

THE WALL STREET JOURNAL.

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THURSDAY, MAY 18, 2023 ~ VOL. CCLXXXI NO. 115

WSJ.com

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STOXX 600 463.98 ▼ 0.2%

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What's News

Business & Finance

Montana's governor signed the country's first bill that outright bans TikTok in a state, paving the way for a legal fight that could determine the fate of a nationwide prohibition that is under consideration in Washington. A1

◆ **Deutsche Bank** has agreed to pay \$75 million to settle a proposed class-action lawsuit claiming that it facilitated Epstein's sex-trafficking ring, said lawyers who sued the bank on behalf of alleged victims. A1

◆ **Target's** sales suffered in the most recent quarter as shoppers stopped splurging as frequently on items that make up the bulk of the retailer's annual revenue. B1

◆ **Crypto company Tether** pledged to buy more bitcoin for its stablecoin reserves, adding to the \$1.5 billion of bitcoin already backing its dollar-pegged token. B1

◆ **Major U.S. stock indexes** rallied, with the S&P 500 and Dow industrials both gaining 1.2% and the Nasdaq advancing 1.3%. B1

◆ **Shein** raised \$2 billion in its latest fundraising round that values it at \$66 billion, about one-third less than a year earlier, according to people close to the company. B1

◆ **Theranos founder Holmes** must report to prison by May 30, a judge said, after a court denied her request to remain free pending appeal of her conviction. B3

◆ **Francisco Partners and TPG** are working together on a \$5 billion-plus bid to acquire software company New Relic, according to people familiar with the matter. B3

World-Wide

◆ **Ukraine is taking aim** at Russia's ammunition stores and caches of other supplies that Moscow's forces need to fight, seeking to weaken them strike by pinpoint strike ahead of an expected ground campaign to push back the Russian invaders. A1, A8

◆ **Biden will seek** to maintain unity among allies in supporting Ukraine and countering China's economic clout at a G-7 summit, as the threat of default in the U.S. complicates that message. A9

◆ **House Democrats started** collecting signatures for a discharge petition to raise the debt ceiling, a long-shot maneuver designed to circumvent House GOP leadership and force a vote. A4

◆ **Florida Gov. DeSantis** will officially enter the race for president next week as the Republican's campaign donors begin a fundraising blitz, people familiar with the decision said. A4

◆ **A federal appeals court** expressed skepticism of Biden administration arguments that judges shouldn't second-guess the Food and Drug Administration's approval of a widely used abortion pill. A4

◆ **The White House has** made periodic calls to the Kremlin to demand the release of American detainees Evan Gershkovich and Paul Whelan, according to Russia's foreign minister. A8

◆ **Ecuador's president** dissolved the national legislature ahead of an impeachment vote and amid growing unrest in the Andean country. A7

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THURSDAY, MAY 18, 2023 ~ VOL. CCLXXXI NO. 115

At Annapolis, It Takes an Arm and a Leg to Get Ahead



SLIPPERY SLOPE: U.S. Naval Academy first-year 'plebes' take part in the annual Herndon Climb, scaling the 21-foot granite obelisk coated with vegetable shortening to knock a 'Dixie cup' hat off the top and replace it with an upperclassman's hat.

Offensive Before the Offensive: Ukraine Hits Enemy Supplies

By ISABEL COLES
AND DANIEL MICHAELS

KYIV, Ukraine—Ukraine is taking aim at Russia's ammunition stores and caches of other supplies that Moscow's forces need to fight, seeking to weaken them strike by pinpoint strike ahead of an expected ground campaign to push back the Russian invaders.

Call it the offensive before the offensive.

Early this month, four drones attacked a Russian oil refinery almost 300 miles from Ukraine. The next day,

another drone hit it. Not long after another drone bombed a fuel depot on the other side of Russia, near Belarus.

Ukrainian leaders said they are waiting for more Western weapons to arrive before launching what has been billed as a "spring offensive" that is now likely to play out over the summer, spearheaded by newly trained units equipped with Western-supplied tanks, armored fighting vehicles and artillery.

To set the stage, Ukraine has stepped up attacks on positions well inside Russian-

held territory, part of what strategists call shaping operations, which are aimed at undermining the enemy and probing for gaps to exploit.

Ukraine staged similar attacks last year using U.S.-supplied HIMARS rocket systems before retaking territory in the Kharkiv region and the city of Kherson. Now it is reaching farther, using drones as well as newly supplied British long-range Storm Shadow cruise missiles.

For Ukraine, which is battling a larger military, the attacks are important to chip away at Rus-

sia's battlefield resources.

Any engagement longer than a few days becomes a logistical contest, said commanders, so destroying stores of ammunition, fuel and spare parts can be more significant than taking out individual tanks or artillery pieces, because the impact can be broader. A tank without fuel or shells is of little use.

"This is the preparatory

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◆ **Russian missile barrages** strike southern Ukraine..... A8

◆ **U.S. calls Kremlin, seeking men's release..... A8**

Montana Imposes Statewide Ban on TikTok

It is unclear how the law, which takes effect Jan. 1, will be enforced; a legal fight is expected

By STU WO
AND MEGHAN BOBROWSKY

Montana's governor signed the country's first bill that outright bans TikTok in a state, paving the way for a legal fight that could determine the fate of a nationwide prohibition that is under consideration in Washington.

Gov. Greg Gianforte, a Republican, signed the bill into law on Wednesday after Montana's Legislature passed it last month. The legislation drew criticism from Chinese-owned TikTok and free-speech advocates including the American Civil Liberties Union.

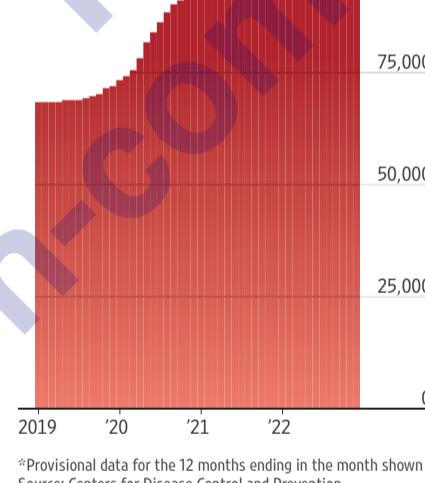
The Montana ban is set to go into effect on Jan. 1. Any legal challenge, though, could trigger an injunction to delay the ban's start date.

The law would bar TikTok from operating in the Treasure State and would forbid app stores, such as Google's and Apple's, from making TikTok available to download within Montana. TikTok and app stores would be liable for fines of \$10,000 a day for violating the law. Individual TikTok users wouldn't be punished.

"Gianforte signed a bill that infringes on the First Amendment rights of the people of Montana by unlawfully banning TikTok," a TikTok spokeswoman said in a statement. She didn't say whether the company plans to pursue legal action. TikTok, in an earlier statement, Please turn to page A6

Overdose Deaths Plateau At Record

Overdose deaths in the U.S. edged higher in 2022, a federal estimate shows, marking only the second time drugs killed more than 100,000 people in a year. The high overdose death toll reflects fentanyl's ubiquity and potency in the market for illicit drugs. A10



*Provisional data for the 12 months ending in the month shown
Source: Centers for Disease Control and Prevention

Young Americans Are Dying At Alarming Rates

By JANET ADAMY

For decades, advances in healthcare and safety steadily drove down death rates among American children. In an alarming reversal, rates have now risen to the highest level in nearly 15 years, particularly driven by homicides, drug overdoses, car accidents and suicides.

The uptick among younger Americans accelerated in 2020. Though Covid-19 itself wasn't a major cause of death for young people, researchers say social disruption caused by the pandemic exacerbated public-health

problems, including worsening anxiety and depression. Greater access to firearms, dangerous driving and more lethal narcotics also helped push up death rates.

Between 2019 and 2020, the overall mortality rate for ages 1 to 19 rose by 10.7%, and increased by an additional 8.3% the following year, according to an analysis of federal death statistics led by Steven Woolf, director emeritus of the Center on Society and Health at Virginia Commonwealth University, published in JAMA in March. That's the highest increase for two consecutive years in the half-century

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Financier Is All Over WeWork Deal

By ELIOT BROWN

SoftBank Group's losses on WeWork continue to pile up. A familiar face has come to the rescue.

Longtime SoftBank financier Rajeev Misra's new investment fund, One Investment Management, recently agreed to provide nearly \$500 million of high-interest debt to the of-

fice-space provider. The slug of cash, disclosed in the fine print of WeWork securities filings, is one of the first big investments Misra has made since he gave up most of his duties at SoftBank.

Once a key lieutenant to SoftBank's billionaire founder Masayoshi Son, Misra struck out on his own last summer, while agreeing to stay on part-

time to oversee SoftBank's first Vision Fund, which held a 13% stake in WeWork as of late March.

The debt deal involving Misra's new fund and his previous full-time employer puts the former Deutsche Bank executive, considered one of the world's most prolific debt deal makers, on two sides of the same deal.

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Where's Shaq? Lawyers for FTX Investors Struggle to Serve Him

* * *

Do legal papers tossed at the basketball legend's moving SUV count?

By JOSEPH DE AVILA

Shaquille O'Neal, the 7-foot-1-inch NBA Hall of Famer turned actor, sports analyst and entertainer, is all over TV and has millions of social-media followers. He is one of the most recognizable people on the planet.

There's one group of people

who's had trouble finding Shaq, and that is the process servers hired to formally notify him he's being sued.

O'Neal is one of several celebrities named in a proposed class-action lawsuit filed by FTX investors against the collapsed cryptocurrency exchange and the stars who ap-

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INSIDE



PERSONAL JOURNAL

Couples are turning to new AI tools to translate their feelings into wedding vows. A11

Deutsche Bank Sets \$75 Million Accord With Epstein Victims

By JAMES FANELLI
AND KHADEEJA SAFDAR

Deutsche Bank has agreed to pay \$75 million to settle a proposed class-action lawsuit claiming that the financial institution facilitated Jeffrey Epstein's sex-trafficking ring, said lawyers who sued the bank on behalf of alleged victims.

A woman who is listed anonymously as Jane Doe in court papers filed the suit last year in New York on behalf of herself and other accusers of the disgraced financier. She alleged Deutsche Bank did business with Epstein for five years while knowing that he was using money in his bank accounts to further his sex-trafficking activity.

The Doe plaintiff alleged she was sexually abused by Epstein and trafficked to his friends from about 2003 until about 2018 and was also paid

in cash for sex acts. The lawsuit alleged Deutsche Bank ignored red flags including payments to numerous young women. The settlement is expected to compensate dozens of accusers.

Epstein died by suicide in a federal jail in New York in 2019 while awaiting trial on sex-trafficking charges.

Dylan Riddle, a spokesman for Deutsche Bank, declined to comment on the settlement but said the bank has invested more than 4 billion euros, the equivalent of \$4.34 billion, to bolster controls, training and operational processes, and has increased the size of its workforce dedicated to fighting financial crime. "In recent years Deutsche Bank has made considerable progress in remedying a num-

Please turn to page A6

◆ **Epstein's dealings with academics detailed..... A6**

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U.S. NEWS

Medals of Valor Awarded

Two New York Police Department officers ambushed and killed after responding to a 911 call and the rookie officer who took down the gunman were honored Wednesday, along with six others, by President Biden with the Medal of Valor, the nation's highest honor for bravery by a public safety officer.

NYPD officer Wilbert Mora and his police partner Jason Rivera were shot Jan. 21, 2022, while responding to a call about a family dispute. Officer Sumit Sulan shot and killed the gunman, ending the deadly encounter. Rivera died that night and Mora was pronounced dead four days later. At right, Sulan, and family of Mora and Rivera, accepted the awards from the president.

Biden also honored three New York City firefighters for the bravery, including Lt. Justin Hespeler, who rescued a newborn from a burning house. Firefighter Patrick Thornton who, aboard an FDNY boat, saved a man trapped under a capsized vessel in the waters off the coast of Staten Island was also honored, along with retired Lt.

Jason Hickey, who was on the FDNY's marine training unit when he got a distress call of a man in the Harlem River and saved him.

The other recipients included Sgt. Kendrick Simpo of the Houston Police Department, below left. Simpo was working a second job at a Houston area mall when he tackled a suspect who was carrying an AR-15 rifle, handgun and 120 rounds of ammunition. No one was injured.

Cpl. Jeffrey Farmer, below center, of the Littleton, Colo., police department was responding to a call of shots fired possibly out of a car window, and chased the suspect to the door of an apartment where the man opened fire, hitting Farmer's partner. Farmer worked to fend off the shooter, then dragged his partner into his police car and drove him to the hospital himself, saving his life.

Deputy Bobby Hau Pham, below right, of the Clermont County, Ohio Sheriff's Office saved a drowning woman who had driven her car into a lake, even though he couldn't swim.

—Associated Press



Missouri Withdraws Rules on Trans Care

BY MARIAH TIMMS

Missouri Attorney General Andrew Bailey terminated a set of restrictions late Tuesday that could have ended most, if not all, transgender-related healthcare in the state for minors and adults.

The rules hadn't been in effect because a state judge recently issued a temporary restraining order against them, after healthcare providers and a group of transgender Missouri residents sued. They argued

Bailey, a Republican, didn't have the authority to go around the state legislature in issuing the restrictions, leaving doctors and residents at a loss on how to proceed with medical care.

Missouri legislators passed a bill last week imposing strict limits on access to gender-transition care and other treatments for children and teenagers, but not adults. Republican Gov. Mike Parson is expected to sign it.

Bailey's regulations required that patients undergo months of

extensive mental-health assessments and that doctors meet a host of prerequisites before providing transgender healthcare. The rules also required doctors to present patients with nearly two dozen statements indicating that such care was experimental and risky.

The Missouri secretary of state posted a written notice of the termination of the restrictions, which the attorney general had said were needed to protect public safety. Bailey's office didn't respond to a re-

quest for comment.

The plaintiffs were represented by the American Civil Liberties Union and Lambda Legal. The ACLU called Bailey's rules a "hasty attempt to usurp other branches of government."

"Today's actions are a victory for Missourians' right to bodily autonomy, but the fight is not over," the ACLU said.

More Republican-led states have been adopting restrictions on transgender-related healthcare, but Bailey's restrictions were among the most sweeping.

his gated home in McDonough, Ga., in a black SUV, according to court papers. The two process servers double-teamed O'Neal. They parked on either side of the residential gate and approached the SUV with papers.

One of them claims to have called O'Neal's name, and both state they held up legal documents.

O'Neal allegedly rolled around one processor and drove down the lane. One of the process servers tried to throw the paperwork at O'Neal's accelerating car, according to court filings. The documents fluttered to the ground.

Photos of the process servers submitted to court show the backside of an SUV headed down a country road, and clipped white papers lying in the street.

Attorneys for the plaintiffs touted on Twitter: "UPDATE: Plaintiffs in the billion \$ FTX class action case just served @SHAQ outside his house."

Attorneys for O'Neal last week disputed that claim. They asked the judge to dismiss the case against their client, and argued the process servers didn't identify themselves and that papers thrown at a moving car run flagrantly afoul of the legal requirements for serving a summons.

"Mr. O'Neal has not evaded service by failing to be at the residences where Plaintiffs repeatedly attempted service or by driving past strangers who approached his car," the lawyers wrote. "The Court should quash service and dismiss the claims against him."

The judge on Monday denied O'Neal's motion to dismiss as moot after accepting an amended complaint from the plaintiffs. O'Neal, however, can file a new motion to dismiss and can continue to challenge whether he was properly served.



Lawyers for Shaquille O'Neal say he wasn't properly served.

answer, said Falkner. She tried the gym where he trains; his entourage kept her out. She looked for him at the roller skating rink he owns. Finally, Mayweather's lawyer got in touch with her client to accept the lawsuit on his behalf, she said. "I never even made contact with him."

Representatives for Mayweather didn't respond to a request for comment.

The legal team suing O'Neal filed court papers describing attempts to reach the star at his homes in Texas and Georgia, including at his former wife's home.

They asked the judge if they could serve O'Neal by direct message over Twitter and Instagram. The judge called the request "frivolous."

At one point last month, the lawyers tweeted at O'Neal: "We have been standing outside your TNT studios in Atlanta all week, but your security guards will not let us in."

A few days later, the process servers thought they had gotten lucky, according to affidavits filed in court.

During a "drive by spot check," they saw O'Neal leaving

his gated home in McDonough, Ga., in a black SUV, according to court papers. The two process servers double-teamed O'Neal. They parked on either side of the residential gate and approached the SUV with papers.

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A NOTE TO READERS

Dear Reader,

The Wall Street Journal is eliminating the routine use of honorifics, or courtesy titles, in its news pages, starting with today's edition.

