wore down my parents and was able to listen to the Beatles on the radio.

The Beatles were great. They were funny and irreverent. I was 13 in 1962, and their clothes were fantastic. To a child, they were the first to treat clothes not merely as things you put on in the morning but items that made you look cool.

I went to the University College in London. After I graduated, I became a reporter on the South Wales Echo and then the London Evening News. Patrick Long, a reporter at the Evening News, wrote a thriller that was published and serialized in the paper. I was inspired.

I took a job at Everest Books and wrote 10 unsuccessful novels. In April 1977, I took three weeks of accumulated leave and wrote most of my 11th book, "Eye of the Needle." It became a best seller.

Today, my wife, Barbara, and I live in Stevenage, a town in Hertfordshire, England, about 30 miles north of London. We live there because in 1997, Barbara was elected a member of Parliament from the town. After she retired from politics eight years ago, we remained there. Stevenage had become our home.

Our house is sprawling. The original structure dates back to the 17th century. It was a small brick house with two rooms downstairs and two upstairs. Over the decades, the house grew to 11 bedrooms and expanded organically to the point where it's now an architectural mess. Here, that means charm.

I write on a computer at a desk in the library. The computer has two screens—one for my outline and the other for my manuscript. I save all of my historical research notes in a ring binder, with pictures and maps.

We also have a house in London, where we stay during the week. This allows us to go to the theater or see a concert or opera each week.

There's nothing to match the feeling I get when the lights go down in the theater, just before the curtain goes up. The expectation is such a thrill. I suppose I'm still making up for lost time.

—As told to Marc Myers

Ken Follett, 69, is a British author of 31 thrillers and historical novels, including "Eye of the Needle" (1981) and "The Pillars of the Earth" (1989). His latest historical novel is "A Column of Fire" (Penguin).

Ken Follett Page-Turners

First hit book:
"Eye of the Needle" (1978) sold 4.5 million copies in U.S., 10.3 million worldwide



Bigest seller:
"The Pillars of the Earth," with world-wide sales of 26 million copies



At the box office:
The film version of "Eye of the Needle" (1981) had ticket sales of \$17.5 million.

Favorite childhood books:

'Noddy Goes to Toytown' by Enid Blyton

'The Island of Adventure' by Enid Blyton

'Little Women' by Louisa May Alcott

'Black Beauty' by Anna Sewell

'Treasure Island' by Robert Louis Stevenson

ON PARK AVENUE IN CARNEGIE HILL

ONLY RESIDENCE WITH HELICOPTER VIEWS



1065 Park Avenue, 23AB | Price reduced \$550K, now offered at \$3.95M | 5-bedrooom, 5-bathroom apartment in full-service co-op with garage, storage, gym and 75% financing. Web# 2798048

ELIZABETH (LISA) BROWN

Lic. Assoc. R. E. Broker

O: 212.319.5432

M: 646.338.2026

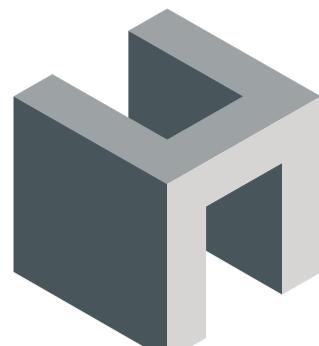
ebrown@ellieman.com

Douglas Elliman
REAL ESTATE
ellieman.com/newyorkcity

575 MADISON AVENUE, NY, NY 10022. 212.891.7000 © 2018 DOUGLAS ELLIMAN REAL ESTATE. ALL MATERIAL PRESENTED HEREIN IS INTENDED FOR INFORMATION PURPOSES ONLY. WHILE THIS INFORMATION IS BELIEVED TO BE CORRECT, IT IS REPRESENTED SUBJECT TO ERRORS, OMISSIONS, CHANGES OR WITHDRAWAL WITHOUT NOTICE. ALL PROPERTY INFORMATION, INCLUDING, BUT NOT LIMITED TO SQUARE FOOTAGE, ROOM COUNT, NUMBER OF BEDROOMS AND THE SCHOOL DISTRICT IN PROPERTY LISTINGS SHOULD BE VERIFIED BY YOUR OWN ATTORNEY, ARCHITECT OR ZONING EXPERT. EQUAL HOUSING OPPORTUNITY. ☺

DYLAN THOMAS FOR THE WALL STREET JOURNAL; KEN FOLLETT (FAMILY PHOTO)

HALSTEAD



< **Tribeca, NYC**
Penthouse Paradise
\$7,350,000 | Web#18527592
Richard Orenstein 212.381.4248



^ **Upper West Side, NYC**
Grand Architectural Gem
\$4,250,000 | Web#18030492
Meryl Jacobs 914.588.2401
Susan Burris 917.685.9402



< **East Hampton, NY**
A Lovely Traditional with Heated Pool
\$3,195,000 | Web#105610
Timothy O'Connor 917.273.7099

Gramercy Park, NYC ^
Prestigious Penthouse
\$8,300,000 | Web#17962295
Anna Shagalov 212.381.4216
Bo Poulsen 212.381.6586

New Rochelle, NY >
Grand Estate on Long Island Sound
\$18,950,000 | Web#18644900
Louise Phillips Forbes 917.846.8640

Upper East Side, NYC ▼
Spacious Corner Home
\$2,999,000 | Web#18713736
The Harkov Lewis Team 212.381.4246



< **Weston, CT**
Spectacular Riverfront Contemporary
\$1,399,000 | Web#170111140
Barbara Reynolds 203.216.2591
Angela Chapman 203.216.0692

< **Wainscott, NY**
Classic Traditional Home
\$2,688,000 | Web#102470
John Scott "JT" Thomas 917.693.0942



< **Darien, CT**
Private Beach & Views
\$9,250,000 | Web#170086667
Suzanne Okie 203.856.9719
Janet Olmsted 203.554.4022

Move to What Moves You

halstead.com

New York City Hamptons Connecticut New Jersey Hudson Valley

Halstead Manhattan, LLC; Halstead East Hampton, LLC; Halstead Connecticut, LLC; All information is from sources deemed reliable but is subject to errors, omissions, change or price, prior sale or withdrawal without notice. No representation or warranty is made as to accuracy of any description. All measurements and other information should be re-confirmed by customer.

LUXURY PORTFOLIO
INTERNATIONAL

Leading

REAL ESTATE
COMPANIES
OF THE WORLD.



Sotheby's
INTERNATIONAL REALTY

YOUR WAY FORWARD



Manhasset, NY

Stately and impressive, this magnificent, one-of-a-kind, French Normandy Tudor-style home built in 2016 is set on a flat, 1-acre parcel and offers a stunning open floor plan, high ceilings, 5 bedrooms, 7.5 full baths, 5 fireplaces, and a saltwater in-ground heated pool. SD #6. MLS #3055976. \$6,498,000.

Eileen Krach, 516.627.4440, c.917.270.3737



Cold Spring Harbor, NY – "The Uplands Farm Estate"
A Masterpiece Collection Listing. SD #2.
MLS# 2948278. \$12,000,000.