The Journal has been one of the few news organizations to continue to use the titles, under our long-held belief that Mr., Ms. and so forth help us maintain a polite tone. However, the trend among almost all news organizations and magazines has been to go without, as editors have concluded that the titles in news articles are becoming a vestige of a more-formal past, and that the flood of Mr., Ms., Mx. or Mrs. in sentences can slow down readers' enjoyment of our writing.

For years, we weighed the tradition of using those titles against the need to be attuned to a more modern audience. In the end, we decided that dropping those titles is more in line with the way people communicate. It puts everyone on a more-equal footing and will help make our writing livelier and more approachable.

We aren't abandoning politeness or principle. We strive to be courteous and professional in our engagement with the people we write about. The Journal has held itself to high standards of fairness and impartiality for 134 years and will continue to do so.

Among the nuances and exceptions: Occupational titles such as Gen., Sen. and Dr. (for medical doctors) will still be used, but on first reference only.

This isn't totally new ground. We currently don't use honorifics in WSJ. Magazine, in podcasts or videos. Nor do we use them in sports coverage.

The new policies apply to the news pages; the opinion pages set their own policy.

Emma Tucker
Editor in Chief

CORRECTIONS & AMPLIFICATIONS

Dr. Martin Luther King Jr. said that "the arc of the moral universe is long but it bends toward justice." In Saturday's Review section, an essay on King incorrectly paraphrased the quotation as "the arc of justice."

A woman hospitalized in a March crash involving a 2017 Chevy Traverse was 28 years old. A Page One article on Tuesday about lengthy investigations of air-bag issues incorrectly said she was 59 years old.

Jane Fonda says the best pizza is at Pizzana in the Brentwood section of Los Angeles. An Off Duty article Saturday about the actress incorrectly gave the location as Brentwood, Calif.

Readers can alert The Wall Street Journal to any errors in news articles by emailing wsjcontact@wsj.com or by calling 888-410-2667.

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U.S. NEWS

Publisher Sues Over Florida Book Ban

District is accused of unconstitutional restrictions on works about race, LGBT issues

BY SURYATAPA BHATTACHARYA AND JENNIFER CALFAS

Book publisher Penguin Random House and advocacy group PEN America sued a Florida school district Wednesday, alleging restrictions on library books about LGBT identity and issues of race and racism violate the constitution.

The lawsuit alleges leaders at Escambia County School District in Pensacola, Fla., set out to exclude such topics from school libraries by removing or restricting 10 books from their shelves.

PEN America and Penguin Random House, along with authors and parents, allege these actions constitute viewpoint discrimination and violate the right to receive information under the First Amendment, according to their lawsuit.

The lawsuit says the school district and school board are also violating the 14th Amendment's equal protection clause

by singling out books written by LGBT and nonwhite authors and those that address race or gender identity.

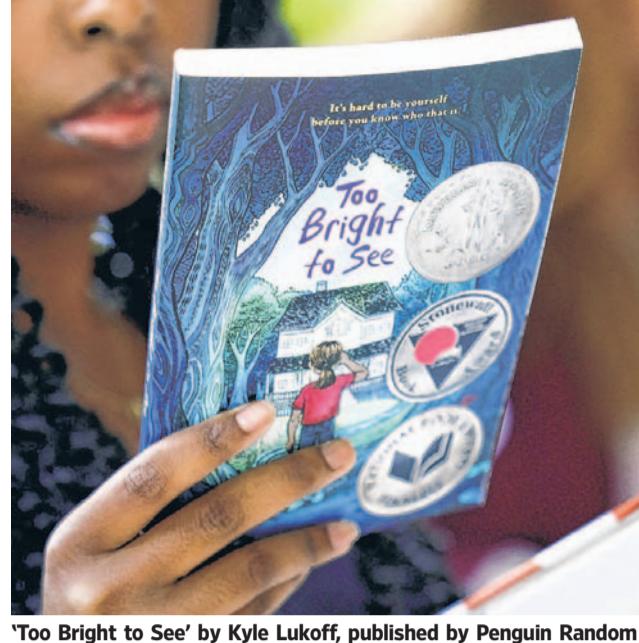
"Censorship, in the form of book bans like those enacted by Escambia County, are a direct threat to democracy and our constitutional rights," said Nihar Malaviya, chief executive of Penguin Random House, in a statement Wednesday.

The parties filed their complaint in a federal court in northern Florida. The lawsuit asks the court to order the district to restore the removed and restricted books.

A representative for the school district and two members of the Escambia County School Board declined to comment due to potential pending litigation.

Libraries in towns across America have become the center of debate amid a growing effort to censor the books and resources available to read or borrow. The parents, lawmakers and conservative groups behind these plans say they aim to remove books they view as inappropriate for children.

Similar tensions have played out in other states, in-



'Too Bright to See' by Kyle Lukoff, published by Penguin Random House imprint Dial Books, is among the books that was scrutinized by Florida's Escambia County School District.

ter of these challenges, where more than 500 books have been banned or removed temporarily in one year, the lawsuit alleges.

Some of the books under scrutiny in Escambia include "Uncle Bobby's Wedding" by Sarah Brannen, "All Boys Aren't Blue" by George M. Johnson, "Two Boys Kissing" by David Levithan, "When Aidan Became a Brother," "Too Bright to See" by Kyle Lukoff, and "Out of Darkness" by Ashley Hope Pérez, the lawsuit says. The authors are also plaintiffs in the lawsuit.

School officials are targeting the books against the recommendations of experts within the school district, the lawsuit alleges.

"This disregard for professional guidance underscores that the agendas underlying the removals are ideological and political, not pedagogical," the lawsuit says.

The lawsuit says the movement to restrict books at Escambia began in May 2022, when a language-arts teacher at one of the school district's high schools filled out a form requesting "The Perks of Being a Wallflower" by Stephen Chbosky be reconsidered for use

as educational media.

"This would be the beginning of what turned out to be a widespread—and largely successful—campaign to restrict access to books throughout the school district," according to the lawsuit.

The lawsuit alleges that the school board has since repeatedly approved requests from that teacher to remove or restrict books. The school board removed Johnson's "All Boys Aren't Blue" from all district libraries, as well as Toni Morrison's "The Bluest Eye" from some shelves, among other titles, according to the lawsuit.

A report from the American Library Association found attempts to ban books in U.S. libraries nearly doubled in 2022 from a year earlier.

The organization identified 1,268 efforts to censor books and resources in libraries last year. That is the most recorded in the more than two decades the American Library Association has tracked these trends, and a jump from 729 in 2021.



Congregants gathered at Saints Raphael, Nicholas and Irene Greek Orthodox Church in Cumming, Ga., on Sunday.

Eastern Orthodoxy Shows Growth In U.S. as Parishes Gain Converts

BY FRANCIS X. ROCCA

Michelle Jimenez was captaining an oil tanker in the Gulf of Mexico in early 2020 when she heard about a Bible-study group organized by a crew member. Though she had been baptized a Catholic in infancy, she was never raised in that or any other faith. She had experimented with New Age beliefs and Zen Buddhist meditation, but hadn't found a spiritual home. Her new encounter with Christianity eventually led her to an Eastern Orthodox liturgy.

"I just felt this overwhelming presence of God...that everything is always going to be OK no matter what," recalled Jimenez, 36 years old, of her first experience with Orthodox worship. She was baptized in the church the day before Easter in 2022, becoming part of a small but fast-growing group of Americans from diverse backgrounds who have embraced Orthodoxy in the past few years.

Eastern Orthodoxy is one of the two parts of the Christian world that emerged from the Great Schism of the 11th century, a split with the Roman Catholic Church caused principally by disagreement over the authority of the pope. Its members belong to a family of churches with historic roots in Eastern Europe, Russia and the region of the eastern Mediterranean, which traditionally look to the patriarch of Constantinople as their spiritual leader.

The Eastern Orthodox population of the U.S. is dominated by immigrants from the church's historic lands and by their descendants. But in recent years, aided by more widely available information on the internet, the church has been attracting more attention from people with no ancestral ties to Orthodoxy, a trend that appears to have accelerated following the outbreak of the



From top, the holy icons of Saints Raphael, Nicholas and Irene; Rev. Barnabas Powell delivers a homily to worshippers.

Covid-19 pandemic.

Some pastors across the country report growth of their flocks by 15% or more in a single year owing to conversions, defying an overall trend of decline similar to that in other denominations.

Alexei D. Krindatch, national coordinator of the U.S. Census of Orthodox Christian Churches, said the practicing Eastern Orthodox population in the U.S. was 675,000 in 2020, down from 816,000 a decade earlier, and most parishes lost members after the outbreak of the pandemic. But Krindatch said about 13% of Orthodox parishes have experienced a "surge in vitality" since 2020, measured by growth in membership and indicators including church attendance, financial giving, enrollment in religious education and participation in parish activities beyond worship. Prominent among the

characteristics of these parishes, he said, is a higher-than-average share of converts.

Some say it is no coincidence that the pandemic, with all its social and economic disruption, ushered in newcomers drawn by the ancient faith's traditional teachings and the beauty of its worship, which prominently features the veneration of icons.

"We've all experienced a world where the ground has shifted underneath our feet," said the Rev. Stephen Mathewes, pastor of a church in Bluff City, Tenn. "A lot of people...want something that is going to stand the test of time."

Many of the converts joining parishes that have grown in vitality since the pandemic are young single men, Krindatch said.

Kyle Riggs, 26, a staff sergeant in the U.S. Army National Guard and former

Southern Baptist in Ball Ground, Ga., who joined the Orthodox Church in 2021, said many men welcome the challenge of the church's strict regimen of prayer and fasting. Orthodox Christians are traditionally expected to limit their food intake and abstain to varying degrees from certain foods, including meat and fish, for about half the days of the year, though clergy typically advise new converts to adjust gradually to the discipline.

Converts to Orthodoxy tend to be more conservative on social and moral issues, for instance in their opposition to same-sex marriage and the ordination of women, than those who were born in the church, Krindatch said.

Dr. Colette Hoilman, 29, a medical doctor and new mother in Kingsport, Tenn., who formerly attended an evangelical church, became Orthodox shortly before her marriage to a fellow convert in 2020. She said one of her Protestant friends asked her how she could join a church in which only men can be priests; she replied that it wasn't a problem for her.

"The Orthodox Church reveres women. We venerate the Mother of God more than most saints," Hoilman said.

The influx of people without an ethnically Orthodox heritage occasionally causes tensions. The Rev. Barnabas Powell, a former Pentecostal pastor who leads a parish in Cumming, Ga., said that some Greek-American members of his congregation sought his removal because he wasn't of Greek descent, but that he managed to win them over.

The priest said that his concern now is to ensure, by offering Greek language classes and holding an annual Greek festival, that the 75% of his flock of 450 who are converts appreciate the importance of Greek culture in the history of their faith.

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10 IRRESISTIBLE DAYS
MAY 11-21

ALLURING OFFERS ON ALL NEW COLLECTIONS

Cigale. Dining table, designed by Andrea Casati.

rochebobois
PARIS

U.S. NEWS

DeSantis Set to Launch 2024 White House Bid

Florida GOP governor expected to declare next week, pitting him against Trump

By ALEX LEARY

Florida Gov. Ron DeSantis will officially enter the race for president next week as his campaign donors begin a fundraising blitz, people familiar with the decision said.

DeSantis's intentions have been clear for months, but the decision to file formal paperwork with the Federal Election Commission declaring his candidacy, corresponding with the donor meeting in Miami on May 25, begins a new phase in his quest for the GOP nomination and puts him in direct competition with former President Donald Trump and a handful of other candidates.

A more formal kickoff event or events would follow, but the details haven't yet been made public.

DeSantis, 44, is running second in polls to Trump, who has opened up a sizable lead in recent weeks and has sharpened

attacks on the governor. But a number of analysts and people close to Trump expect DeSantis will gain back some ground after becoming an official candidate, garnering more attention from voters and the media.

DeSantis is coming off a Florida legislative session that ended this month, during which he pushed through a raft of conservative-leaning legislation, from tougher immigration laws to restrictions on gender and diversity instruction in schools and a law allowing people to carry a concealed weapon without a permit.

This week, he and Trump tangled over a six-week abortion ban the governor signed into law, with the former president saying in an interview with the *Messenger* that "many people within the pro-life movement feel that that was too harsh." DeSantis has stressed his anti-abortion credentials and noted that Trump wouldn't say what abortion limits he supports.

DeSantis on Saturday made his second trip to Iowa, where evangelical voters make up a large share of caucus-goers. He was well received and capi-



Florida Gov. Ron DeSantis

talized on Trump canceling a planned Des Moines rally because of weather concerns. DeSantis made an unscheduled stop at a barbecue restaurant in the area, generating favorable news coverage. He is scheduled to meet Friday with legislators in New Hampshire, which comes after Iowa in the nomination hunt.

Trump has hammered at DeSantis, calling him disloyal for entering the race—a Trump endorsement lifted the governor in his first run for the office in 2018—and pointing to votes for proposals to raise the retirement age for Social Security

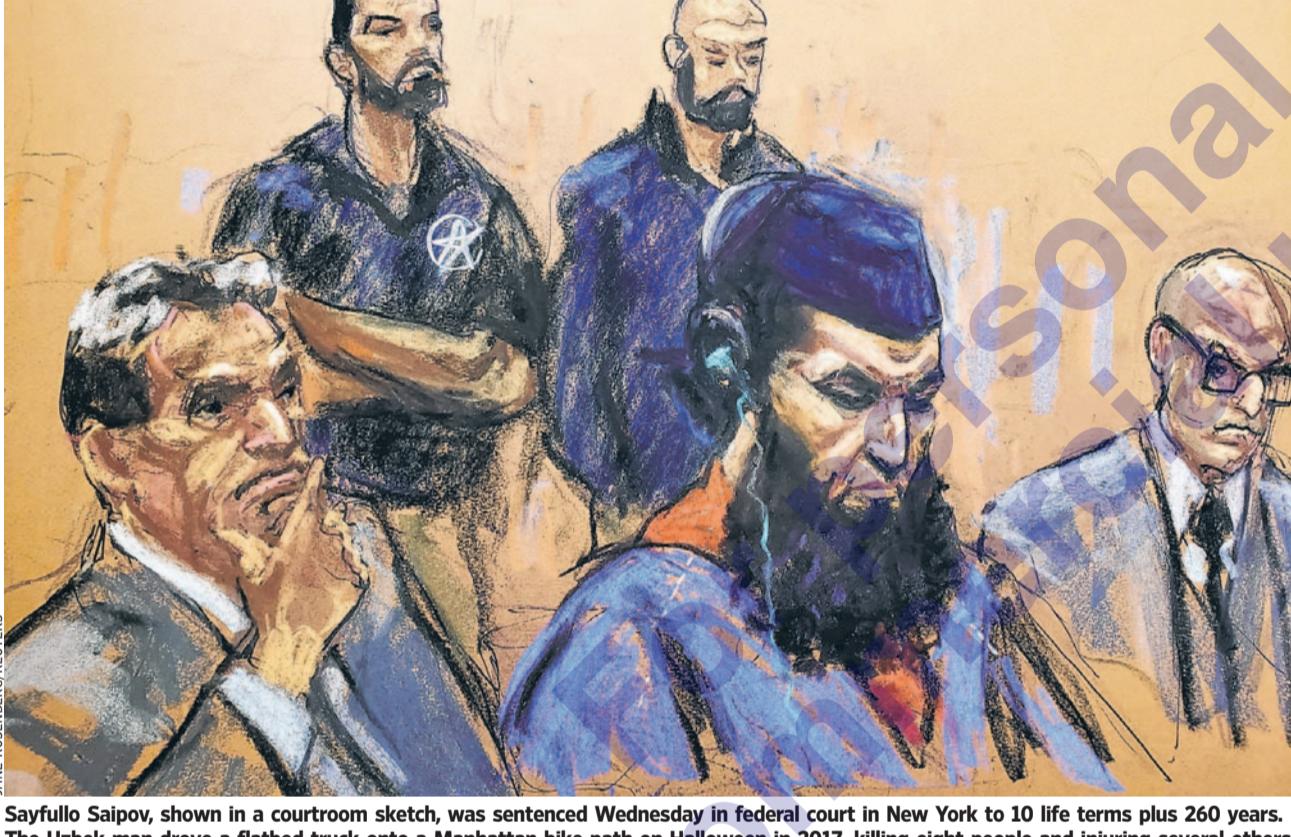
when DeSantis was in Congress. DeSantis has distanced himself from that position.

Some GOP donors and officials who dislike Trump have been worried so far by some of DeSantis's strategic choices and comments, particularly when he called the war in Ukraine a "territorial dispute"—a position he quickly moved to clean up. Critics of those comments included former Vice President Mike Pence, who is nearing his own decision to enter the race.

Along with Mr. Trump, former South Carolina Gov. Nikki Haley is already in the GOP nomination contest, as are former Arkansas Gov. Asa Hutchinson, entrepreneur Vivek Ramaswamy and radio host Larry Elder. South Carolina Sen. Tim Scott is expected to enter the race Monday.

DeSantis already has a team working on his behalf, in the form of a super PAC, which quickly raised millions of dollars and could soon get more than \$80 million from a state committee DeSantis recently relinquished control of. Legal experts say that move will likely draw complaints at the FEC.

U.S. WATCH



Sayfullu Saipov, shown in a courtroom sketch, was sentenced Wednesday in federal court in New York to 10 life terms plus 260 years. The Uzbek man drove a flatbed truck onto a Manhattan bike path on Halloween in 2017, killing eight people and injuring several others.

NEW YORK

Bike Path Terrorist Gets Maximum

Manhattan bicycle-path terrorist Sayfullu Saipov was sentenced to 10 life terms plus an additional 260 years in federal prison Wednesday for a 2017 attack that was New York City's deadliest since Sept. 11, 2001.

Saipov, a 35-year-old Uzbek man, was convicted in January in the attack that killed eight people and injured at least a dozen others. A federal jury declined to sentence him to death.

U.S. District Judge Vernon Broderick sentenced him to the maximum penalty he faced on 28 charges including murder, terrorism and providing material support to Islamic State.

On Halloween day in 2017, Saipov used a rented flatbed truck to mow down cyclists and walkers by the Hudson River.

—Alyssa Lukpat

TEXAS

Child Dies in Custody Of Border Patrol

An 8-year-old girl died in Border Patrol custody in Texas, according to a statement from U.S. Customs and Border Protection.

The girl and her parents were being detained at a Border Patrol station in Harlingen, a city in south Texas, when the girl "experienced a medical emergency," the statement said.

"Emergency Medical Services were called to the station and transported her to the local hospital where she was pronounced dead," the statement said. It didn't provide further detail.

Earlier this month, a 17-year-old Honduran boy, who had arrived in the U.S. as an unaccompanied minor, died while staying at a child-welfare shelter in Florida run by the Department of Health and Human Services.

—Michelle Hackman

MASSACHUSETTS

U.S. Attorney to Quit Over Ethics Reports

The top federal prosecutor in Massachusetts is set to resign after watchdog reports released on Wednesday found she violated longstanding Justice Department rules and possibly the law by trying to sway a local election, attending a Democratic fundraiser featuring first lady Jill Biden, and taking other politically motivated actions.

In a pair of reports, the Justice Department's inspector general and another federal watchdog, the Office of Special Counsel, characterized Rachael Rollins' 16-month tenure as the U.S. attorney in Boston as roiled by unprofessionalism and misconduct.

Rollins will submit her resignation by close of business on Friday, her attorney said.

—Sadie Gurman and C. Ryan Barber

WASHINGTON

Confidence in High Court Hits New Low

Confidence in the Supreme Court sank to its lowest point in at least 50 years in 2022 in the wake of the Supreme Court decision that overturned the constitutional right to an abortion, a major trends survey shows.

The widely respected General Social Survey conducted by NORC at the University of Chicago has been measuring confidence in the court since 1973.

In the 2022 survey, 18% of Americans said they have a great deal of confidence in the court, down from 26% in 2021, and 36% said they had hardly any, up from 21%.

Just 12% of women said they have a great deal of confidence in the court in 2022, down from 22% a year earlier and from 32% in 2018.

—Associated Press

Financier Is All Over Debt Deal

Continued from Page One

It is one of several transactions at SoftBank in recent years that personally involved executives or their relatives. Son, for instance, owes SoftBank around \$5 billion for soured personal investments he made alongside the company. In April, SoftBank said it would sell an Asia-focused venture-capital fund to a company led by Son's brother.

In 2019, Misra and other SoftBank executives personally invested in a debt package to

now-defunct payments firm Wirecard that was arranged by SoftBank.

SoftBank said in its corporate governance report that related-party transactions require review and approvals. The specific policy for the recent deal couldn't be learned.

Misra is employed part-time by a subsidiary of SoftBank, which doesn't publicly disclose its related-party policy.

Public companies generally must disclose related-party deals. If WeWork would need to restructure its debt again, that could require a renegotiation between SoftBank—where Misra still works—and Misra's firm.

Disclosures as part of SoftBank's earnings last week show that in recent months it wrote down the value of its debt tied to WeWork by \$1.6 billion.

Taken with WeWork's slumping share price, SoftBank's total losses on its investment in the company stand at more than \$12 billion since 2017, one of the worst startup investments of all time. On Tuesday, WeWork said its chief executive since 2020, Sandeep Mathrani, was stepping down.

SoftBank initially bet on the company in 2017 after Son was taken by then-CEO Adam Neumann and his view that WeWork was a tech startup with extraordinary potential. Son directed billions of dollars into the company.

Losses ballooned and investors balked at WeWork's attempted public listing in 2019, in part amid concerns over Neumann's management style and his related-party transactions with the company.

To salvage its initial invest-

ment, SoftBank put in more money in 2019 and bought most of the company. In all, SoftBank has invested more than \$10.9 billion in equity and committed to back over \$3 billion in debt to the company, filings show.

More recently, the investment has been hit by the pandemic-driven work-from-home movement. WeWork's stock is down over 95% since it agreed to list publicly in 2021 by merging with a special-purpose acquisition company.

This year, WeWork turned to SoftBank and other lenders to rework its more than \$3.6 billion in debt while looking for outside money. SoftBank, through its Vision Funds, owns nearly 70% of WeWork and holds much of its debt.

In addition to the deal with Misra's firm, WeWork struck deals with SoftBank and other

Democrats Turn to Long-Shot Petition On Debt Ceiling

By LINDSAY WISE AND NATALIE ANDREWS

WASHINGTON—House Democrats started collecting signatures Wednesday for a discharge petition to raise the debt ceiling, a long-shot parliamentary maneuver designed to circumvent House GOP leadership and force a vote.

Rep. Brendan Boyle (D., Pa.), the top-ranking Democrat on the House Budget Committee, initiated the petition and became the first to sign it in the well of the House when the chamber gavelled into session at 10 a.m. He was followed by a steady stream of fellow Democrats.

"We only have two weeks to go until we may hit the x-date," Boyle said, referring to possible default. "We must raise the debt ceiling now and avoid economic catastrophe."

House Minority Leader Hakeem Jeffries (D., N.Y.) sent a "Dear Colleague" letter Wednesday morning backing the petition effort. Jeffries cited the "urgency of the moment" and said it was important to pursue all legislative options in the event that negotiators are unable to reach any agreement.

The move comes as the White House is negotiating with House Speaker Kevin McCarthy (R., Calif.) over possible spending cuts to pair with a debt-ceiling increase.

Talks currently center on potential spending caps in com-

ing years, as well as rescinding unspent Covid-19 funds and toughening work requirements for federal benefit programs. The White House said Tuesday that President Biden would curtail a planned overseas trip to get him back to Washington sooner.

While the White House has made clear it is opposed to work requirements for Medicaid, officials haven't ruled out that the president would entertain discussions about tighter work requirements for food stamps and a cash assistance program called Temporary Assistance for Needy Families, or TANF.

In remarks Wednesday as he prepared to leave for Japan for a Group of Seven meeting, Biden said he wouldn't accept "any work requirement that's going to impact on the medical health needs of people," but left the door open to some new rules. He also said he was "confident that we'll get the agreement on the budget and that America will not default."

McCarthy denounced the discharge petition effort by House Democrats.

"That's going nowhere and that really shows that the Democrats aren't serious about doing something," he said on Fox Business on Wednesday.

The Treasury Department reiterated this week that the U.S. could become unable to pay its bills on time as soon as June 1 if Congress doesn't raise the debt limit.

Court Questions FDA's Judgment When It Approved Abortion Pill

By LAURA KUSISTO

A federal appeals court expressed skepticism Wednesday of Biden administration arguments that judges shouldn't second-guess the Food and Drug Administration's approval of a widely used abortion pill.

During a two-hour hearing in New Orleans, the Justice Department, representing the FDA, told the Fifth U.S. Circuit Court of Appeals that a Texas district judge erred badly in an April ruling that sought to suspend approval of the pill mifepristone, which is used in more than half of abortions in the U.S.

Justice Department lawyer Sarah Harrington said the ruling was "an unprecedented and unjustified attack on FDA's scientific expertise."

"Why not focus on the facts of this case rather than have this FDA-can-do-no-wrong theme?" Judge James Ho said.

In recent weeks, a legal challenge to the pill's approval moved rapidly from a courthouse in Amarillo, Texas, to the U.S. Supreme Court. The high court in an order last month allowed mifepristone to remain on the market indefinitely while litigation proceeds.

Wednesday's hearing gave a three-judge panel of the Fifth Circuit a chance to probe more deeply into the arguments by anti-abortion challengers and the Biden administration.

The panel, two judges appointed by President Donald Trump and one by President George W. Bush, is reviewing a decision by U.S. District Judge

Matthew Kacsmaryk, a Trump appointee, that said the FDA made a series of legal errors in approving the pill for sale in the U.S. and expanding its access in recent years. The decision has never taken effect.

The judges questioned whether the FDA improperly approved the drug two decades ago under a pathway for medications used to treat serious or life-threatening illness.

"When we celebrate Mother's Day, are we celebrating illness?" Ho asked.

Lawyers for the Justice Department and Danco Laboratories, the brand-name manufacturer of the pill, said the FDA

The administration seeks to overturn a court's ruling against mifepristone.

has used a similar process to approve drugs to treat a number of conditions, such as acne and infertility, that aren't commonly thought of as illnesses.

Judge Jennifer Walker Elrod separately took issue with comments the department and Danco made in legal filings that said Kacsmaryk had departed from established legal norms in ruling against the FDA. "These are remarks that I don't normally see," Elrod said.

"The district court was very far outside the bounds," said Danco lawyer Jessica Ellsworth.

helping Son out of jams. While at Deutsche Bank, he arranged \$16 billion of debt for SoftBank to acquire one of Japan's largest cellphone carriers. He later guided SoftBank's restructuring and eventual sale of telecom carrier Sprint and advised Son when SoftBank's stock cratered.

The return of Misra to WeWork comes years after he lobbied against SoftBank's initial investment, *The Wall Street Journal* has reported.

It was one of the first large investments made by the fund, which under Misra went on to invest about \$90 billion in companies including Uber and DoorDash as well as numerous high-profile flops.

Misra stepped back in mid-2022. He quickly secured commitments for his new venture from multiple Abu Dhabi-aligned investment funds.

U.S. NEWS

Judge Raps Thomas Ethics Inquiry

Senate panel examines how earlier complaints about gifts to justice were handled internally

BY JESS BRAVIN

WASHINGTON—A federal judge said Wednesday that the federal judiciary's governing body, led by Chief Justice John Roberts, blocked internal debate about 2011 ethics complaints against Supreme Court Justice Clarence Thomas and wasn't transparent about the allegations with either the public or other judges who serve on the panel.

Testifying before a Senate Judiciary subcommittee, U.S. District Judge Mark Wolf, a Reagan appointee who at the time served on the Judicial Conference of the U.S., described his concerns that complaints filed by two advocacy groups and more than 50 members of Congress weren't taken seriously enough by Roberts and other federal judges with policy-making roles in the federal court system.

Wolf said he had followed news reports in 2011 that Thomas had failed to disclose his wife Ginni Thomas's income while working for the Heritage Foundation, a conservative think tank, and travel paid for by Harlan Crow, a real-estate billionaire.

In January 2011, Thomas had amended his financial disclosure reports after questions were raised to include the Heritage payments and income from Hillsdale College, a conservative Christian institution in Michigan.

Thomas said the omissions were inadvertent and that he hadn't been clear on reporting requirements.

Thomas didn't immediately respond to a request for comment on Wednesday's hearing.

Roberts released a statement Wednesday saying he became aware of Wolf's concerns a day before the meeting. As



Thomas and his wife, Ginni, at the Heritage Foundation in Washington, D.C., in 2021.

the body's chairman, "the Chief Justice invited discussion of Chief Judge Wolf's concerns," after which the members decided to postpone consideration until after the Financial Disclosure Committee could review the matter.

The current secretary of the Judicial Conference, U.S. District Judge Roslyn Mauskopf, said in a May 15 letter to subcommittee chairman Sen. Sheldon Whitehouse (D, R.I.) that the financial-disclosure committee considered the issue again in March 2013 and concluded the Thomas matter was handled properly. That committee did decide to amend its procedures to provide more information to Judicial Conference members "whenever allegations of willful misconduct are received from the public," according to minutes Mauskopf appended to her letter.

At Wednesday's hearing, Sen. John N. Kennedy (R, La.) said the Judicial Conference had cleared Thomas. He called Wolf "a single federal judge who has been obsessed with complaining that the Judicial Conference got it wrong."

Thomas's relationship with

Crow has come under renewed scrutiny following recent reports by nonprofit news organization ProPublica detailing lavish vacations, private school tuition and a real estate transaction the billionaire financed that have benefited the justice or his relatives.

Under the 1978 Ethics in Government Act, the Judicial

Judiciary body blocked debate over ethics concerns, federal judge says

Conference is required to refer individuals to the attorney general when there is reasonable cause to believe they willfully failed to file a required report or falsified information.

Unlike lower-court judges, Supreme Court justices have no code of conduct setting additional standards than those imposed by federal law.

Wolf, then the chief federal district judge for Massachusetts, said he sought to find out more about the internal

deliberations within the conference, which meets privately. The conference had made no reference to the Thomas matter in public summaries and Wolf said that most members of the Judicial Conference weren't informed about the complaints, which were closed after Thomas amended his forms.

"I believed that the Conference should discuss at its Sept. 12, 2012 meeting whether there was reasonable cause to refer Justice Thomas to the Attorney General," Wolf said, which Roberts and other judges resisted.

At the September 2012 meeting, Wolf said he did speak for a few minutes "in the hope of generating a discussion of what I believed—and still believe—were serious issues."

At the conclusion of his remarks, Roberts entertained a motion to postpone the matter, which passed. Because Wolf's term on the conference was about to expire, "that ended the opportunity to have any discussion of the issues," he told the committee.

—Jan Wolfe contributed to this article.

Leak Suspect Warned Multiple Times Over Classified Information

BY NANCY A. YOUSSEF

Nearly seven months before federal authorities charged an airman with unauthorized retention and transmission of national defense information, members of his unit saw him take notes from classified information, access classified information not related to his job and repeatedly told him to stop, according to memos submitted as part of prosecutors' latest court filings.

In three memos, dated Sept. 15, Oct. 27 and Feb. 3, Massachusetts Air National Guard commanders expressed concerns about Airman Jack Teixeira's handling of classified information and told him to "cease-and-desist on deep dives" that weren't related to his job. Prosecutors arguing Teixeira should remain in custody submitted the memos as exhibits ahead of a Friday detention hearing.

Federal authorities arrested Teixeira in April. In addition to charges of unauthorized retention and transmission of classified information, Teixeira was charged with unauthorized removal and retention of classified documents or material. He hasn't entered a plea.

The Air Force declined to comment on the memos, citing the ongoing investigation. Teixeira's lawyers didn't respond to a request for comment.

According to a September 2022 memo from a member of his unit, Teixeira "had been observed taking notes on classified intelligence information" in an area reserved for sensitive information. An unnamed master sergeant asked Teixeira if he planned to shred his notes and Teixeira was also told to stop taking notes. It is unclear from the memo whether Teixeira followed through with the order to shred his notes.

One month later, a master sergeant learned that Teixeira was "potentially ignoring a cease-and-desist on deep dives" after he asked "specific questions" during an Oct. 20 intelligence briefing. The unit offered Teixeira additional training on how to handle classified information but he declined "any cross training opportunity at this time," according to the memo.

According to a Feb. 3 memo, a master sergeant saw Teixeira viewing classified material on Jan. 30 "that was not related to his primary duty and was related to the intelligence field." That sergeant informed her supervisor about the incident, according to the memo. The signatory on all three memos was redacted but memos all appear on letterhead for his unit.

Teixeira began posting scores of sensitive material online as early as December 2022, according to charging documents.

Shortly after Teixeira's arrest, the Air Force suspended commanders within his unit, the 102nd Intelligence Wing at Otis Air National Guard Base on Cape Cod.

"You have here documented evidence of multiple red flags," said Aram Gavoor, associate dean for academic affairs at George Washington University Law School and a national-security expert. "It is surprising that the Air Force didn't revoke Teixeira's access."

It isn't clear from the memos whether Teixeira received an official military reprimand from his unit. The memos could have been cited in any potential reprimand. It also isn't clear whether the suspected violations were reported to the security manager of the unit, who is supposed to be informed about the handling of classified information to determine whether further action was needed.

jenni kayne

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U.S. NEWS

Academics' Epstein Link Is Detailed

Botstein got money, gave it to his college; Chomsky received assist in funds transfer

BY KHADEEJA SAFDAR

Jeffrey Epstein paid \$150,000 to Leon Botstein and transferred \$270,000 between accounts for Noam Chomsky, the two academics have confirmed, giving another glimpse into how the late disgraced financier provided favors for those who associated with him.