Marilyn Szczerbiak, 631.427.6600, c.631.988.7305



Huntington, NY
SD #6. MLS# 3026208. \$1,295,000.
Nikki Sturges, 631.427.6600, c.631.375.8557



Lattingtown, NY
SD #3. MLS# 3009714. \$2,799,000.
Suzi Chase, 516.759.4800 ext.107, c.516.606.5151



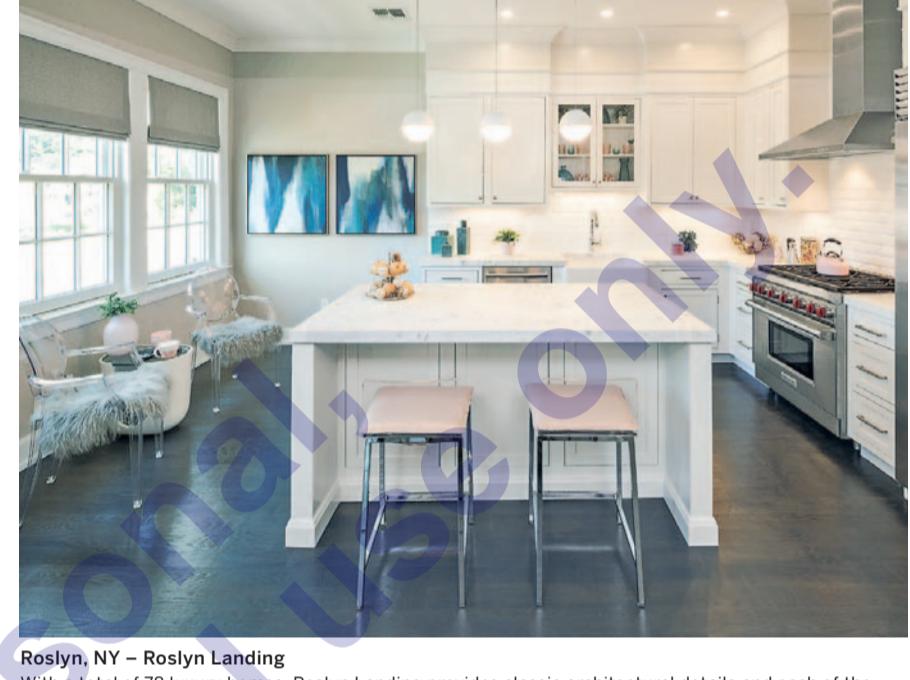
Mill Neck, NY
SD #3. MLS# 2966458. \$6,349,000.
Christina F. Porter, 516.759.4800 ext.142
c.516.835.5512



Oyster Bay Cove, NY
SD #6. MLS# 3025033. \$2,499,000.
Kathryn (Cottie) Maxwell Pournaras
516.759.4800 ext.131, c.516.857.3011



Remsenburg, NY – "Water's Edge"
A Masterpiece Collection Listing. SD #1.
MLS# 3040586. \$5,900,000.
Christopher Foglia, 631.288.1050
c.631.831.2515



Roslyn, NY – Roslyn Landing
With a total of 78 luxury homes, Roslyn Landing provides classic architectural details and each of the residences feature hardwood floors, custom millwork, a private elevator, 2-car garage, a gourmet kitchen and custom baths. Clubhouse includes concierge, gym, conference room, golf simulator and lounge space. Roslyn School District. Immediate Occupancy. Starting at \$1,400,000.

Roslyn Landing Sales Center, 516.612.8185



Rockville Centre, NY – Old Canterbury Estate
SD #21. MLS# 3049145. \$1,995,000.
Mary Beth Darcy, 516.678.1510, c.516.972.7028



Roslyn Heights, NY
SD #3. MLS# 3058435. \$1,250,000.
Sandi Lefkowitz, 516.674.2000, c.516.816.3461

THE RITZ-CARLTON
RESIDENCES

LONG ISLAND, NORTH HILLS

Luxury condominiums.

Legendary services.

20 miles to Manhattan.

516.486.6100 • TheResidencesLongIsland.com

The Ritz-Carlton Residences, Long Island, North Hills are not owned, developed or sold by The Ritz-Carlton Hotel Company, L.L.C. or any of its affiliates ("Ritz-Carlton"). RXR North Hills Phase I Owner LLC uses The Ritz-Carlton marks under a license from Ritz-Carlton, which has not confirmed the accuracy of any of the statements or representations made herein.

The complete terms are in an Offering Plan available from Sponsor. File No. CD-14-0036 and File No. CD-16-0238.

danielgale.com

MANSION



ROB STOTHARD FOR THE WALL STREET JOURNAL (3); WAS/UNIVERSITY PRESS (VENUS)

For Rent: King's Observatory

Continued from page M1

from commercial to residential use were granted, and work began the following year. It was completed at the start of this year and cost several million dollars.

The owner, who asked to remain anonymous, said a key task was to remove the cluster of ancillary commercial buildings that had been added around the observatory. "These buildings, and the way the property was landscaped, hid the real beauty of the building," he said.

The owner said he is not in a position to actually live in the property and has chosen to rent—\$41,600 a month for long-term tenants or \$55,500 monthly for a shorter lease of between three and six months.

Inside, many of the main rooms are octagonal, including the entrance lobby. It is double-height space with a gallery level, and is lined from floor to ceiling with display cases painted a deep red inside, with pale green woodwork. These were the original storage cabinets used by King George. Now, carefully restored, they display the owner's large collection of ceramics.

The lobby leads on into a library, also octagonal, with space for 12,000 books also stored in original cabinets.

This ground-floor level has two more conventionally shaped reception rooms: a dining room and large, light living room with huge Georgian sash windows, ceilings around 20-feet high, and ornate cornicing picked out in green and gold. Effort has been made to furnish the house with Georgian-era pieces, down to large portraits of King George and Queen Charlotte on the walls. Modern upgrades include an elevator, built-in speakers throughout and a

The living room, above, has paintings of King George III, inset, and Queen Charlotte. Below, the cupola's observatory.



lighting system that can be controlled with an iPad.

Upstairs, via a tight spiral staircase, are two suites with monochrome marble bathrooms and more cabinets lining the bedroom walls.

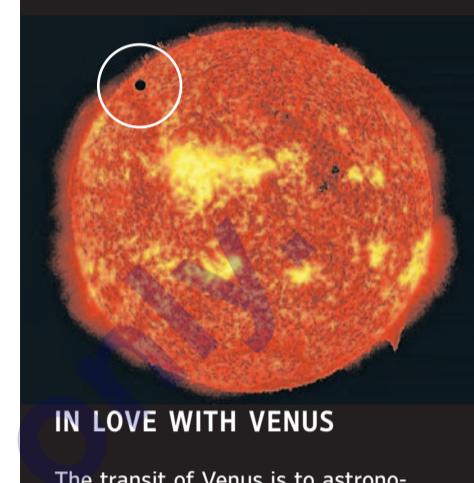
Original features include the large iron supports used to hold the observatory's telescope and up a second flight of even tighter stairs is the dome where it sat. A

vintage brass model has been installed into this tiny space, while access out onto the roof is rewarded by 360-degree views of the Old Deer Park—360 acres of parkland that was once used as a royal hunting ground.