Botstein and Chomsky met multiple times with Epstein after he was a registered sex offender, The Wall Street Journal recently reported. Chomsky, a political activist and professor, told the Journal that they met occasionally to discuss political and academic topics. Botstein, the longtime leader of Bard College in New York, said he met with Epstein in an attempt to raise funds for the school.

They were among the many academics, politicians and businesspeople who met with Epstein in the years after he pleaded guilty in 2008 to soliciting and procuring a minor for prostitution. He was charged in 2019 with sex trafficking and died in jail while awaiting trial later that year.

In response to questions from the Journal, Botstein said he received checks from an account linked to Epstein in 2016 totaling about \$150,000 to his personal account. Botstein said he donated the sum to Bard that

year as part of a more than \$1 million donation. A spokesman for Bard College confirmed that the school received the donation from Botstein.

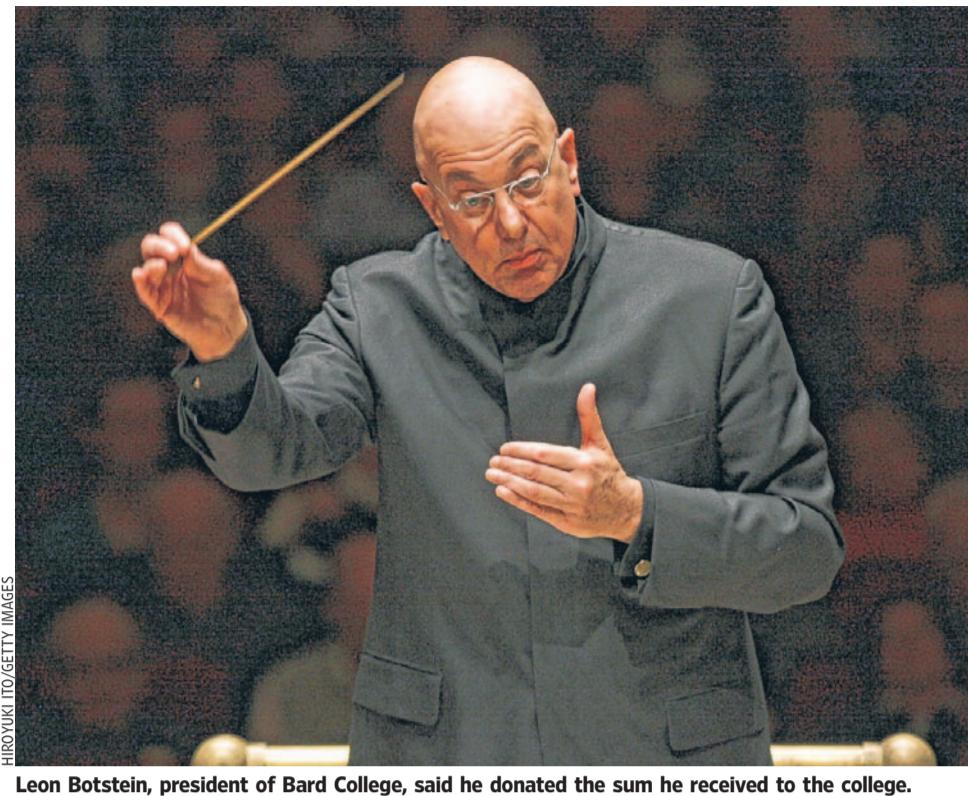
Botstein said Epstein designated him as a consultant of an entity and made the payments as if they were fees for consulting work, but he said he didn't do any consulting work for Epstein. A spokesman for Botstein said the funds were compensation for serving a one-year term on an advisory board for Gratitude America. Epstein created the foundation in 2012 and used the charity to steer funds to various causes, the Journal has reported.

"I have no idea why he concocted this scheme," Botstein said. "He didn't want to write a check to Bard. He took pity on me, and he said, 'I'm gonna give you money and you do whatever you want with it.'

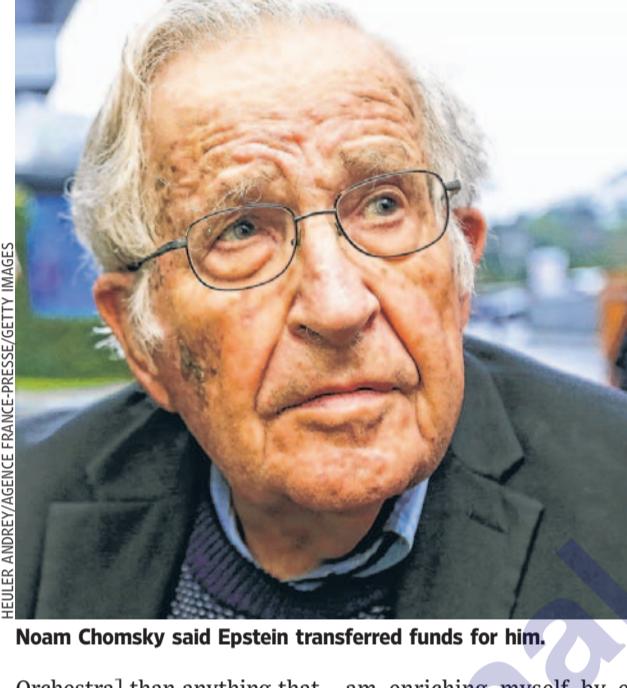
In a previous interview with the Journal, Botstein said Epstein gave the school \$75,000 in unsolicited donations in 2011 and that he met with Epstein more than a dozen times but had been unsuccessful in raising more funds.

He later said he didn't remember the 2016 payments until asked by the Journal since they didn't appear as donations from Epstein in the school records.

"The important thing to recognize is that I did not personally benefit," he said. "Each fiscal year I give more in philanthropic gifts to Bard and the [American Symphony



Leon Botstein, president of Bard College, said he donated the sum he received to the college.



Noam Chomsky said Epstein transferred funds for him.

Orchestra] than anything that has come my way—conducting fees, writing fees, consultancies, speaking etc.—in order to protect myself and the college of the suspicion that I

am enriching myself by exploiting my position."

In response to questions from the Journal, Chomsky confirmed that he received a March 2018 transfer of

roughly \$270,000 from an Epstein-linked account. He said it was "restricted to rearrangement of my own funds, and did not involve one penny from Epstein."

Chomsky explained that he asked Epstein for help with a "technical matter" that he said involved the disbursement of common funds related to his first marriage.

"My late wife died 15 years ago after a long illness. We paid no attention to financial issues," he said in an email that cc'd his current wife. "We asked Epstein for advice. The simplest way seemed to be to transfer funds from one account in my name to another, by way of his office."

Chomsky said he didn't hire Epstein. "It was a simple, quick, transfer of funds," he said.

When initially asked about his relationship with Epstein, Chomsky had told the Journal, "First response is that it is none of your business. Or anyone's. Second is that I knew him and we met occasionally."

receive a larger award if they choose to make claims against Deutsche to an administrator of the \$75 million settlement, the people said. The claims could result in an accuser getting a payment of upward of \$5 million, the people said.

Epstein's accusers have pushed for decades to hold him and his associates accountable.

In 2022, Prince Andrew settled a federal sex-abuse lawsuit filed by Virginia Giuffre, one of Epstein's most prominent accusers, agreeing to make a substantial donation to her charity. Giuffre accused Epstein and his socialite friend Ghislaine Maxwell of forcing her to have sex with the British royal when she was a teenager in the 2000s.

Maxwell was convicted of sex-trafficking in 2021 for recruiting and grooming underage girls and young women for sex acts with Epstein at his Florida estate, New York mansion and his compound in the U.S. Virgin Islands. She is serving a 20-year prison sentence.

Resolution To Expel Santos Is Stymied By GOP

BY NATALIE ANDREWS

WASHINGTON—The GOP-led House blocked a Democratic effort to expel Rep. George Santos (R., N.Y.), voting instead to refer the matter to the Ethics Committee, in a move that puts off any imminent action to remove the beleaguered congressman from office.

Santos is accused of fabricating much of his life's story to secure public office, and he was indicted last week on federal charges that he embezzled contributions, fraudulently obtained unemployment benefits and filed false federal disclosure forms.

He pleaded not guilty.

Democrats forced the vote this week by introducing a privileged resolution to expel Santos from Congress, which requires a two-thirds majority vote. Republicans opted to hold a vote on sending the resolution to the Ethics Committee, a move Democrats criticized as an easy way out, as the panel is already investigating Santos and its probes often proceed slowly. The move also denies Democrats a direct vote on expulsion.

The vote to refer the resolution to the committee was 221-204, along party lines. Seven Democrats voted present. Santos himself voted to send the resolution to the ethics panel.

Under House GOP conference rules, a lawmaker can stay in office after an indictment but must resign from committee posts. While he was technically assigned committees, he was never formally placed on them as the allegations mounted. If lawmakers are convicted, they are expected to resign.

"I think we can look at this very quickly and come to a conclusion on what George Santos did and did not do through Ethics, a safe, bipartisan committee," House Speaker Kevin McCarthy (R., Calif.) told reporters, adding that he wants the panel to move quickly.

Democrats voted against the measure because they said Mr. Santos should be expelled.

There are also electoral issues at play. President Biden won Santos's district in 2020, and some Republicans worry that if Santos left office early, Democrats would have a strong chance to fill his seat in a special election. Republicans currently have a 222-213 majority in the chamber.

Santos has acknowledged misleading voters in the past but has said he didn't commit any crime. He was elected last year to represent parts of Long Island and Queens in Congress.

Deutsche Bank to Pay \$75 Million

Continued from page A1
ber of past issues," he said.

The bank didn't admit wrongdoing as part of the settlement, according to people familiar with the matter.

The plaintiffs' lawyers, from the law firms Boies Schiller Flexner and Edwards Pottinger, said on Wednesday they believed the \$75 million was the largest sex-trafficking settlement involving a banking institution.

This groundbreaking settlement is the culmination of two law firms conducting more than a decadelong investigation to hold one of Epstein's financial banking partners responsible for the role it played in facilitating his traf-

ficking organization," they said in a joint statement.

The Deutsche Bank complaint was one of two lawsuits that took aim at banks for allegedly enabling Epstein to recruit and groom hundreds of underage girls and young women for sex with himself and his associates. The suits were filed last Thanksgiving, when New York state opened a yearlong window during which people who say they were sexually assaulted could file lawsuits, no matter when the conduct occurred.

The other lawsuit, filed by the same law firms, is against JPMorgan Chase. The U.S. Virgin Islands also sued JPMorgan late last year, saying the bank facilitated Epstein's alleged sex trafficking and abuse by allowing the late financier to remain a client and helping him send money to his victims. Both suits against JPMorgan are ongoing, and Jamie Dimon, the bank's chief executive, is scheduled to be deposed in the cases later this

month, according to people familiar with the matter.

JPMorgan declined to comment on the Deutsche Bank settlement. "In hindsight, any association with Epstein was a mistake and we regret it, but we do not believe we violated any laws," a JPMorgan spokeswoman has said. "We are committed to combating human

Dozens of Epstein's accusers would automatically receive \$75,000 each.

trafficking and we will continue to look for ways to invest in advancing this important mission."

The Deutsche Bank settlement came after the bank didn't oppose the plaintiff's request to certify the lawsuit as a class action. The agreement still needs to be ap-

proved by a federal judge.

Epstein started to bank with JPMorgan around 1998 and turned to Deutsche Bank after JPMorgan closed his accounts in 2013. Both banks worked with Epstein for years after he pleaded guilty in a Florida state court in 2008 to soliciting prostitution from a minor.

New York state's financial regulator fined Deutsche Bank \$150 million in 2020 for failing to properly monitor its dealings with the convicted sex offender and other lapses. Deutsche Bank said at the time that it was a mistake to take Epstein as a client and acknowledged weaknesses in its processes, and that it had learned from its mistakes.

The regulator found Epstein, his related entities and associates had more than 40 accounts at Deutsche Bank.

Under the terms of the settlement, dozens of eligible accusers will each automatically receive \$75,000, according to people familiar with the matter. Accusers can potentially

receive a larger award if they choose to make claims against Deutsche to an administrator of the \$75 million settlement, the people said. The claims could result in an accuser getting a payment of upward of \$5 million, the people said.

Epstein's accusers have pushed for decades to hold him and his associates accountable.

In 2022, Prince Andrew settled a federal sex-abuse lawsuit filed by Virginia Giuffre, one of Epstein's most prominent accusers, agreeing to make a substantial donation to her charity. Giuffre accused Epstein and his socialite friend Ghislaine Maxwell of forcing her to have sex with the British royal when she was a teenager in the 2000s.

Maxwell was convicted of sex-trafficking in 2021 for recruiting and grooming underage girls and young women for sex acts with Epstein at his Florida estate, New York mansion and his compound in the U.S. Virgin Islands. She is serving a 20-year prison sentence.

Zephyr, the state's first transgender lawmaker and a vocal opponent of the TikTok ban, has also been locked in a battle with the Montana House's Republican majority, who barred her from the House floor.

Nationwide, 46% of registered voters support a ban, whereas 35% oppose it, a recent Wall Street Journal poll found. A majority of Republicans are in favor of a U.S. ban on TikTok compared with just one-third of Democrats, according to the poll.

Jaffer, of Columbia University, said another potential legal challenge for any governmental ban on TikTok is that there are less-restrictive options to mitigate national-security concerns, such as government officials simply educating people about potential propaganda on the platform.

Should Montana have to defend its TikTok ban in court, the state could face an additional challenge since it doesn't have a special claim to the knowledge of national-security threats that federal officials have, Jaffer said.

Jaffer said he would expect TikTok to challenge the Montana bill in a federal court in Montana to establish a precedent applicable beyond the state.

—Jennifer Calfas contributed to this article.

Montana Puts Ban On TikTok

Continued from Page One
ment, said, "the bill's constitutionality will be decided by the courts."

Google declined to comment and Apple didn't respond to a request for comment.

It is unclear how the ban would be enforced or what would happen to Montanans who downloaded the app before the ban's Jan. 1 start date.

There also remain unanswered questions over whether Montanans could use a workaround, such as a virtual private network, to make their devices look like they are outside the state.

When pressed for specifics, the Republican state senator who sponsored the legislation, Shelley Vance, said the onus of complying with the legislation would be on TikTok itself.

The ACLU called the statewide ban "unconstitutional."

"With this ban, Governor Gianforte and the Montana legislature have trampled on the free speech of hundreds of thousands of Montanans who use the app to express them-

selves, gather information, and run their small business in the name of anti-Chinese sentiment," the ACLU's local policy director, Keegan Medrando, said in a statement.

The bill's authors have said they expect the legislation to face court battles. Gianforte said in a statement Wednesday that Montana is taking "the most decisive action of any state to protect Montanans' private data and sensitive personal information."

Shortly after lawmakers passed the bill, Gianforte sought changes to broaden the legislation so it would apply to all social-media apps that provide data to foreign adversaries.

The suggested changes were meant to address legal concerns, a spokeswoman for the governor's office said. But Gianforte received the bill at the end of the legislative session, so there wasn't time to send it back to lawmakers for changes.

As part of Wednesday's signing, the governor also said he is directing some state employees to bar the use of all social-media apps tied to foreign adversaries.

The suggested changes were meant to address legal concerns, a spokeswoman for the governor's office said. But Gianforte received the bill at the end of the legislative session, so there wasn't time to send it back to lawmakers for changes.

Supporters of the Montana bill said the state has legal prece-

ence to ban TikTok in Montana. A legal challenge over the Montana bill could give insight into whether courts would uphold federal efforts aimed at banning TikTok, which has 150 million users in the U.S.

Congress members have introduced bills that would either ban TikTok nationwide or give a presidential administration more power to do so. The Biden administration recently asked TikTok to separate itself from its Chinese owners or face a possible ban.

Lawyers said Montana faces potential challenges to the ban based on concerns over free speech, which is protected by the First Amendment.

A potential case would be clear-cut in TikTok's favor, said Jameel Jaffer, executive director of the Knight First Amendment Institute at Columbia University. "Montana is going to have a very difficult time persuading the courts that this kind of ban is consistent with the First Amendment," he said.

Supporters of the Montana bill said the state has legal prece-

ence to promote propaganda," said Gorski, the ACLU lawyer.

It isn't clear how many of TikTok's 150 million users are located in Montana. Eight people testified against the bill during a hearing in the Montana House of Representatives in March, including Shauna White Bear, a creator who built a following for her moccasin business on TikTok.

Montana state Rep. Zooey Zephyr, a Democrat, said she has received hundreds of emails opposing the bill. In March, TikTok published a post on its website, telling users in Montana to let their state representatives know that they don't support the bill.

The U.S. government hasn't pointed to any specific or direct evidence of national-security harm from TikTok—only vague speculation about how Americans' data might be used, or how the Chinese government

might be able to promote propaganda.

TikTok has said that such a scenario has never happened and that it would refuse to comply with such an order. The company said it has proposed to the Biden administration a \$1.5 billion plan to silo its U.S. operations from China.

Critics of the bill said Montana and federal officials haven't presented enough evidence to justify a blanket ban on TikTok.

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WORLD NEWS

Ecuador's President Dissolves Legislature

Ahead of impeachment vote Lasso can rule by decree for six months before new elections

BY RYAN DUBÉ

Ecuadorean President Guillermo Lasso dissolved the national legislature on Wednesday ahead of an impeachment vote and amid growing unrest in the Andean nation that has fueled a surge of migration to the U.S.

Lasso's decree disbanding the National Assembly, which is permitted under Ecuador's constitution, came as lawmakers accused him of embezzlement tied to oil-shipping contracts that allegedly occurred before he became president in 2021. He denied wrongdoing in a speech before the lawmakers on Tuesday, and said the impeachment motion would undercut Ecuador's democratic institutions.

Lasso can govern by decree for six months before new elections are held for both legislators and the head of state in the country of 18 million.

"This is the best decision to provide a constitutional solution



Security forces standing outside the National Assembly in Quito, Ecuador, on Wednesday.

would take back the country he governed from 2007 to 2017.

"We're going to recover the fatherland," Correa, who has been living in Belgium, said on Twitter. Correa, a sharp critic of the U.S. and close ally with Cuba and Venezuela, has been unable to return to Ecuador since he was convicted in 2020 on corruption charges.

At least two-thirds of Ecuador's 137-member National Assembly is needed to support the impeachment to oust the president. Political analysts said it appeared that lawmakers had the votes to impeach Lasso, a conservative former banker and close ally of the U.S. who is one of South America's only market-friendly presidents.

"This shows that Lasso knew he didn't have the votes in the assembly to survive the final impeachment vote," said Will Freeman, a fellow for Latin American studies at the Council on Foreign Relations.

Andean countries rich in copper, oil and lithium have been mired in turmoil, driving a recent surge of migration to the U.S. In December, Peru's president tried to illegally close Congress, leading lawmakers to oust him. That sparked mass

protests that left more than 60 dead. Bolivia is grappling with a shortage of dollars, cocaine-trafficking gangs run rampant in some corners of Colombia, and Chile's young president has seen his legislative agenda and the economy stall.

Ecuador has been wrestling with a spike in violent, drug-fueled crime as homicides nearly quadrupled from 2019 to 2022, according to Ecuador's national police. That has driven some people to leave for the U.S. More than 22,650 Ecuadoreans have been detained at the U.S. southern border in the first three months of this year, up from 2,147 in the year-earlier period, the U.S. Border Patrol said.

In his speech to lawmakers Tuesday, Lasso noted that the oil-shipping contracts were signed before he was elected, and accused his opponents of destabilizing institutions. His closure of the National Assembly was the first time that the mutual death provision was used. "I accuse you of trying to destroy not only the credibility of this presidency, but of democracy itself," he said. "We're playing with...the rules of conduct and the institutions."

WORLD WATCH

UNITED NATIONS

Report Warns of Record Temperatures

Global temperatures are likely to surge to record levels during the next five years and breach the 1.5 degrees Celsius threshold set out in the Paris climate agreement, scientists said in a new report.

Warning that the world could be entering a new phase of climate change, researchers at the World Meteorological Organization, a U.N. agency, said there was a 66% likelihood that annual average global temperatures would exceed the threshold of 1.5 degrees Celsius above preindustrial levels by 2027.

"This report does not mean

that we will permanently exceed the 1.5°C level specified in the Paris Agreement which refers to long-term warming over many years," WMO Secretary-General Petteri Taalas said Wednesday. "However, WMO is sounding the alarm that we will breach the 1.5°C level on a temporary basis with increasing frequency."

Warming at those levels could have profound implications for health, food security and water management, he said.

The Paris agreement in 2015, signed by more than 190 countries, set a goal of containing the rise in global temperatures to no more than 2 degrees Celsius, and preferably to no more than 1.5 degrees.

—Gareth Vipers

NIGERIA

Attack on American Convoy Leaves 4 Dead

The State Department on Wednesday said it was scrambling to account for dead and missing embassy personnel in Nigeria a day after an attack on a U.S. convoy killed at least four people.

The State Department said that the motive for the attack was unclear and that it didn't have any indication that the U.S. mission was deliberately targeted. Nine people were traveling in the two-vehicle convoy, which was visiting a U.S.-funded aid project in the Anambra region.

"The assailants killed at least four members of the convoy, and

U.S. Mission personnel are working urgently with Nigerian counterparts to ascertain the location and condition of the members of the convoy who are unaccounted for," the State Department said.

The attack comes amid heightened security concerns in Nigeria. Africa's largest economy and most populous nation has suffered years of debilitating economic and security crises and escalating insecurity caused by militant groups.

The surge in violence has included Islamist terrorist attacks, mass kidnappings and clashes between farmers and herders. Last year, rampant theft and costly fuel subsidies meant that Africa's largest producer of crude barely benefited from high global oil prices.

—Jessica Donati

ITALY

Heavy Rains Kill 8, Cancel Grand Prix

Exceptional rains Wednesday in a drought-struck region of northern Italy swelled rivers over their banks, killing at least eight people, forcing the evacuation of thousands and prompting officials to warn that Italy needs a national plan to combat climate change-induced flooding.

The heavy rains also forced Formula One to cancel this weekend's Emilia-Romagna Grand Prix to not overtax emergency crews that were already stretched thin in responding to the rivers of mud that have torn through the region, wreaking havoc on infra-

structure and homes.

Days of rainstorms stretched across a swath of northern Italy and the Balkans, where severe floods, landslides and evacuations were also reported in Croatia, Bosnia and Slovenia.

The deputy governor of Emilia-Romagna, Irene Priolo, said eight people were killed and others unaccounted for in flooding that forced the evacuation of more than 10,000 people.

On Wednesday evening, authorities in the province of Ravenna, a tourist town famed for its Byzantine-era mosaics, about 14,000 people were ordered to leave their homes as a precaution because of fears that three rivers could overflow their banks.

—Associated Press

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WORLD NEWS

Missile Salvos Hit Southern Ukraine

Government rebuts claim that a strike on Kyiv destroyed Patriot air-defense battery

By YAROSLAV TROFIMOV AND IAN LOVETT

ODESSA, Ukraine—Russia launched a salvo of missiles at Ukraine's southern city of Odessa on Wednesday, the latest in a string of missile attacks across the country this week.

It wasn't immediately clear if the assault caused damage. A loud explosion shook the Black Sea port city at about 10 p.m. Air-defense systems could be heard firing for about 15 minutes and appeared to take down a projectile. A Wall Street Journal employee observed an explosion over the sea and a fireball falling into the water.

The assault followed a barrage of 18 cruise missiles, including hypersonic Kinzhals, on the Ukrainian capital, Kyiv, early Tuesday and a strike on another southern city, Mykolaiv, late Tuesday. The Mykolaiv strike destroyed a shopping mall and damaged an industrial area and six high-rises, authorities said.

Ukraine said it repelled all six Kinzhals with a recently supplied U.S.-made Patriot air-defense system, though video showed a blast in the general area of the battery after it fired off 32 air-defense missiles. Russia claimed that one of the Kinzhals destroyed the Patriot battery. Ukrainian Air Force spokesman Yuri Ihnat said Wednesday that it is technically impossible for one missile strike to do so. A Patriot system, he told Ukrainian TV, has a radar



A shopping mall was among the structures damaged by a barrage of Russian missiles in the southern Ukrainian city of Mykolaiv.

and up to eight launchers, each of them with four transport vehicles for missiles, all of them usually spread over a large area.

A U.S. official said Tuesday that the Patriot system in Kyiv remained operational after the barrage, but that Washington is assessing potential damage.

Meanwhile, a meeting Wednesday in Kyiv between Ukraine's foreign minister and a Chinese envoy brought no sign of a breakthrough for Beijing's most-concrete effort yet to insert itself into diplomacy aimed at ending the war.

At the meeting with Li Hui, China's special representative for Eurasian affairs, Ukrainian Foreign Minister Dmytro Kuleba "emphasized that Ukraine does not accept any proposals that would involve the loss of its territories or the freezing of the conflict," his ministry said.

China's Foreign Ministry didn't immediately comment. The ministry has in the past two days sidestepped questions about Li's visit to Ukraine, saying information would be released in due time.

Li's weeklong trip around

European capitals taking in Ukraine and Russia, as well as Poland, France and Germany follows an April call between Ukrainian President Volodymyr Zelensky and Chinese leader Xi Jinping.

More than a year into a war, China hasn't acknowledged that Russia invaded Ukraine and generally avoids referring to the fighting as constituting a war, in line with Moscow's euphemisms over its invasion. Instead, Beijing has heaped criticism on Washington and its allies for supplying arms to

Kyiv, while echoing many of Moscow's public positions.

The Ukrainian ministry Wednesday said Kuleba encouraged China's participation in implementing Zelensky's peace formula, which aims to restore Kyiv's control over all its lands. It didn't mention the Chinese road map. Kuleba detailed "the principles of restoring a stable and just peace based on respect for the sovereignty and territorial integrity of Ukraine," the ministry said.

—James Marson contributed to this article.

Kyiv Sets Stage for Offensive

Continued from Page One stage," said Oleksandr Kovalenko, an analyst at the Ukrainian Center for Security Studies. "It is about destabilizing and weakening the capabilities of the enemy before the offensive."

Moscow has blamed Kyiv for the recent spate of attacks targeting fuel storage and distribution networks on Russian soil and in occupied regions of Ukraine. Ukraine hasn't claimed responsibility for the strikes.

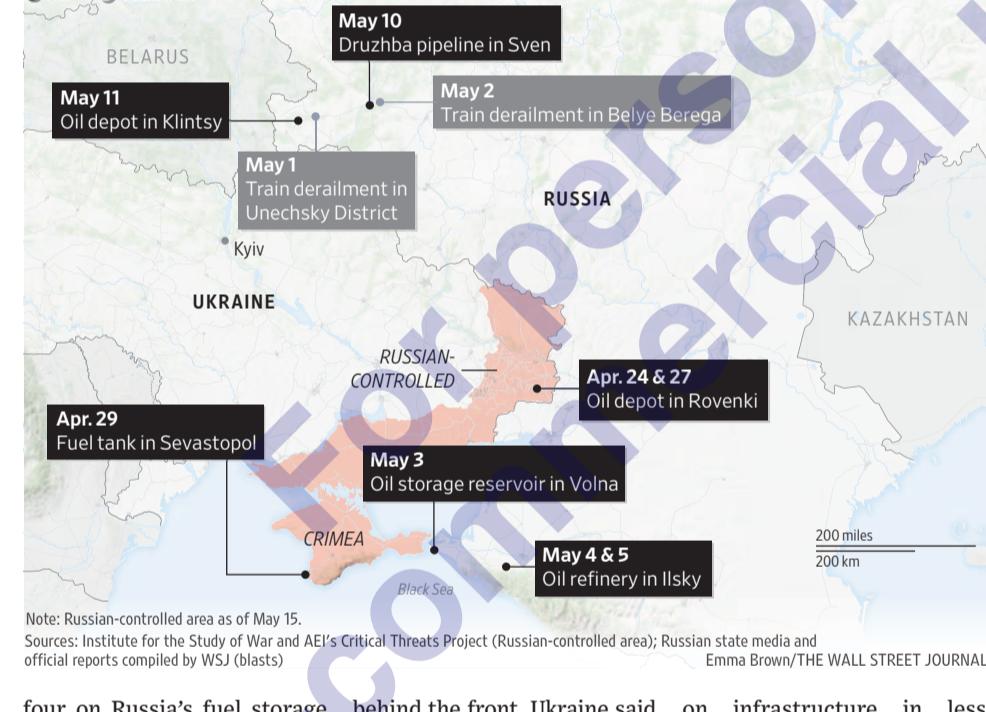
In the most recent attack, a drone dropped explosives on a fuel depot in Russia's Bryansk region, which borders Belarus and Ukraine, causing damage.

Days earlier, Russian state media said a fire broke out at the Illy oil refinery in the Krasnodar region after two days of drone attacks on the facility, which is almost 300 miles from the nearest Ukrainian-held area.

Russia said Ukraine used the Storm Shadow in strikes on the occupied eastern Luhansk region last week. Ukraine didn't comment on the missile's use.

"Every time they have to pull depots back further, it limits the amount that can get to the front because it has to go further in trucks," said Phillips O'Brien, professor of strategic studies at the University of St. Andrews in Scotland.

Recent attacks also include



back more than 50 miles to keep them out of the mobile rocket-launchers' range.

Extended-range drones and commandos operating in dangerous territories have allowed Ukraine to hit Russian equipment outside the range of HIMARS rocket systems. The addition of European long-range cruise missiles should allow Ukraine to strike even deeper and with greater impunity.

The U.K. said earlier this month it would give Ukraine an unspecified number of Storm Shadow cruise missiles, which are launched from jet fighters and have a range up to 150 miles and pack a bigger explosive punch than the rockets that Ukraine's HIMARS fire.

"This will cause a 'HIMARS effect' on Russian logistics" at distances between 60 and 120 miles from the front line, said Trent Telenko, a former official at the Pentagon's Defense Contract Management Agency who has studied Russian military logistics.

Ukrainian journalists have identified more than 220 Russian military targets beyond the reach of Kyiv's HIMARS but within range of the cruise missiles, Telenko said. Their stockpiles include everything troops need, but especially artillery ammunition.

"All of them are now at risk," he said.

The Storm Shadow cruise missiles can also threaten Russian air and naval bases in occupied Crimea, potentially thwarting Russian efforts to disrupt Ukraine's offensive, analysts said.

—Kate Vtorogina and Ievgeniia Sivorka contributed to this article.

four on Russia's fuel storage and distribution network on or near the occupied Crimean Peninsula. That fuel is used to power both Russia's naval fleet at Sevastopol and its forces occupying parts of the southern Ukrainian regions of Kherson and Zaporizhzhia, where analysts predict Kyiv might attempt a breakthrough.

Moscow, meanwhile, is seeking to disrupt Ukraine's preparations for an offensive. Russian officials said this week they had killed Ukrainian soldiers and destroyed arms depots and Western military systems bound for the front line in missile strikes on the city of Ternopil, hundreds of miles

behind the front. Ukraine said civilian buildings—not military targets—were hit.

Russian strikes on the Ukrainian city of Pavlohrad earlier this month hit railroad infrastructure and fuel and ammunition depots that Kyiv had been storing up for an offensive to retake occupied parts of Zaporizhzhia, said Russian-installed regional official Vladimir Rogov.

Ukraine's recent attacks on Russia's fuel storage and distribution network will likely force Moscow to adjust its military refueling operations, the U.K.'s Ministry of Defense said. That could include deploying additional protection measures at fuel-storage sites or relying

on infrastructure in less threatened regions, it said.

Following an attack on an oil depot in Russia's Bryansk region, Ukrainian former comedian and TV presenter Serhiy Prytula hinted it had been carried out using drones purchased through a crowdfunding initiative launched by his foundation.

Oleksandra Ustinova, a member of the Ukrainian parliament involved in defense issues, said hitting Russian supplies was critical to battlefield successes last year.

"When we first got HIMARS we hit their logistics—that is how we got Kherson back," she said, noting that Russia then had to pull its supplies

to the front. Ukraine said civilian buildings—not military targets—were hit.

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U.S. Calls, Demanding Release of Men, Says Moscow

By ANN M. SIMMONS

The White House has made periodic calls to the Kremlin to demand the release of American detainees Evan Gershkovich and Paul Whelan, according to Russia's foreign minister, a measure of the high-level diplomacy taking place over the two men whom the State Department has designated wrongfully detained.

Sergei Lavrov said ministerial-level contact between Moscow and Washington is nonexistent, but added that Russian President Vladimir Putin's foreign-affairs adviser received calls about The Wall Street Journal reporter and former U.S. Marine, both held in Russia.

"Sometimes they call from Washington—from the White House—to Yuri Ushakov," Lavrov told a Russian far-right television channel Wednesday.

Ushakov has served as an ambassador in Washington and is regarded by former and current U.S. officials as a conduit to Putin.

In remarks later published by the Russian Foreign Ministry, Lavrov said the calls contained the same message: "Free Paul Whelan, and now also journalist Evan Gershkovich," as they call him.

Lavrov didn't say how Ushakov responded to the calls or how often they were made. The Kremlin didn't respond to a request for comment.

The White House has continued to call for Russia to free the two wrongfully detained Americans. On Tuesday, President Biden said his administration was "working every day" to secure Gershkovich's and Whelan's release.