In the basement, originally created to raise the building as protection should the nearby Thames burst its banks, there are two more bedrooms, as well as a large kitchen. This is perhaps the only jarring note in a carefully restored historic landmark. The pale-green glossy cabinets, terra-cotta floor tiles and bold encaustic

wall tiles are a bold design decision, although the quality of finishes is high.

For Mr. Simpson, the selling point of the King's Observatory isn't the color scheme of its kitchen but its location, its views and its back story. "It is an important part of history—there are not many houses like this in London, with this kind of royal history, and where there has been such a long and painstaking renovation," he said.



IN LOVE WITH VENUS

The transit of Venus is to astronomers what the Honus Wagner is to baseball-card collectors. Rare.

This epic event, in which the planet Venus crosses in front of the sun, last occurred June 5-6, 2012. Stargazers around the world gathered to see a small black dot, circled in image, move across earth's nearest star. If you missed it, you're out of luck. The next transit takes place Dec. 11, 2117.

LISTINGS | Homes equipped for stargazing



\$2.99 million

Eagleville, Tenn.

Six bedrooms, four full bathrooms, two half-baths on 20½ acres

This 7,210-square-foot home includes an observation deck on the top of a silo with a 360-degree rotating dome and Celestron telescope. The home has four staircases, six gas fireplaces and a farmhouse kitchen. A guest house and office are in a separate building.

Agent: Kim Brogli and Jane Hunter Hicks, Jane and Kim Land and Home



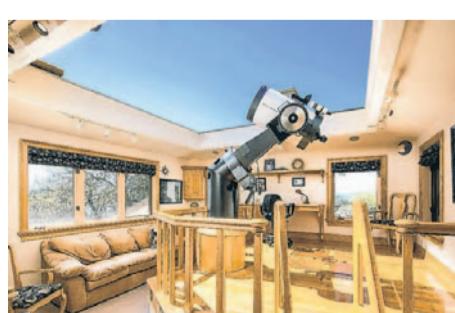
\$3.995 million

Washington, Texas

Four bedrooms, three full bathrooms, two half-baths on 90 acres

The 6,784-square-foot home includes a Takahashi 200 mm apochromatic refractor telescope in a domed observatory. The 2002 home has a large stone fireplace and an open kitchen. The property has a guest house, barn and pool.

Agent: Randy Hodde, Hodde Real Estate Co.



\$10.95 million

Paso Robles, Calif.

Six bedrooms, six bathrooms and two half-baths on 402 acres

The 8,202-square-foot home has a third-story observatory with a sliding roof and a Meade LX200 EMC telescope. Four fireplaces, wine cellar and an elevator are part of the main home. The property has an infinity-edge pool and spa and tennis court.

Agent: Maureen McDermut and Suzanne Perkins, Sotheby's International Realty —Stacey Altherr

LandVest®

LUXURY PROPERTIES | TIMBERLAND | CONSULTING



Rivertop

48± Acres, Topsfield, MA | \$3,450,000

Lanse Robb
617-357-8996 • lrob@landvest.com

Fleetwood Farm

102± Acres, Tamworth, NH | \$2,995,000

Kristin Hayes Claire
603-494-9448 • kclaire@landvest.com

328 Clapboardtree Street

6.37± Acres, Westwood, MA | \$2,750,000

Jay Boyle
617-648-5444 • jboyle@landvest.com

4 The Green, Commercial/Residential

6,800 Sq. Ft., Woodstock, VT | \$1,650,000

Story Jenks
802-238-1332 • sjenks@landvest.com

Norcross Hill Land

469.93± Acres, Templeton, MA | \$1,410,000

Keith Ross
978-544-5767 • kross@landvest.com

Woodbine Farm

4.95± Acres, Charlotte, VT | \$1,225,000

Wade Weathers Jr.
802-238-6362 • wweathers@landvest.com

Dublin Mid-Century Modern

135.6± Acres, Dublin, NH | \$1,185,000

Kristin Hayes Claire
603-494-9448 • kclaire@landvest.com

La Vieille Ferme

4.45± Acres, Addison County, VT | \$1,095,000

Wade Weathers Jr.
802-238-6362 • wweathers@landvest.com

Sound Advice, Exceptional Results

www.landvest.com

MANSION



BRUCE MAKOWSKY'S 'BILLIONAIRE'
\$188 million



Location: Bel-Air
Specs: 38,000 square feet, 12 bedrooms

Amenities: Crocodile skin-lined elevator, five bars, bowling alley, helicopter, lazy river, 40-seat movie theater, candy wall.

Most unusual feature: A giant Leica camera sculpture. Mr. Makowsky spotted it in the flagship store, and convinced the CEO to sell it to him for roughly \$1 million.

Fact: It is illegal to launch and land a helicopter in a residential neighborhood, but Mr. Makowsky says the buyer will be able to afford the \$10,000 fine.



Bruce Makowsky, who sold a \$70 million home to Minecraft creator Markus Persson in 2014, turned down a \$2 million-a-month rental offer to keep the property a 'virgin house.'



War of the Megamansions!

Continued from page M1

pad, Mr. Niami shows off his "bitchin" 1970s-inspired black leather bed and his "retro and manly" collection of vintage Playboy magazine covers. Mr. Niami says he was inspired in part to enter real estate by a "dude on TV" who did infomercials on buying and flipping homes.

Mr. Niami seems to revel in attention, and even considered his own reality show. "I had a friend who created a pilot that was really good called 'The Mansion Maker,'" he says. "It was me going around all these houses and yelling at people.... I got a call from my investor at the time and he was like, 'You're out of your f—mind. You're not going to go on TV. If you do, I'm not funding one more house."

The personalities that thrive in this world tend to be bold and bombastic—with an appetite for risk.

Mr. Makowsky jumped straight into the expensive business of building ultra high-end homes. One of his earlier projects was the subject of a 2014 bidding war between Minecraft creator Markus Persson, who was fresh off selling his company to Microsoft for \$2.5 billion, and Beyoncé and Jay-Z. Mr. Persson won at \$70 million.