Journal reporter Gershkovich was detained on March 29 while on a reporting trip and held on an allegation of espionage that the Journal and the U.S. government vehemently deny. The 31-year-old reporter is being held in a Moscow prison. On April 18, he appeared before a judge, who denied his appeal to lift his pretrial detention.

Whelan, a former U.S. Marine, was convicted of espionage in 2020 and is serving a 16-year sentence in a Russian penal colony. His family and Washington say he isn't a spy.

The State Department has deemed both Gershkovich and Whelan wrongfully detained, an official designation that enables the U.S. to press a foreign government and unlock other resources toward obtaining a detainee's freedom.

The detention of Gershkovich has sparked international outrage. Western governments, global news organizations, press-freedom advocates and human-rights groups around the world have joined the Journal and the Biden administration in demanding his immediate release.

Russian officials have expressed irritation over what they describe as megaphone diplomacy and pressure tactics that they say won't work. Without providing evidence, they say Gershkovich is suspected of spying.

—Kate Vtorogina and Ievgeniia Sivorka contributed to this article.

After Griner, U.S. Athletes Still Competing in Russia

By LOUISE RADNOFSKY

When Brittney Griner came home after nearly 10 months of Russian detention, she was emphatic she would never again collect a paycheck playing basketball overseas.

More than three dozen other American athletes during the past year have made a different decision. They have gone to Russia to play professional basketball, ice hockey and volleyball—even as Griner remained in prison, the State Department told U.S. citizens "do not travel" there and the Biden administration contacted sports bodies asking them to convey additional warnings about the risk of being arbitrarily held in Russia.

The list of athletes who have played on Russian teams includes those represented by Griner's agency, and a female basketball player who decided to play for the same Russian

powerhouse team in Yekaterinburg that Griner played for.

It is a conundrum for U.S. officials as they grapple with the rise of the new era of hostage diplomacy in which hostile states, more than terrorist groups or criminal gangs, are taking Americans captive for leverage with Washington.

Those officials are adamant that they work for the release of any American whom they consider to be unlawfully detained overseas—regardless of their reason for being there. They also are frustrated, in some cases, when they have to do it, with few prevention options at their disposal beyond travel advisories.

Last summer the State Department rolled out a new travel advisory, labeled "D," which applies to six countries where it said Americans risked wrongful detention by the government: Russia, China,



Brittney Griner spent nearly 10 months in Russian detention.

Iran, Myanmar, North Korea and Venezuela.

Last fall senior administration officials said Washington reached out to groups of Americans who often travel to the D-listed countries, sending the message that there was no

guarantee that the U.S. could help them quickly if they were wrongfully detained.

In March, the State Department again called on Americans to depart Russia. One American who didn't heed that call was Matt Anderson, a U.S.

Olympian in volleyball whose return to Russian professional volleyball was announced in the fall. After the State Department's fresh calls, Anderson's club, Zenit St. Petersburg, told Russian media that he wasn't leaving and was instead focused on the coming Russian volleyball superleague playoffs. Anderson, who was still playing for the team in May, didn't respond to requests to comment.

Russia and China have long offered lucrative opportunities for sports figures to augment their salaries in the U.S., or in some cases, to play professionally at all. Lavish pay and celebrity treatment abroad have been a powerful draw, particularly when pitted against more meager opportunities back home for female basketball players and volleyball Olympians, as well as male basketball and hockey

players who were undrafted in the major leagues or considered past their prime.

Five U.S. athletes listed as playing for Russian women's teams in the 2022-23 season on Eurobasket, the website tracking European basketball leagues: Alex Bentley, playing for Griner's former team UMMC Ekaterinburg; Unique Thompson, playing for Nadezhda Orenburg; Ashley Beverly-Kelley and Mya Hollingshead, playing for Dynamo NR; and Ezinne Kalu, playing for Dynamo K. An agent for Beverly-Kelley, Hollingshead and Thompson didn't respond to multiple inquiries; an agent for Kalu also didn't respond to a request to comment.

About 20 American men are listed on Eurobasket as playing for Russian men's teams this season.

—Kate Vtorogina contributed to this article.

WORLD NEWS

Biden Seeks to Rally G-7 Allies Against Kremlin

By KEN THOMAS
AND ANNIE LINSKEY

TOKYO—President Biden will seek to maintain unity among allies in supporting Ukraine and countering China's economic clout at a summit of the Group of Seven industrialized nations, as the threat of default in the U.S. complicates that message and prompts him to curtail his international travel.

The White House said Biden would depart the G-7 in Hiroshima, Japan, on Sunday, and scrap visits to Papua New Guinea and Australia—where he had been scheduled to meet with the leaders of Australia, India and Japan—so he could

return to Washington to deal with an impasse over raising the country's roughly \$31.4 trillion borrowing limit. While his aides negotiate with Republicans in Washington, Biden will seek to assuage allies in Japan that the U.S. will avoid a default, which could threaten to undermine the global economy.

Biden, speaking to reporters before he departed for the trip, said he would talk to the three other members of the Quadrilateral Security Dialogue, known as the Quad, during the G-7 summit. Japanese Prime Minister Fumio Kishida, Indian Prime Minister Narendra Modi and Australian Prime Minister Anthony Alba-

nese also will be in Hiroshima.

Asked what message it sends to allies to cancel the trip and whether doing so was a win for China, he said, "No, no, because we're still meeting."

John Kirby, a spokesman for the National Security Council, said the U.S. and its allies would show "concrete action to further isolate Russia" and weaken its ability to wage war. On China, he said the G-7 would demonstrate "a common approach," while taking steps to promote a transition to clean energy and support developing countries. But analysts say Biden will face a tricky task in convincing allies that the U.S. can keep its economic house in order while moving forward

on Russia and China. The gathering of leaders was born during the Cold War in the 1970s as the leading economies dealt with an oil crisis and recession. It now has to cope with an emboldened China and an even more complex and interconnected global economy.

In addition to the U.S. and Japan, the G-7 includes leaders from the U.K., France, Germany, Italy and Canada. The agenda for this year's annual summit is particularly packed.

"It is rare to have the debt ceiling, Russia, Ukraine, China, all coming to a head at this G-7," said Josh Lipsky, the senior director of the Atlantic Council's GeoEconomics Cen-

ter. "Usually there is one dominant theme that's economic, geopolitical or military."

Biden was scheduled to land in Hiroshima on Thursday afternoon and meet with Kishida on the sidelines of the summit. On Friday, he will join other G-7 leaders at a memorial to those who died after the U.S. dropped an atomic bomb on the city on Aug. 6, 1945.

At the G-7, the most pressing issue will be Ukraine, which is set to launch a spring offensive aimed at regaining territory the Russians seized. Conversations are expected to include tightening restrictions on exports to Russia, whose economy has proven more re-

sistant than many anticipated.

The leaders are gathering less than 700 miles from China's coast as they try to insulate themselves from Beijing without overly alienating the nation of 1.4 billion, a market that is key to all seven of the countries.

One major topic will be finding ways to discourage China from exacting economic retaliation against nations over policy disputes. The allies are expected to release a joint statement rejecting such behavior, as some companies operating in China have recently faced pressure from the government there.

—Andrew Duehren, Andrew Restuccia and Catherine Lucey contributed to this article.

Opposition Party Makes Its Pick for 2024 Vote in Taiwan

By JOYU WANG

TAIPEI—The battlefield in a Taiwanese presidential election that could transform U.S. tensions with China is starting to take shape, as the island's main opposition party nominated a former policeman with broad appeal but nebulous views on Beijing.

Taiwan's Nationalist Party, or Kuomintang, said Wednesday that it had nominated Hou Yu-ih, a previous head of the national police agency and incumbent mayor, as its candidate for the presidency. In choosing him, the party puts forth a candidate who boasts rare appeal across party lines but has limited experience dealing with the geopolitical currents steering Taiwan's future.

"Our country faces a perilous international situation and domestic conflict," Hou said after accepting the nomination. "We must make a big breakthrough and establish a new order."

The outcome of the 2024 general elections, scheduled to take place in January, carries heavy implications for political, economic and military dynamics in the Taiwan Strait, the roughly 100-mile-wide body of water that separates

Taiwan from China. Whatever choice Taiwanese voters make to succeed President Tsai Ing-wen, who is unable to run for re-election because of term limits, will likewise help determine the trajectory of increasingly strained relations between the U.S. and China.

The fate of Taiwan is the most sensitive potential flashpoint in the relationship between the world's two most powerful nations. Though China's Communist Party has never held sway on the self-ruled island, Beijing regards it as a part of China and has vowed to take control of it, by force if necessary.

Over the seven years of Tsai's presidency, Taiwan has forged closer ties with the U.S. at the expense of China. Although the U.S. government doesn't formally recognize Taiwan as a country, it is obligated to provide the island with arms to defend itself.

Tsai's ruling Democratic Progressive Party suffered its worst electoral setback in a decade in local elections last year, opening up an opportunity for the KMT, which favors friendlier ties with Beijing.

"The central theme of this election revolves around the

issues of peace and war," said Tsai Jung-hsiang, a political science professor who teaches at Taiwan's National Chung-Cheng University. "If voters chose a more China-friendly candidate, it would raise questions about the continuity of U.S. strategy in the Indo-Pacific region."

Hou is in some respects an unusual choice to represent

the KMT. Unlike many senior members of the party, he boasts family roots in Taiwan that predate 1949, the year Chiang Kai-shek and the Nationalists fled to the island following defeat by Mao Zedong's Communist forces in China's civil war. He also seemed to shy away from overt party politics during his time as mayor of New Taipei City.

Both his ancestral background and his pragmatic reputation make him popular among a wide swath of voters, according to political analysts.

But Hou has little experience dealing with either Beijing or Washington, and he has largely shied away taking a stance on China until he was pressed to offer one during a recent city council session. "The Republic

of China is our country and Taiwan is our home," Hou said, referring to Taiwan's formal name. He rejected the possibility of independence for Taiwan—considered a red line by Beijing—as well as Beijing's proposal to govern Taiwan under a "One Country, Two Systems" framework like the one imposed in Hong Kong.

Hou is set to face off against Taiwanese Vice President Lai Ching-te, a DPP stalwart who recently appeared to back away from a position that some interpreted as being pro-independence and has said he would stick to the path laid about by Tsai in navigating relations with Washington and Beijing.

Shortly after the KMT announcement, former Taipei mayor Ko Wen-je earned a formal nomination from his Taiwan's People Party. Ko has seen his popularity dented in recent months as the TPP performed worse than expected in last year's local elections.

Recent polling data shows that none of the three party candidates has a significant advantage, suggesting the race will remain on a knife's edge until Jan. 13, when Taiwan's 19 million voters head to the polls.



Taiwan's Nationalist Party nominated New Taipei City Mayor Hou Yu-ih, center, for president.

RITCHIE B TONG/EP/SHUTTERSTOCK



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FROM PAGE ONE

Overdose Fatalities Topped 100,000 in 2022

By JON KAMP

Overdose deaths in the U.S. edged higher in 2022, a federal estimate showed, marking only the second time drugs killed more than 100,000 people in a year.

The Centers for Disease Control and Prevention on Wednesday released a provisional count of overdose deaths last year that indicated the toll of the fentanyl crisis leveling off after two years of surges during the Covid-19 pandemic. The CDC counted 109,680 overdose deaths in 2022 compared with 109,179 deaths from a similar 2021 projection. For overdose deaths to hover at such a high level demonstrates how fentanyl's ubiquity and potency

continue to threaten the lives of illicit drug users.

"I'm glad to see us not get worse, but it's hard to celebrate," said Chad Brummett, an anesthesiologist and co-director of the Opioid Research Institute at the University of Michigan.

The count includes a mix of overdose deaths counted thus far—105,452 as of Wednesday—and other projected deaths. Overdose deaths tend to be counted slowly while coroners and medical examiners await toxicology results. The CDC will reduce the number in a later count for the year, removing deaths that ultimately weren't verified and those among non-U.S. residents. The revised count for 2021 was 106,699.

"It's hard to know for sure where it will end up, but it will be essentially flat," said Robert Anderson, chief of the mortality-statistics branch at the CDC's National Center for Health Statistics.

The plateau follows a 16% increase in overdose deaths in 2021 and a 30% surge in 2020. The U.S. has recorded only two years in which drug fatalities declined in the past several decades, 1990 and 2018.

Authorities have been trying to crack down on the flow of fentanyl through the U.S. border, where Mexican cartels that make the synthetic opioid commonly send it hidden in vehicles through border crossings. There are also efforts to expand harm-reduction methods including supervised drug-

use sites and wider distribution of overdose-reversal drugs meant to lower the chances of dying.

Those efforts have been overpowered in recent years as illicit forms of fentanyl spread through the U.S. and the Covid-19 pandemic increased stress and isolation. Fentanyl is more potent and riskier than heroin, has spread broadly throughout the U.S. and infiltrated every corner of the drug market, including an explosive number of fake fentanyl-laced pills. U.S. authorities are trying to slow the spread of xylazine, an animal tranquilizer that can cause severe wounds and is increasingly mixed into the fentanyl supply.

The CDC projects there were 75,217 deaths in 2022

linked to synthetic opioids, a class dominated by fentanyl, up 4% from the previous year. Synthetic opioids were involved in 69% of fatal overdoses last year, the data show.

hot spots for opioid fatalities have cooled off. West Virginia recorded an 8% decline in drug deaths last year, the data show. Neighboring Maryland declined the same amount.

But fatalities rose in parts of the Northeast, including Maine and New Hampshire. New York City saw deaths rise about 14% to nearly 3,200 last year, the CDC projected.

To the west, Washington state last year registered a 21% surge to 2,751 overdose deaths in the CDC projections, trailing only the 22% increase in Wyoming, a smaller state that had 123 deaths.

Washington's health department said the state is feeling the impact of a fentanyl wave that hit Western states later than Eastern states.

Death Rate Rises for U.S. Youth

Continued from Page One
that the government has publicly tracked such figures, according to Woolf's analysis.

Other developed countries including the United Kingdom, Germany, Canada and Norway also saw a rise in some death counts among young people during that time, though the upticks were often concentrated in narrow age groups or one gender, according to global death counts provided by Christopher J.L. Murray, director of the Institute for Health Metrics and Evaluation at the University of Washington.

The U.S. is the only place among peer nations where firearms are the No. 1 cause of death in young people.

Suicides among Americans age 10 to 19 began increasing in 2007, while homicide rates for that age group started climbing in 2013, according to the research in *JAMA* by Woolf and co-authors Elizabeth Wolf of Virginia Commonwealth and Frederick Rivara of the University of Washington.

Long declines

The increases in suicides and homicides among young people went largely unnoticed at first because overall child and adolescent mortality rates still declined most years.

Penicillin and other antibiotics drove down deaths from bacterial infections in the years following World War II, and vaccines controlled lethal viruses such as polio. Safer automobiles, seat belts and car seats made driving less deadly. Bicycle helmets, smoke detectors and swimming lessons reduced fatal accidents and drownings. Medical advancements that save premature babies and treat leukemia and other cancers helped more children survive once-lethal diagnoses.

"All of those gains are now being offset by essentially four causes of death," Woolf said.

When the pandemic started, deaths of young people due to suicide and homicide climbed higher. Deaths caused by drug overdoses and transportation fatalities—mainly motor-vehicle accidents—rose significantly, too.

Covid, which surged to America's No. 3 cause of death during the pandemic, accounted for just one-tenth of the rise in mortality among young people in 2020, and one-fifth of it in 2021, according to the research led by Woolf, which uses data from the Centers for Disease Control and Prevention.

Joshua Gillihan was 11 years old when the pandemic closed his suburban Houston middle school in March 2020. He'd grown up confident with lots of friends, and played baseball and rode his dirt bike in their upper-middle-class neighborhood in Cypress, Texas, said his mother, Kim Gillihan. The shutdowns turned a temporary break from organized sports into an indefinite hiatus. Kim Gillihan watched as Joshua's typical adolescent hangups gave way to more worrisome levels of anxiety.

"When the Covid hit, our child that was never depressed became depressed," she said.

Kim Gillihan's husband, Steve Gillihan, discovered marijuana in Joshua's backpack. When they realized he was using the drug regularly, his mother grew alarmed and



Joshua Gillihan died at age 14 from fentanyl poisoning last year. 'We thought we were doing all the right things,' said his mother, Kim Gillihan.

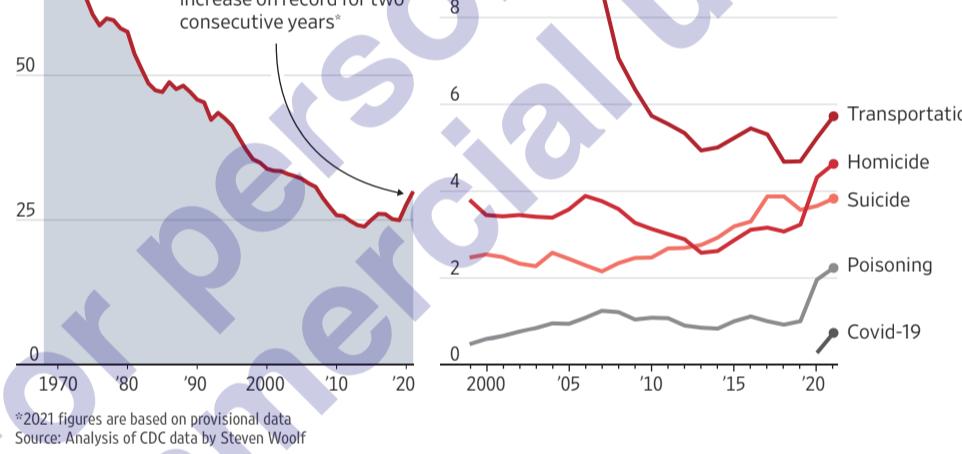
sought counseling for him and for the family to stop it. She agreed to put him on medication for his depression, hoping it would dissuade him from seeking illicit ways to ease his symptoms from that and ADHD. Kim Gillihan took Joshua's computer and phone, instead lending him her phone to communicate with friends. She forbade sleepovers and closely monitored her son. She periodically tested him for THC, the main psychoactive substance in marijuana.

After a family trip to Disney World this past summer, Joshua, age 14, started high school and seemed excited about meeting new people, Kim Gillihan said. It was Friday night after the first week of his freshman year, and she brought him home Sonic hamburgers that she and Joshua ate together at the kitchen island. He told his mother about a girl he wanted to ask to the homecoming dance, and Kim Gillihan began planning to get him a mum, a Texas tradition, that he could give to his date.

Joshua went to his room for the night while his mother packed for a business trip the next morning. She told her husband she thought their efforts to stop their son's marijuana use were finally working. "I feel so good about everything," she recalled telling Steve Gillihan. "I think we have turned the corner."

The next morning, she went to say goodbye to Joshua before her planned trip and found his body cold and lifeless in his bed. An autopsy showed he died from fentanyl toxicity. Kim Gillihan said she believes her son took what he thought was oxycodone or Percocet but was instead pure fentanyl. She said

Deaths per 100,000 Americans ages 1 to 19



she doesn't know how he obtained it.

"We thought we were doing all the right things," she said.

Older children and teenagers, ages 10 to 19, accounted for most of the increase in death rates for young people. Boys, whose mortality rates are roughly twice those of girls, saw their death rates worsen to a slightly greater degree during the pandemic, Woolf found. The overall findings held true when researchers excluded those ages 18 and 19, who were included in the broader research because such government data is grouped in five-year age bands.

Physicians and public-health researchers say that school closures, canceled sports and youth activities and limitations on in-person socializing all worsened a burgeoning mental-health epidemic among young people in the U.S. Social media, they say, has helped fuel it by replacing successful relationships with a craving for online

social attention that leaves young people unfulfilled, and exposes them to sites that glamorize unhealthy behaviors such as eating disorders and cutting themselves.

"We are seeing younger and younger patients coming in with mental-health crises, and even those 8 to 10 years old coming in with suicidal ideation," said Lois Lee, a pediatric emergency physician at Boston Children's Hospital who chairs the American Academy of Pediatrics Council on Injury, Violence and Poison Prevention.

Lee saw an 8-year-old patient who tried to wrap something around his neck to take his life, she said. There is such a severe lack of inpatient mental-health services, she said, that young patients can wait in emergency departments for days or weeks.

To some extent, the rising mortality rates for young people mirror trends in the adult population. Death rates started

climbing for middle-aged, white Americans starting in 1999, largely because of suicide, alcohol abuse, drug overdoses and chronic liver diseases, although rates for Black and Hispanic Americans fell over the same period.

In 2020, life expectancy fell 1.8 years, the largest decline since at least World War II, not just because of Covid but also because of increased mortality from unintentional injuries, including drug overdoses, as well as homicides.

Researchers point to the fact that gun ownership increased during the pandemic, and that high-profile acts of police violence, including the murder of George Floyd, heightened distrust of law enforcement. That prompted some people to resort to deadly forms of "street justice" instead of calling the police, said Daniel Webster, a public-health professor at Johns Hopkins University who researches gun violence and

prevention.

A growing supply of so-called ghost guns—weapons manufactured with parts bought online or made on 3-D printers—made it easier for teenagers to get firearms that they couldn't legally obtain due to age restrictions. "You have the most firearms under the least social supports, and that's the brew, if you will, of what leads to very sudden and dramatic increases of lethal violence," Webster said.

Black teenagers accounted for nearly two-thirds of homicide victims ages 10 to 19 early in the pandemic, according to the research led by Woolf, a portion that has grown from about half two decades ago. White teenagers have historically died at higher rates of drug overdoses, but rising rates of such deaths among Black and Hispanic teens closed that gap in 2020.

In the crossfire

TiKiya Allen was an honor roll student and a cheerleader while growing up in Detroit, said her grandmother Bonnie Whittaker. She enrolled at nearby Oakland University after high school and was studying to be a nurse while working part time at a Taco Bell.

TiKiya, age 18, was on a bicycle while visiting a friend on Detroit's northwest side when she was killed in a drive-by shooting in broad daylight in July 2021. The crime remains unsolved. Detroit police said it appeared TiKiya was an innocent bystander caught in the crossfire. "Why shouldn't a child be able to ride their bike down the sidewalk without the threat of losing their life?" Whittaker said.

The rise in transportation-related fatalities comes despite the fact that people drove less when the pandemic started. Researchers say that the absence of other cars on the road prompted some people to drive more recklessly, and that distractions from cellphones have made driving more deadly in recent years.

Many public-health experts say they don't think the end of the pandemic will reverse the rise in death rates among young people.

Wolf said demand for child and adolescent psychiatric services still outstrips supply in her Richmond, Va., office. Patients are on monthslong waiting lists to see a psychiatrist that accepts insurance.

She spent two years practicing pediatric medicine in sub-Saharan Africa early in her career. "There we saw children die from malnutrition and infectious diseases," she said. "Now that I've come back to the U.S., it is incredibly difficult to see children dying from man-made causes, like bullets and cars."



SYLVIA JARRUS FOR THE WALL STREET JOURNAL (2)

PERSONAL JOURNAL.



OK, people, let's spitball some topics for this column. Annoying co-workers you would like to replace with artificial intelligence?

Office wardrobe malfunctions? Bosses' secret TikTok accounts? Go ahead, shout 'em out. There are no bad ideas.

This brainstorming exercise is, in fact, a terrible idea—not only because I can't hear you. The value of gathering to swap loosely formed thoughts is highly suspect, despite being a major reason many companies want workers back in offices.

"You do not get your best ideas out of these freewheeling brainstorming sessions," says Sheena Iyengar, a professor at Columbia Business School. "You will do your best creative work by yourself."

Iyengar has compiled academic research on idea generation, including a decade of her own interviews with more than a thousand people, into a book called "Think Bigger." It concludes that group brainstorming is usually a waste of time.

Pitfalls include blabbermouths with mediocre suggestions and introverts with brilliant ones that they keep to themselves. She argues that the ethos of brainstorming—reserve judgment and build on what others say—is better applied to polite conversation at a dinner party than to key decisions in a conference room.

Business teams ought to collaborate, of course, but she interprets the evidence to mean that colleagues should compare notes after extensive, independent thinking.

Plenty of people have always bemoaned brainstorming. Long-time Wall Street Journal readers may recall a 2006 "Cubicle Culture" column that skewered the popular practice, and Harvard Business Review published a research-based case against the usefulness of brainstorming in 2015. Mostly, though, grumbler have accepted such meetings as an inescapable office reality.

Enough, some companies and workers say.

"I've gone from being the biggest brainstorming proponent to

Switch Off Brainstorming If You Want Brighter Ideas

Giving workers time to think for themselves could yield more innovation



feeling anxiety if a meeting doesn't have a clear agenda," says Drew Himel, chief executive of Fireside, an e-commerce strategy firm.

Himel says bantering around a table fits his outgoing personality, but the pandemic and an executive coach led him to a humbling realization: He talks too much. He discovered that his 16-person team, now fully remote, thrives when people develop ideas on their own and can share them in writing.

They still get together virtually to discuss and refine what they've come up with, but these revamped meetings are tightly organized and tangent-free.

Elsewhere, companies like Alphabet's Google try to encourage innovation by letting workers spend part of their work time

Some companies let workers spend part of their work time building on their own ideas.

building on their own ideas for what could benefit the business. Some such as Shopify and Wayfair have slashed meeting times, part of the working world's re-examination of checking in, touching base and catching up in the hybrid era. Microsoft research shows that many people spend the equivalent of an entire workday in meetings every week (and another day's worth of time reading and sending emails).

Other firms maintain that our screens are the real problem, and creative sparks will fly if we convene in person. The longer offices remain half-empty, the more some executives glorify face-to-face get-togethers as fountains of innovation.

"In the more productive brainstorm sessions I've been a part of over the years, people get excited and blurt out new ideas or improvements to prior proposals, quickly advancing the seed of an idea, and leading to the broader group getting energized and feeling that it's onto something," Amazon CEO Andy Jassy wrote in a recent memo to explain why most employees must report to an office at least three days a week, starting this month.

An Amazon spokesman adds

that the company's brainstorming sessions are sometimes unstructured but often begin with colleagues sharing well-researched memos, reducing time spent on ill-conceived ideas.

Devoted brainstormers do exist outside the C-suite. They don't dispute research showing that free-form confabs are often fruitless. They maintain that breakthrough moments are possible and make the process worthwhile. Critics have unreasonable expectations, they say.

Lukas Kaiser, senior vice president of content at Westbrook Media in Los Angeles, subscribes to a 70-30 theory: 70% of ideas in a brainstorming session are idiotic (his word), and that's a fair price to pay for the 30% of ideas that have merit.

Oh, he's also noticed that the duds tend to come first, so to leave time for the good stuff, he prescribes two-hour meetings.

Meg Amis, a marketing director in Philadelphia, says she loves the energy of huddling in a room to slap sticky notes on a wall or scribble on a whiteboard. The process can set an inclusive tone and rally support for a project, she contends.

"With anything that requires multiple people's buy-in, it's better to start with a brainstorming session because then everybody feels like they're part of it," she says.

Sometimes leaders bring employees together to create the illusion of wide-open input, says Erika Hall, co-founder of Mule Design Studio, a management consulting firm in San Francisco. In-person brainstorming is part of the back-to-office rationale for many of her clients, and she generally advises the ones that truly want to improve collaboration to first carve out some alone time for their workers.

When Hall needs inspiration, she goes for a run.

"It's freaky," she says. "I will go run on a problem, and things will happen in my head that do not happen under any other circumstance."

Others might find "Aha!" moments in the shower or while listening to music. Leaving breakthroughs to private serendipity can feel, to bosses, like losing control, she acknowledges, but it might be more effective than trying to schedule magic in a conference room.

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IRS Grants Big Boost On HSA Contributions

BY ASHLEA EBELING

The Internal Revenue Service on Tuesday announced the largest-ever increase to the amount Americans can set aside in health-savings accounts each year.

For 2024, the maximum HSA contribution will be \$8,300 for a family and \$4,150 for an individual. That is up from \$7,750 for a family and \$3,850 for an individual for 2023.

Participants age 55 and older can contribute an extra \$1,000, which means an older married couple could sock away \$10,300 a year, up from \$9,750 this year.

In the last 10 years leading up to retirement, a couple could accumulate more than \$100,000 in these accounts.

HSAs are both misunderstood and underused by many Americans, the non-profit Employee Benefit Research Institute says. To be eligible to contribute, a participant must have an HSA-qualified high-deductible health plan and not be enrolled in Medicare.

While workers can tap 401(k)s and individual retirement accounts for medical costs, health savings accounts offer more tax savings than both traditional or Roth retirement accounts.

There is no tax going in, tax-free growth and tax-free withdrawals if used for eligible healthcare expenses.

Eligible medical expenses include Medicare Part B premiums, which run almost \$4,000 for a married couple with income of up to \$194,000 for 2023. Also eligible are deductibles, copays and vision, dental and hearing expenses, and even long-term care.

As fewer employers offer retiree healthcare benefits, it is imperative for workers to take it upon themselves to include these types of costs in their retirement-savings plans, financial advisers say.

► Save. Spend. Invest. Ac-

count holders can get an immediate tax benefit just from putting money into an HSA and pulling it out immediately to spend on healthcare expenses. There is also the added benefit of being able to invest that money before you spend it.

People who really understand HSAs use them as a complement to retirement planning, so it is all about



Americans held \$112.5 billion in HSA accounts in January.

the investments, says Roy Ramthun, who led the Treasury Department's implementation of HSAs after Congress created them in 2003.

► 2024 Limits. HSA contribution limits are adjusted for inflation each year, and typically the bump is \$100 to \$200 a year if at all. But because of high inflation, the family maximum limit went up \$450 for 2023 and \$550 for 2024. Americans held \$112.5 billion in about 37 million HSA accounts at the end of January, according to Devenir Research.

Notably, Americans spend nearly \$400 billion a year in posttax out-of-pocket healthcare expenses, HSA provider Alegeus says.

► Investing option. Most 401(k) plans automatically invest workers' money in target-date funds, a combination of stocks and bonds, unless

they choose another investment. With HSAs, it is up to the participant to choose to invest the money, typically once the basic bank deposit account reaches a certain threshold, often \$1,000.

When Sandeep Abrol, a purchasing executive in Charleston, S.C., retired last fall, he took a closer look at his workplace HSA and saw the \$26,000 he had contributed over seven years was in an interest-bearing checking account that earned almost nothing.

"People have this HSA money, but they don't realize



it's not earning money like a 401(k)," he says.

The average total balance (including both deposits and investments) for someone who is investing in their HSA was \$16,397 at the end of 2022. That compares with an average HSA balance of \$2,445 for those with deposit accounts but not investing, Devenir said.

► Orphan HSAs. Unlike healthcare flexible-spending accounts, known as FSAs, which let you roll over a limited amount from one year to the next if at all, HSAs are yours to keep even after you leave an employer. As more people have HSAs with more money at stake, job switchers need to pay extra attention so they don't forget an old HSA.

You could spend down an old HSA, while building up a new HSA at your new job, Ramthun says.

ARTS IN REVIEW



EXHIBITION REVIEW

The Sweet Smell of No Success

A traveling museum looks back at the world's losers, misfires and flops to celebrate failure's virtues

BY EDWARD ROTHSTEIN

New York

Failure is definitely an option. It can even be a requirement—at least at the exhibition space in Brooklyn's Industry City. Here you can see surviving examples of more than 150 failed products (or descriptions and videos). Some are so bizarre (a hollow golf club designed for male urination between swings) or so outlandish (a rigid plastic "rejuvenating" mask studed with electrodes) that they never had a chance. Some might have been plausible if only they had made economic sense. How about Howard Hughes's airplane designed to carry heavy World War II weaponry, made out of birch and mocked as the "Spruce Goose"? We see a photograph of the one plane that was completed—way too late—in 1947, costing about \$250 million in today's dollars.

Such are the offerings at the Museum of Failure, which is really a world-traveling exhibition that began in Helsingborg, Sweden. Its ever-expanding terrain embraces monumental icons like RMS Titanic, the Ford Edsel and New Coke, but it also offers more "creepy" examples (as the museum puts it) like Mattel's mid-1970s version of Barbie's younger sister, Skipper: Raise her arm and her breasts grow.

The museum is the creation of Samuel West, a Swedish clinical psychologist and consultant on innovation. He once thought the museum would end up as an example in its own exhibition. Its original 2017 bricks-and-mortar home closed. But that led to the touring show, which ultimately failed to



fail in Vienna, Amsterdam, Jeddah, London, Copenhagen, Milan, Seoul, Paris and Los Angeles. It seems to be just as unsuccessful at failing in Brooklyn: Its stay has been extended to June 18 and other American venues are being discussed. If—to paraphrase the maxim—success has many parents while failure is an orphan, Mr. West is running a global orphanage.

How does he treat his charges? Sometimes with mockery, particularly in a display called "Make America Fail Again" that is devoted to a failed board game, a failed airline and failed resorts bearing the name of President Donald Trump. But overall Mr. West means to

demonstrate failure's virtues, offering tributes like Henry Ford's: "The only real mistake is the one from which we learn nothing."

Elon Musk is also cited: "If things are not failing, you are not innovating enough." That is one reason why there were celebrations recently at his company SpaceX when its rocket exploded four minutes after launch; it hadn't, at least, blown up on the launch pad.

Sometimes, though, failure's virtues seem submerged in stupidity. Surely that is the case with German plans for a "spray-on condom" (2006-08); instructions were to "insert penis into an apparatus to coat with melted latex and then wait 3 min-

utes for the latex to dry."