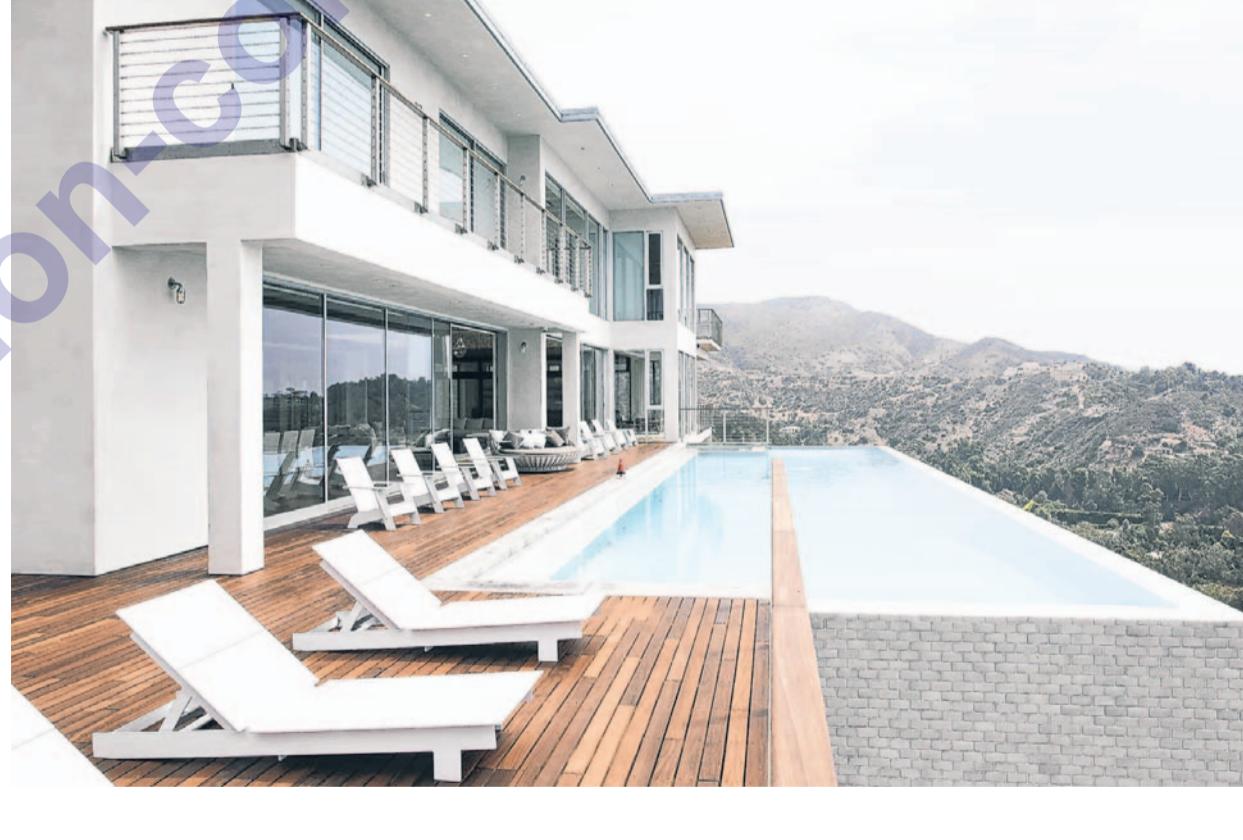
While Mr. Makowsky says he is building his latest creation with no debt, many of the other builders have taken on large loans to finance their projects. Property records show that Dr. Kanodia, 71, took a loan out from Bank of Internet for his house earlier this year, for instance. Meanwhile, First Credit Bank of Los Angeles has backed Mr. Niami's \$500 million mega-project, as has an unnamed Canadian investment partner.

"It's a crazy business; you don't do it unless you're a little nuts," Mr. Makowsky says.

Mr. Gillen, 58, says that spec developers are generally shooting for a return on investment of about 50%, though more typically he'll get closer to 30%. "If I'm going to invest \$20 million, I need 10 million bucks. If I'm listing a house at \$100 million, I've got to have enough meat on it that, if something goes wrong, I can slice \$25 million off the top," he says.

Mr. Niami, who says he goes over budget with construction "every single time," admits that he finds the pressure so intense that he's launching a fast-casual organic rolled pizza chain in 2019 as a secondary income stream and a needed distraction.

"It's like, my God, look what the mortgage payments are, look how long it's taking," he says. "I cannot keep doing this at this level with this many houses so often. It's too much stress."



A decade earlier, Scott Gillen was directing commercials for brands like Mercedes-Benz and BMW. He describes his \$85 million Malibu mansion as less over-the-top than the other mega-spec homes. He laughs about some of the other properties: 'It's like, why not have a room to hold all my socks?'

SCOTT GILLEN'S HOUSE

\$85 Million



Location: Malibu, Calif.

Specs: 15,500 square feet, seven bedrooms

Amenities: A 120-foot-long great room, wine room, cigar room with ventilation systems, motor court and gym.

Most unusual feature: A \$1.5 million teak staircase took 10 months to build.

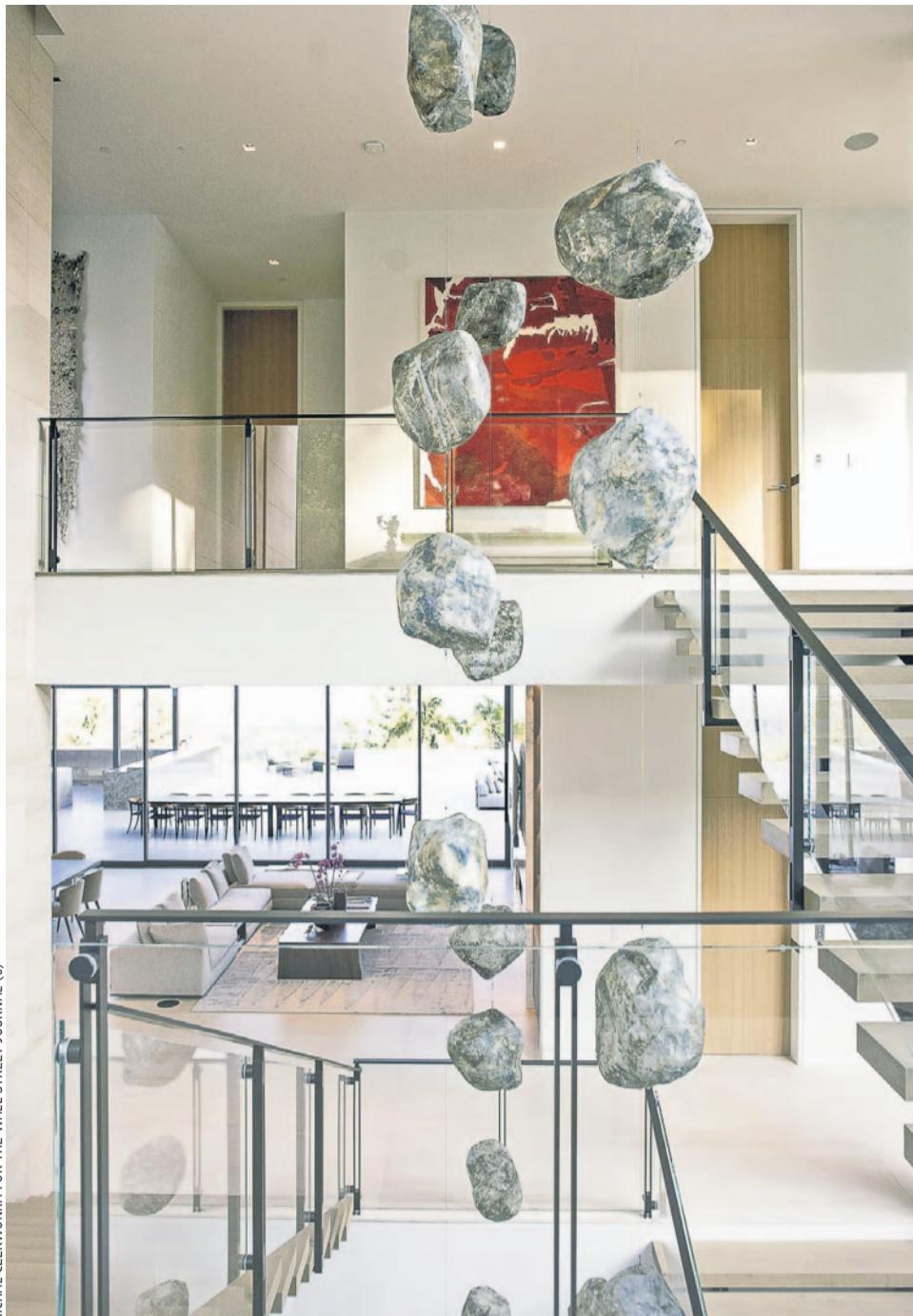
Fact: The prior home burned down in a fire. Then-owner Lilly Lawrence, daughter of a former Iranian oil minister, was able to save some jewelry and Elvis Presley memorabilia.



SIMON BERLYN (5); ZUMA PRESS (MAKOWSKY)

MICHAEL CZEWORKA FOR THE WALL STREET JOURNAL (3)

MANSION



MICHAEL CZERWONKA FOR THE WALL STREET JOURNAL (6)



Raj Kanodia, a celebrated plastic surgeon who specializes in rhinoplasties, developed this \$180 million home directly adjacent to Mr. Makowsky's. He says his friends and clients advised him against the project. 'But the more challenging it became, the more resolute I was.'

RAJ KANODIA'S HOUSE

\$180 Million

**Location:** Bel Air**Specs:** 34,000 square feet, nine bedrooms**Amenities:** Limestone facade, floating staircase, 2,000-bottle wine room, gym designed by trainer Harley Pasternak.**Most unusual feature:** A large garden with unusual flowers like the fragrant Champaca, which Dr. Kanodia personally cultivated.**Fact:** Dr. Kanodia keeps a small Hindu shrine at the property, and comes every day to pray.

My girlfriend's a yoga instructor. She's got me doing yoga and drinking yerba mate shit."

Dr. Kanodia, who was raised Hindu, makes the pilgrimage every morning to his \$180 million spec house, which is almost completed, from his personal mansion across the street. He meditates and lays flower petals on a small shrine to the Hindu gods Ganesh and Lakshmi. "I have a very strong relationship and belief in God," Dr. Kanodia says. "I use that as my strength...It's sort of an insurance policy against all odds."

Dr. Kanodia's friends and clients, many of whom are financiers and developers, advised him against the project, he says. "You're way out of your league," they told me. "I know I am. But the more challenging it became, the more resolute I was. I can't face the world and say that I failed."

Rivalries have inevitably emerged as this small group of builders compete for the same pool of billionaires. In Mr. Makowsky's rented construction office—a mansion once owned by Elizabeth Taylor—Mr. Elliott has pinned to the wall a list of the world's billionaires with their telephone numbers and a check mark to denote whether or not he's successfully made contact.

Mr. Gillen calls his home, which was built on the former site of a mock Scottish castle, "architectural" and less over-the-top than other homes. It has a gym, a wine room, a cigar room and a \$1.5 million teak staircase. He laughs about some of the other offerings on the market: "It's like, why not have a room to hold all my socks?"

Similarly, Dr. Kanodia, whose project has a floating staircase, a dramatic limestone facade and an herb garden, says he finds the other homes too opulent. "They're great but they don't have a soul," he says. "I wanted to create simple elegance."

Dr. Kanodia's "house is beautiful but it's a Prius," responds Mr. Elliott, Mr. Makowsky's agent. "We have three movie theaters... I'm not trying to say anything derogatory to Raj, but Raj's is a room which is a box with a projector pinned to the ceiling and a screen that looks like you could buy it at Walmart. This is Hollywood."

Mr. Makowsky's \$188 million house, known as "Billionaire," is widely regarded as the showiest. "It's almost a little overwhelming," Mr. Makowsky concedes. "But my job is to touch every one of your senses. If you're fortunate enough to have that kind of money, your home should be your kingdom." On a recent tour, Beyoncé's "Crazy in Love" blared in the background. Mr. Elliott, who was conducting the house tour while Mr. Makowsky was in Italy, said that Mr. Makowsky has turned down \$2 million a month in rent from a Saudi family, because he wants to keep the property "a virgin house."

The showiest house mantle may shift, however, once Mr. Niami's "The One" comes on the market. With 20 bedrooms, a V.I.P. nightclub and jellyfish aquariums, it is asking \$500 million—almost five times the Los Angeles record.



SKYLINE DEVELOPMENTS (2, RENDERINGS)

Developer Nile Niami 'The One' is slated to be finished next year and will be the most expensive home ever listed for sale in the U.S. If the property sells for close to its asking price, it would shatter the record for a Los Angeles home, which stands at \$110 million.



NILE NIAMI'S 'THE ONE'

\$500 Million

Location: Bel-Air**Specs:** 100,000 square feet, 20 bedrooms**Amenities:** The lineup is not finalized but he says there will be a V.I.P. nightclub, a beauty salon, five elevators, bars and LED ceilings.**Most unusual feature:** Jellyfish aquariums**Fact:** Mr. Niami paid \$28 million for the site in 2012, but says he never found out the true identity of the seller, who dealt through an intermediary to maintain privacy.

MANSION

JUMBO JUNGLE | ROBYN A. FRIEDMAN

Why Cash Deals Rule in Detroit

Low housing prices, affluent buyers and strong investor interest are making cash transactions popular



Most home buyers across the country finance their purchases with a mortgage. In Detroit, though, the vast majority pay cash, even as home prices in the city are rising.

Low housing prices, affluent buyers, challenges with appraisals and strong interest from investors hoping to make gains on a revived Detroit are making cash deals more common. An eye-popping 87% of all single-family home and condominium buyers in the first half of 2018 paid cash in the city, compared with 28% nationwide, according to Irvine, Calif.-based housing-research firm ATTOM Data Solutions.

"The City of Detroit has an absurdly low share of financed home purchases relative to the nation and even relative to the greater Detroit metro area," says Daren Blomquist, ATTOM senior vice president. In the Detroit met-

ropolitan statistical area, which includes outlying suburban areas, just under 40% of buyers paid cash during the first half of 2018.

Many city buyers are paying cash simply because home prices are so low in Detroit. The median price of a home in the city was just \$32,428 in the first six months of 2018. That's an increase of 20% over the year-earlier period, but still well below the national median of \$234,000, according to ATTOM Data.

Many investors are buying, renovating and flipping distressed homes—some as large as 4,200 square feet and with architectural significance—in Detroit's downtown area and historic neighborhoods, says Kyle Swink, a real-estate agent with Coldwell Banker Weir Manuel in Birmingham, Mich., who lives in Detroit. It can be difficult to get mortgage financing on properties in such bad condition, so those investors often pay cash, Mr. Swink says.

People looking to buy those renovated

homes—often affluent young professionals or empty-nesters—may also face challenges in getting a mortgage because those properties are difficult to appraise. Lenders have trouble determining the value of a newly renovated home in a neighborhood otherwise filled with distressed properties because there are few comparable sales to benchmark against.

"You may be the first one with a resale in a particular neighborhood, so there may not be very much to compare to, making it difficult for appraisers to find tangible evidence of value," says Jonathan Miller, an appraiser and president of Miller Samuel Inc. in New York. So those buyers often end up paying cash too.

Some companies with local roots are trying to change that dynamic. Detroit-based Quicken

Loans is collaborating with Home Depot and the Detroit Land Bank Authority, a public authority working on returning Detroit's vacant, abandoned and foreclosed property to productive use. Under the "Rehabbed and Ready" program, the Authority selects properties in its inventory for Home Depot to rehab. Quicken preapproves interested buyers for mortgage financing and the homes are sold. The ultimate goal is to stabilize the market and create comparable sales to help future buyers.

"Tax foreclosure is a force that has generated blight, increased speculation and driven property values down," says Laura Granemann, vice president of strategic investments at the Quicken Loans Community Fund. "But by creating strategically placed sales, it has a ripple effect across the community and allows other individuals to refinance their home and get some equity out or to sell that home and buy a new one."

\$32,428
Median home price
in Detroit

\$234,000
Median home price
nationwide

87%
Home buyers in
Detroit paid cash

28%
Home buyers
nationwide paid cash

Source: ATTOM Data Solutions

TIPS
House-hunting in Detroit

Don't give up on getting a mortgage.
Mr. Swink, of Coldwell Banker, says that there are banks lending in Detroit, including local lenders such as Flagstar Bank, Chemical Bank and Independent Bank. Quicken Loans is also active in the Detroit market. These lenders are familiar with the city and the challenges facing borrowers there.

Know your neighborhood.
Conditions and pricing differ not just neighborhood-by-neighborhood in Detroit but sometimes block-by-block. Many areas are slated for re-development, which could raise property values and impact home prices. Consult with a local real estate professional.

Consider other cities for investment.

Mr. Swink says he receives a lot of calls from people interesting in investing in Detroit real estate. His response? "This conversation we're having would have been great three years ago," he says. "You're a little late to the party now."

ADVERTISEMENT

**COLD SPRING, NEW YORK**

For sale or Lease, owner financing. Enjoy panoramic views of this one of a kind estate, nestled on almost 5 acres. 6,000 sq. ft., 3 story, 3br/3ba main residence, soaring ceilings and Hudson Valley/West Point views, full kitchen, glass walled LR/DR, heated granite pool. Plus 3br/3ba guest house with "theatre-style" media room, laundry & 4-car garage. Less than 60 minutes from NYC, yet worlds away from any other property... anywhere.

Price Upon Request

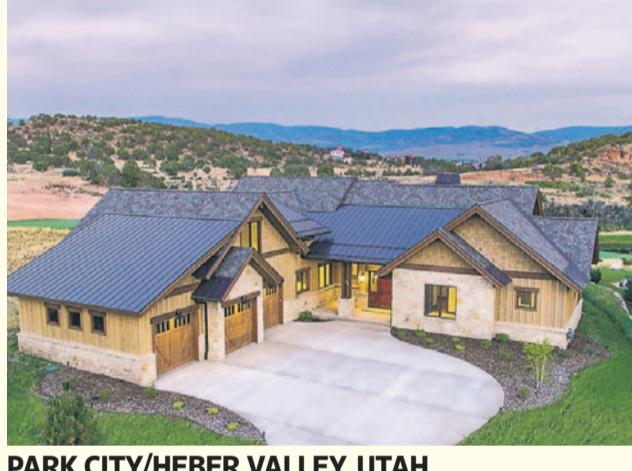
<https://bit.ly/2Nf2vvR>

**JOHN'S ISLAND - VERO BEACH, FLORIDA**

Located where the "tropics begin" sits one of the most renowned communities on the east coast with 3 miles of pristine beach, 3 championship golf courses, 17 Har-tru tennis courts, pickleball, squash & Beach Club. This new architecturally distinct 4 bedroom retreat enjoys pool/spa & lake views, custom finishes, luxurious living areas and a gourmet island kitchen.

\$4,350,000

JohnsIslandRealEstate.com

**PARK CITY/HEBER VALLEY, UTAH**

Brand-new luxury 4 BR home across Red Ledges par-3 Golf Park from the new resort-style pool at the Village Center. Copious social space inside and out and a magnificent fireplace highlight this 4,079 sf dream home. As the most successful private community in the Park City area, Red Ledges offers serious outdoor fun an easy drive from SLC's hub airport.

\$1,495,000

www.RedLedges.com

Red Ledges Realty

Chris Maddox

phone: 877.733.5334

info@RedLedges.com

**AUSTIN, TEXAS**

Lakeside Community 60% Sold – This unique custom home is located on an oversized homesite on the renowned south shore of Lake Travis. As part of the prestigious lakefront community, The Peninsula at Rough Hollow, residents enjoy direct lake access, an exclusive day dock, privacy gate with concierge, and access to an award-winning Yacht Club & Marina.

Homes \$1.65M+ & Lots \$300s+

PeninsulaLakeTravis.com

**NAPLES, FLORIDA**

New Luxury Single- Family, Villa and Coach Homes at The Isles of Collier Preserve! The Isles Club features a clubhouse, fitness center, swimming pools, yoga lawn, tennis and pickleball courts, kayak launch and 8 miles of scenic kayak, hiking and biking trails! Construction is now underway on The Overlook Bar & Grill where residents will enjoy great times with friends in an Old Florida setting overlooking the Cypress Waterway.

From the mid \$300s to over \$1.5 million

MintoUSA.com

**PAGOSA SPRINGS, COLORADO**

35 ac Ranch with soaring San Juan mountain views. 3,000 sq. ft. home. 3br/3ba with office or 4th br. Gourmet kitchen. Open floor plan w/ a large deck and shop bldg. Includes 2 stalls w/ tack & feed room. Fenced pasture w/ water rights and pond. Hay production & all necessary equipment included. Minutes to Pagosa & close to Wolf Creek Ski area. Just bring your boots and tooth brush.

\$1,125,000

Don Nyman

phone: 239.565.7861

Nyman_don@yahoo.com

To Advertise Call: 800-366-3975



Kuhlman
Hunters Creek, \$8.9+ mil.
Cara Moore, 713.818.9778



Georgetown
West University, \$3.9+ mil.
Kristin Tillman, 281.785.3566



Hunters Park
Hunters Creek, \$3.4+ mil.
Sharon Ballas, 713.822.3895



Arrowwood Cir.
Piney Point, \$6.4+ mil.
Colleen Sherlock, 713.858.6699



Barbara Lane
West University, \$3.8+ mil.
Carol Rowley, 832.277.1552



Brandon Way
Bunker Hill, \$3.4+ mil.
Lucille Fendley, 713.498.5007



Inwood
River Oaks, \$4.2 mil.
Cameron Ansari/Teresa Byrne-Dodge
713.942.6811



Old Coach
Hunters Creek, \$3.7+ mil.
Courtney Robertson, 713.557.5943



Brandywine
Bunker Hill, \$3.2+ mil.
Pama Abercrombie, 832.715.7995



Cason
West University, \$3.9+ mil.
Cathy Blum, 713.320.9050



University
West University, \$3.7+ mil.
Elizabeth Baker, 713.942.6814



Glendenning
Hunters Creek, \$3 mil.
Kitty Strain, 713.594.1970

GREENWOOD KING

3201 KIRBY DRIVE / 1616 S. VOSS RD., SUITE 900 / 1801 HEIGHTS BLVD. HOUSTON, TEXAS
a place to find your home

LUXURY PORTFOLIO
INTERNATIONAL®

Leading REAL ESTATE COMPANIES OF THE WORLD®

GREENWOODKING.COM



Ella Lee
River Oaks, \$2.7+ mil.
Colleen Sherlock, 713.858.6699



Green Oaks
Piney Point, \$2.7+ mil.
Lucille Fendley, 713.498.5007



Kensington Ct.
Piney Point, \$2.4+ mil.
Pama Abercrombie, 832.715.7995



Shady River
Tanglewood Area, \$2.2+ mil.
Kathleen Graf, 713.942.6853



Colquitt
Lynn Park, \$2.2+ mil.
Tim Surratt, 713.942.6830



Inwood
Briarcroft, \$2.2 mil.
Sharon Ballas, 713.822.3895



Burkhart
Spring Valley, \$1.9+ mil.
Bonnie Laughlin, 713.805.6422



Looscan
River Oaks, \$1.9+ mil.
Cameron Ansari/Teresa Byrne-Dodge
713.942.6811



Arnold
West University, \$1.9+ mil.
Kristin Tillman, 281.785.3566



Riedel Dr.
Memorial Close-in, \$1.7+ mil.
Pama Abercrombie, 832.715.7995



Memorial Dr.
Glen Cove, \$1.7+ mil.
Debbie Levine, 713.942.6857



Wickersham
River Oaks, \$1.7+ mil.
Courtney Robertson, 713.557.5943



West Oak Dr.
Tanglewood Area, \$1.5+ mil.
Nancy Younger Kraka, 713.857.5299



Bissonnet
Rice/Museum District, \$1.4+ mil.
Heidi Dugan, 713.725.9239



Inverness Park Way
Spring Valley, \$1.4+ mil.
Bonnie Laughlin, 713.805.6422



Kimberley Ln.
Memorial, \$1.3+ mil.
Clint Simpson, 713.914.8781

PRIVATE PROPERTIES

Heinz Heiress Lists For \$21 Million

A New York City townhouse with several prominent prior owners—and a role in pioneering the Sutton Place neighborhood it inhabits—is coming on the market for \$21 million.

The seller is the estate of the late philanthropist Drue Heinz, who was married to ketchup and canned-bean fortune heir Henry John "Jack" Heinz II. A patron of the arts and publisher of the Paris Review from 1993 to 2008, according to an obituary in The Wall Street Journal, Mrs. Heinz died in April. The property is owned by a trust established by Mr. Heinz in 1986, but Mrs. Heinz had the right to direct how the property should be disposed of after her death, according to Julia V. Shea, a spokeswoman for the estate and a long-time employee of Mrs. Heinz's personal family office.

The brick Georgian townhouse was designed for Anne Vanderbilt, wife of railroad heir William Vanderbilt, whose move from Fifth Avenue upon his death to the area in

the early 1920s elicited shock from her high-society friends, according to news reports from the period. Other prior owners include Charles Merrill, the co-founder of Merrill Lynch, according to the book "Adventures With Old Houses," which was written by Richard Jenrette, co-founder of a prominent Wall Street securities firm and a real-estate fan, who also previously owned the townhouse.

In his book, Mr. Jenrette credited Mrs. Heinz and several other women who moved into the neighborhood around that time, including beauty maven Elizabeth Arden, with turning Sutton Place into one of the "most fashionable addresses in Manhattan." He also describes receiving a call from Mrs. Heinz about the home, which she had tried to buy from Mr. Merrill earlier but had been outbid. Mr. Jenrette said he sold the townhouse to Ms. Heinz in the



TRAVIS MARK/HEINZ ENDOWMENTS/ASSOCIATED PRESS (HEINZ)

mid-1970s.

Directly abutting the residence of the secretary-general of the United Nations, the house sits on the northeast corner of East 57th Street and Sutton Place with a distinctive blue door. Measuring about 7,000 square feet, it is more than 70 feet long, with access to a shared neighborhood garden to the rear. An entry foyer

features a dramatic circular staircase leading up to a 32-foot-long drawing room that overlooks the garden and the East River. There is also a wood-paneled library and an elevator. There are four existing bedrooms; another two rooms, the study and the parlor, could be converted to bedrooms, Ms. Shea said.

Ms. Shea said part of the proceeds of the sale will go to chari-

ties supported by Mrs. Heinz, though she declined to identify them, saying Mrs. Heinz was private about her contributions.

Mary Kent of Sotheby's International Realty has the listing.

—Katherine Clarke

► See more photos of notable homes at WSJ.com/RealEstate. Email: privateproperties@wsj.com

ADVERTISEMENT

Distinctive Properties

To advertise: email sales.realestate@wsj.com or WSJ.com/classifieds

ARIZONA

NOVEMBER 14 • REAL ESTATE AUCTION

LAZY J2 RANCH SAN RAFAEL VALLEY (PATAGONIA), ARIZONA

6,000 Acre Working Grass-Fed Cattle Ranch (200 Head Capacity)
952 Deeded Acres • 5,112 Acre USAF Grazing Allotment

Offered in Two Parcels: 520 Acres & 432 Acres Including 5,112 Grazing Allotment

One of the Last Intact Short Grass Prairies in the US

San Rafael Valley is a little-known, sequestered valley in southern Arizona. Its unique setting, extraordinary beauty and extreme privacy create a priceless, one-of-a-kind environment. Lazy J2 is located at 5,000 feet in the valley's magnificent grasslands, contiguous to the Coronado National Forest. Here you will escape from the world and enjoy 17–25 inches of annual rainfall, and temperatures typically 15–20 degrees cooler than Tucson. Just minutes to the quaint town of Patagonia, and 1.5 hours to the Tucson International Airport.

Perfect for those seeking a working grass-fed beef operation, equestrian lifestyle, a sustainable environment and seclusion



Viewings by Appointment Only: September 23, October 6, 14, 20 & 28

FineAndCompany.com

312.278.0600

Fine & Company LLC – AZ Broker #LC67750000. In Cooperation with John A. Weaver, AZ Broker #BR01047000.

GEORGIA

AUCTION THURS., SEPT. 20TH 1 PM (ET)

Selling at or above a High Bid of \$1.5M

Sandy Springs, Ga
Luxury Gated Estate
on 3.27± Acres



800-476-3939

TARGETAUCTION.COM

Dewey Jacobs, GAL# 359070

CALIFORNIA

G | The GRUBB Co.
BERKELEY • CA

2830 GARBER STREET



► OPEN SUN 2-4:30PM ◀
Fabulous Brown Shingle located on one of Elmwood's most desirable cul-de-sacs. Designed in 1908 by noted Architect, George Plowman. Close to College Ave & Rockridge BART. Views.
4BR • 3.5BA • \$2,295,000

Karen Starr

Brenda Schaefer

© 510.339.0400/224/352

CALBRE#01111458/#01896001

**Unparalleled Private
Owens River Fishing Ranch**

Ranch house on 1120 deeded acres+
8 miles of wild trout river frontage

Majestic 360' views of the Sierra range

\$1,295,000

Call Michele Hansen

Mammoth Village Properties

(760)934-1842

email: misssparky@earthlink.net

CONNECTICUT

REAL ESTATE AUCTION

Corporate Relocation Forces Sale



**817 Sasco Hill Road
Fairfield, CT**

5,679±SF, 5BR, 4.5BA

Historic Greek Revival on 2± Ac.

Detached 2-Car Garage with 720± sf. Bonus Space

Fri., Sept. 14 at 11am

Open House: Fri., Sept. 7 (11am-1pm)

JJ Manning AUCTIONEERS

Info, Broker Reg., Terms, and More at:

www.JJManning.com

800.521.0111

CT Lic# REB.0790057

NEW HAMPSHIRE

Consider New Hampshire...

No Sales Tax No Inheritance Tax
No Income Tax No Capital Gains Tax
Lake Winnipesaukee Homes

www.SueBradley.com

SusanBradley@metrocast.net

GILFORD ESTATE

w/21,000SF of Luxury

Views, Beach, Dock, Carriage House

\$9,500,000

GILFORD ADIRONDACK FAMILY COMPOUND

2 Lots, 2 Homes, Docks, Beach, Views

\$5,995,000

WOLFEBORO FAMILY COMPOUND

2 Lots, 2 Homes, Beach, Docks

\$5,385,000

GILFORD ADIRONDACK ESTATE

Beach, Docks, Sunsets, 7 Garages

\$4,995,000

GILFORD

Sprawling Custom Cape

Gorgeous beach, Views, Level Lot

\$4,895,000

MEREDITH

Post and Beam New Construction

Gorgeous beach, Views, Level Lot

\$4,395,000

Susan Bradley, GRI, CRS, ABR

Coldwell Banker RB

603.493.2873 • 603.524.2255 ext.2810

TEXAS

Luxury Texas Ranch

Diamond E Ranch, 50 acres with

fabulous 9,912 sq. ft. custom home,

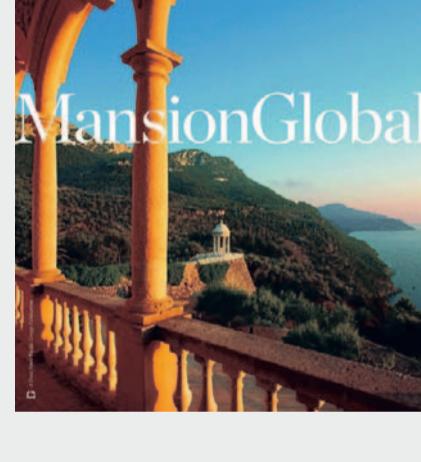
close to San Antonio.

\$3,295,000

DENISE GRAVES

210-260-2176

THE GRAVES GROUP



Spanish Revival
Inside the country's
hottest real estate
residential

MansionGlobal



Breaking News
New heights of luxury
in development build up

MansionGlobal

For advertising opportunities
in the November issue, please contact:

Tamara McHugh, Global Sales Director
312.750.4053
sales.realestate@wsj.com

Publish Date: November 17
Space Reservations: September 14
Materials Due: September 21

©2018 Dow Jones & Co., Inc. All rights reserved.

THE WALL STREET JOURNAL.

NOTABLE COMMERCIAL PROPERTIES

(800) 366-3975
sales.realestate@wsj.com

For more information visit: wsj.com/classifieds

© 2018 Dow Jones & Co., Inc. All Rights Reserved.

MOTORPLACE USA
LUXURY AUTOMINIUMS™

TAKE ADVANTAGE OF PRE-DEVELOPMENT PRICING NOW!



INTRODUCING FORT WORTH'S FIRST LUXURY AUTOMINIUMS™

Motorplace USA is an upscale Autominium™ community. Private, secure and conveniently located, Motorplace USA provides the ideal space solution for every motorsports enthusiast's favorite collectables. Cars, trucks, motorcycles, as well as boats, jet skis, and RV's will feel right at home at Motorplace USA. In addition to a place to store the enthusiast's toys, an Autominium™ gives the owner the flexibility to create and fully customize their own climate controlled space with large mezzanines while relaxing, entertaining or working. There is no simpler way to be connected to your collectables than in a comfortable secure space of your own. Each Autominium™ is a titled unit and ownership includes access to common areas plus a members-only clubhouse. Conveniently located at 1400 N. Las Vegas Trail and Loop 820.

www.motorplaceusa.com



John Zimmerman
817-380-8789 FORT WORTH, TX
jzfortworth.com



Briggs Freeman | **Sotheby's**
INTERNATIONAL REALTY

BRIGGSFREEMAN.COM



Pam Brannon
972-912-1756 / pbrannon@briggsfreeman.com



Jeff Watson
817-501-1923 / jwatson@briggsfreeman.com



Tessa Mosteller
214-505-1248 / tmosteller@briggsfreeman.com



Dona Timm
972-333-3370 / dtimm@briggsfreeman.com



John Zimmerman
817-784-7249 / jzimmerman@briggsfreeman.com



Amy Hooper Trott
817-300-1100 / atrott@briggsfreeman.com



Susan Baldwin
214-763-1591 / sbaldwin@briggsfreeman.com



Debra Brown
214-478-7543 / dbrown@briggsfreeman.com



David Burgher
214-213-8715 / dburgher@briggsfreeman.com

FROM MY PERSPECTIVE

That Tasty New Trend

Every week in the real estate section of *The Wall Street Journal*, many of the world's most luxurious homes are featured, along with essentials that reflect the good life — trends, tips and much more.

It is particularly exciting to see and read about homes dedicated to entertaining guests — especially when delicious food and exquisite wines are involved. (I'm waiting for my invitations.) From country places with CinemaScope views to dinner parties in glittery downtowns, opportunities for inspired entertaining are endless. In fact, next Friday's Mansion section will be dedicated to the world's best homes for lovers of food and wine.



Let's face it: Food is sexy. Today, chefs are the rock stars of their generations. In North Texas, famous pros such as Stephan Pyles, Kent Rathbun and Dean Fearing command every bit as much hometown pride — and attention — as local celebrities Owen Wilson, Angie Harmon and Emmitt Smith. That trio of cuisine kings introduced their unique techniques and specialties to the market years ago, which spread the word about our area and contributed significantly to making North Texas a global destination for great food.

We certainly have the places for it. In classically elegant restaurants, sleekly modern eateries and a growing number of homes with full-tilt, chef-grade kitchens and amazing wine rooms, North Texans are showing their love of food and wine. Many of the homes we represent have jaw-dropper kitchens, brilliantly laid out for cooking and entertaining in one space — brimming with multiple ovens, multiple stoves and specialty appliances designed for gourmet exploration. Wine rooms and wine walls are new musts, too, from rustic little rooms with stone and wood to glassy spaces with contemporary art and sleek wine racks.

It's a gourmand's place, this North Texas. From Dallas to Fort Worth and all the great cities and suburbs surrounding them, a dedication to the aesthetics around beautiful food has become a hallmark of luxurious living.

It's a delicious notion, isn't it?



ROBBIE BRIGGS, president and CEO
Briggs Freeman Sotheby's International Realty
rbriggs@briggsfreeman.com



© MMXII Sotheby's International Realty Affiliates LLC. All Rights Reserved. Sotheby's International Realty Affiliates LLC. An Equal Opportunity Company. Equal Housing Opportunity. Briggs Freeman Real Estate Brokerage, Inc. is independently owned and operated.