Other failures inspire sadness at the loss, like the astonishing iBOT wheelchair (2003-09), which could negotiate rough terrain, climb stairs and lift its user to standing height. The exhibition suggests it failed because of its cost—over \$25,000. (What we don't learn is that a successor has been released by Mobius Mobility.)

Some failures inspire dismay, like the Kent Micronite filter (1952-56), which was sold as the "greatest health protection in cigarette history"—through its use of asbestos; lawsuits were still being filed in 2018.

Another failure here provides an early glimpse of virtue-signaling at play: In 1965, Hasbro introduced Little Miss No-Name as a realistic alternative to Barbie; the doll is barefoot and crying,



dressed in rags, and holds out her hand as if beseeching alms.

There are also a few examples of the museum itself failing—or rather, faltering. Some products declared dead actually live on, such as ethanol bio-fuel. Here, we read, it is "viewed as a huge failure that cost American taxpayers billions of dollars," but an Energy Department website shows legal and financial life-support going full throttle.

Other quibbles? Surgical instruments for lobotomies are less evidence of medical failure than ignorance; they are more like a jar of leeches than a faulty tracheal implant (which is also shown).

And even the museum agrees that the displayed Trabant automobile was not a commercial failure. Three million were sold between 1957 and 1991; waiting lists could last 13 years. Yet it had no turn signals or seat belts or fuel gauge or fuel pump; it used a two-stroke engine and could readily catch fire. But no doubt its manufacturer—the East German state—succeeded on its own terms. By exercising rigid control accompanied

by self-aggrandizing declarations, it created a product that, in its thorough mediocrity, supposedly reflected egalitarian ideals.

Otherwise, failures abound, with many caused by technological change. We see relics from Blockbuster (1985-2010), which once had more than 9,000 stores renting tapes and DVDs; it was killed, we are told, by Netflix's DVD-by-mail program. But disruption did not end there. Netflix's business was also at risk by the advent of streaming, which is why it began its own service in 2007. Netflix could have failed as grandly as Blockbuster had it not transformed itself (even if its DVD lending program is only coming to an end this September).

The temptation is to look at success as if it were inevitable, though that is only in retrospect. In actuality, we are always surrounded by failure—and not only in the museum. But no need to worry. We know so much better than those represented here! Onward!

Mr. Rothstein is the Journal's Critic at Large.

MUSIC REVIEW

A Dexterous Jazz Duo

Gretchen Parlato and Lionel Loueke unite

BY MARTIN JOHNSON

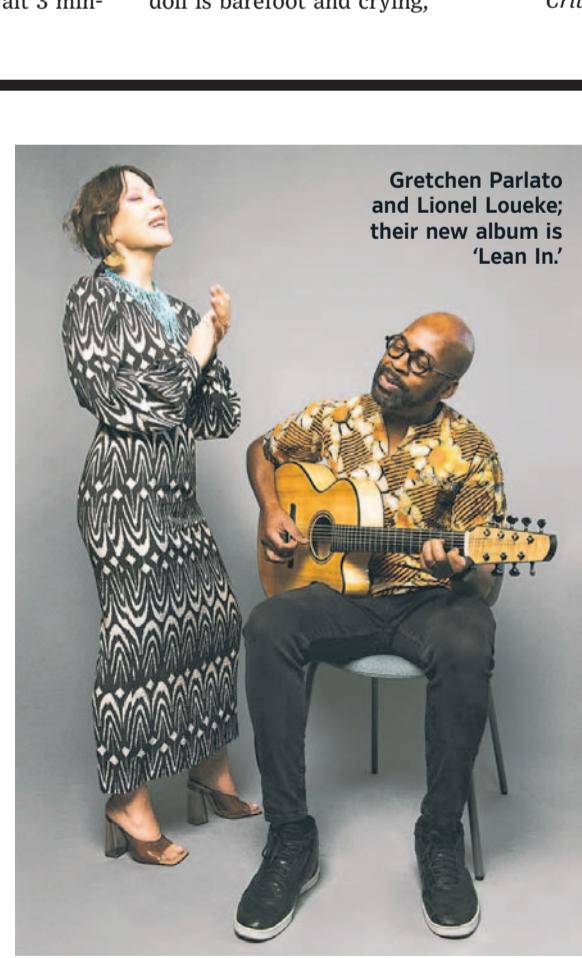
Vocalist and composer Gretchen Parlato has one of the most unique styles in jazz. Rather than routinely singing over her backing band, she peppers her gentle crooning with percussive vocalese and handclaps, creating an elegant, stuttering and appealing approach; it's as if she's burrowing into the music, taking listeners with her. Ms. Parlato has been on the scene for more than 20 years and has attracted many collaborators, but one of her most sympathetic allies is the Beninese guitarist and vocalist Lionel Loueke, whose interests often dwell on rhythmic subtleties. They first met in 2001 at the Thelonious Monk Institute at the University of Southern California and discovered their shared sensibility. In New York in the 2000s and 2010s each often guested on the other's gigs and albums. During the Covid-19 lockdowns, the pair began corresponding—Ms. Parlato was in Los Angeles, where she now lives, and Mr. Loueke resides in Luxembourg—sending musical ideas and sound files back and forth. As the restrictions eased, they continued to develop their concepts, and the result is "Lean In" (Editions



"If I Knew" is adapted from "The Stars or Space Between," a 2019 Jazz Gallery commission, and it features the most intense sounds on the recording. Messrs. Guiliiana, Loueke and Travis create a densely layered West African rhythm, and Ms. Parlato sings over it—expressing a perhaps universal sentiment: "If I knew then what I know now."

Bossa nova is one of the shared interests of this album's co-leaders, and they delve into the genre on "Astronauta," written by Carlos Pinharilho and Marcos Vasconcelos in the 1960s. The track features especially affecting playing by Mr. Loueke. His keening guitar licks both back Ms. Parlato's soft vocals and recall the big-sky sound of some Americana. Mr. Loueke is the longtime guitarist in a band led by piano great Herbie Hancock, and he combines versatility with exceptional range. He demonstrates that often on this recording, but less in his playing than in his ensemble playing.

The title track breaks from the mellow complexity of the program.



Gretchen Parlato and Lionel Loueke; their new album is 'Lean In.'

fade that finishes with the percussion loop.

"Painful Joy," which features Ms. Parlato's wordless vocals and Mr. Loueke's guitar and percussion, is the song most inspired by the lockdowns. In the press release for the album, the musicians say that they aimed to capture both the anxieties of that moment and the sense of dread and mourning.

The recording closes with Dave Grohl's "Walking After You," which appeared on the Foo Fighter's 1997 recording, "The Colour and the Shape." The duo's mostly faithful rendition wasn't intended as a dedication to Foo Fighters drummer Taylor Hawkins, who died in March 2022 shortly after this version was made, but in their subsequent performances of the tune it has taken on the weight of tribute.

The less-is-more approach is as old as music itself, but very few performers on the contemporary jazz scene are as contemplative at it as Ms. Parlato and Mr. Loueke. Their sound is so cohesive and complete that they make piano trios seem extravagant by comparison.

Mr. Johnson writes about jazz for the Journal.

SPORTS

JASON GAY

Wembanyama, Spurs Feels Like a Perfect Match

San Antonio wins the lottery—and with it, the right to select the French sensation in June's NBA draft



Victor Wembanyama
Yes, I know: When it comes to a teenage athletic prospect like Victor Wembanyama, a certain amount of caution is both wise and humane.

But let's all admit it—caution isn't very fun.

It will be hard to contain the extraterrestrial hype now that we know the 19-year-old Wembanyama of France—touted as the greatest incoming NBA talent since LeBron James, and perhaps even better—is all but surely heading to the San Antonio Spurs, after the Spurs won the draft lottery and the No. 1 pick Tuesday night.

Fun? This looks like a blast. Wembanyama and San Antonio appear to be an optimal match of player and team. The Spurs stunk their way

through the 2022-23 season (a wise tank job, turns out) but they remain one of the most respected outfits in sports, a multilingual five-time NBA champion with a tradition of foreign-born superstars and still coached by the grumpy Gandalf who got them there, Gregg Popovich.

Wembanyama couldn't have asked for a better spot to de-plane from Paris. The Spurs have literally done this before, many times—taking a player from abroad and elevating him into NBA stardom. Popovich specializes in an unimpressed, team-first approach in which no individual is elevated above the roster. Drama isn't habitually indulged. It's all about the work.

For Wembanyama, this is a blessing. Did anyone want to see

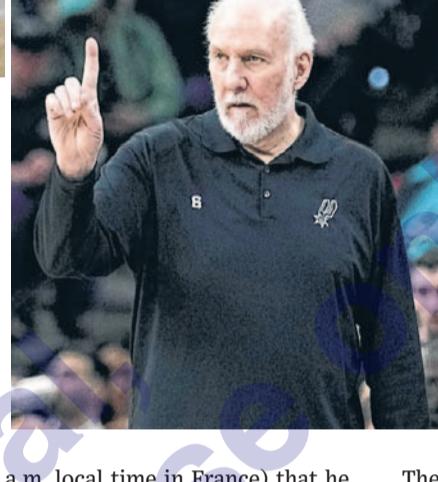
Victor Wembanyama is likely headed to San Antonio. Gregg Popovich, right, has led the Spurs to five titles.

him spend his early years tormented in the system of some morose loser franchise? Did basketball need Wembanyama to suffer in the basketball wasteland?

Non et non.

Instead he gets to play for a team that knows what it's doing. He will get the NBA's version of the small college experience, learning from one of the best coaches to ever do it, in a city with a deep basketball history and without a merciless spotlight. (I can't wait for Wembanyama's inevitable HEB supermarket commercials, a Spurs star rite of passage.)

An upbeat Wembanyama announced after the lottery (2:30



a.m. local time in France) that he is "trying to win a ring ASAP," but he will not be asked to accomplish anything overnight.

That's the luxury of being Pop, and being the Spurs. Patience is OK.

For San Antonio, it has to feel like the rapture, renewed. A club

that got to reboot itself with big men David Robinson and Tim Duncan now gets another tall No. 1, who might possess more raw talent than either of his predecessors. Wembanyama stands 7-foot-3 (at least) and dribbles like a point guard. He shoots fluid 3-pointers like Kevin Durant. He appears destined to be the next leap forward in the NBA's wide-open evolution.

Spent five minutes watching Wembanyama highlights on the internet. He's impossible to miss. An alien, LeBron James called Wembanyama. He might have been understating it. The 74-year-old Popovich surely can't believe his luck.

Of course, there's a flip side to all of these superlatives. The expectations will be intense, and in our borderless, digital world, attention will find Wembanyama wherever he plays.

San Antonio will stuff him full of Spurs culture and try to shield him from the nonsense. Wembanyama will be allowed to make mistakes and learn the right things. If he doesn't try to make his teammates better, he'll find his way to the bench, regardless of his last name.

Predicting a prospect's future is a fraught business. Sports history is full of cautionary tales with highly rated phenoms—rookies who couldn't miss, then did. Weird stuff happens. Bad luck. Bad situations. Injuries. Unforeseen circumstances.

Basketball big men are especially complicated, especially ones as long and lean as Wembanyama. Get ready for the fretting about his body type. Hang on for panic about feet.

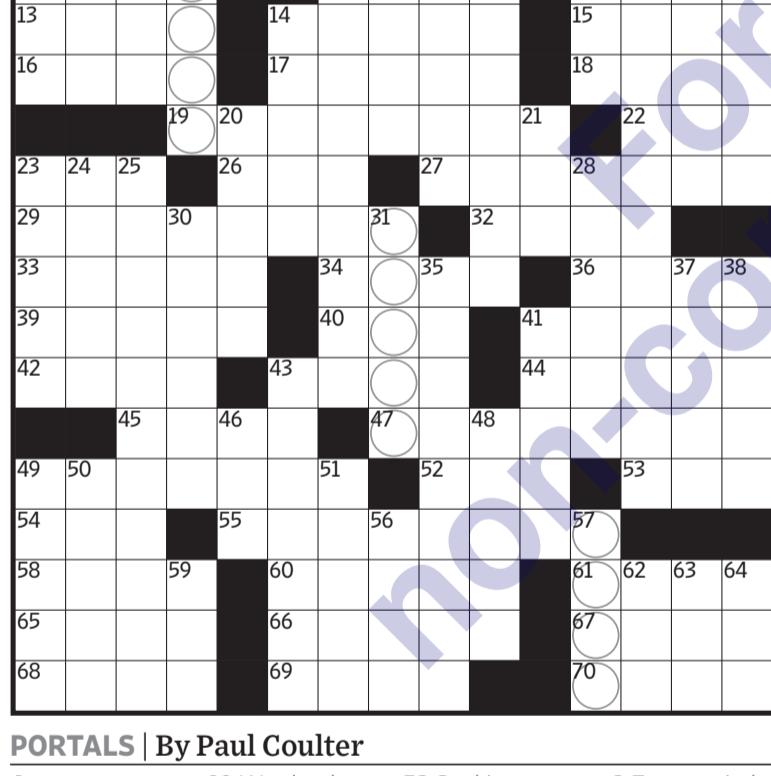
There will be worry if he's physically up to the task.

We won't really know, until we know.

But it's going to be fun. Doesn't it look like fun? Victor Wembanyama and San Antonio isn't even official, and it already feels like a Paris match.

FROM TOP: CHRISTOPHE PETIT TESSON/EPA/SHUTTERSTOCK; ERIC GAY/ASSOCIATED PRESS

The WSJ Daily Crossword | Edited by Mike Shenk



14 Libyan gulf

20 Hawkeye

21 Bleating female

23 Jewelry store buy

24 Around

25 Spare stopper at sea

28 Five-time Kentucky Derby winner

30 Gibson garnishes

31 Passageway

35 1968 George Jones album

37 They take pride in their pride

38 Moccasin pair?

41 "Ya think?"

43 Read carefully

46 Additionally

48 Remove ID from, as a Facebook pic

49 Canadian coast explorer

50 Muse of love poetry

51 Plant pore

56 Pitcher Herschiser

57 Passageway

59 Spot

62 Marital promise

63 Fresh

64 Letters before X, Y and Z

12 Coasters

Previous Puzzle's Solution

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► Solve this puzzle online and discuss it at WSJ.com/Puzzles.

This PGA Championship Conccts Old-School Test for Modern Golfers

BY ANDREW BEATON

WHEN PEOPLE ASK Jason Ballard about the dramatic renovations done to Oak Hill Country Club's famous East Course, the head golf pro likes to show them a picture from almost 90 years ago.

The black-and-white photo from 1934, nestled in the club's archives, shows the legendary golfer Walter Hagen putting on the club's 13th hole as fans watch from an up-slope behind the green. But in recent years, after repeated tweaks and changes over time, the hole no longer looked anything like the picture.

The slope was gone and bunkers had been added. The green's square shape became circular. The changes embodied how one of the most famous golf courses in America had veered from its initial design.

This year's PGA Championship, which begins on Thursday, returns to Oak Hill in Rochester, N.Y., where the grounds look quite different from the last time it hosted this event a decade ago.

That's because they more closely resemble how Oak Hill looked a century ago. The overhauls, executed in 2019 and celebrated at a socially distanced ribbon-cutting ceremony in 2020, had a specific goal: restoring the original spirit of how the golf course was constructed.

"It looks almost exactly like it does in that photo," Ballard says.

Any elite golf course requires constant updates, as the grounds agronomically evolve.

Courses that host the sport's premier events necessitate even more change to keep pace with the best golfers in the world. Oak Hill, Andrew Green, a golf course architect, was tasked with what he calls a "sympathetic restoration." He wanted to recapture as much of the character Ross instilled in Oak Hill's East Course when he built it in the 1920s. Yet he

also understood that it couldn't be exactly the same as it was back then and still challenge the likes of Jon Rahm and Scottie Scheffler, who pulverize golf balls much farther than their predecessors.

Golf insiders talk about the nuances of famous course designer Donald Ross's works the same way art aficionados gush about Vincent van Gogh's brush strokes. To the people who revere Ross's designs, what had happened at Oak Hill was the equivalent of using a crayon to restore "The Starry Night."

Every time a big-time tournament came to Rochester, the course looked a bit different.

Then there were the trees. As peculiar as it sounds, this country club with a tree in its name had too many of them that had grown far too large. "A 30-foot tree one year is way different than a 60-foot tree 20 years later," Ballard said.

Three holes—Nos. 5, 6 and 15—feature the most drastic changes versus 2013, and the last of those encapsulates the type of test the course could present this week. At 155 yards, this par-3 is the shortest hole on the course, and it still figures to be tricky even without the out-of-place pond. To the left of the green, there are bunkers so deep that players won't be able to see the putting surface when standing inside them. On the right, there's a tightly mown run-off area that makes for a difficult second shot.

It balances the risk and reward that the best layouts offer. An expertly placed wedge off the tee into the small green will be rewarded with a strong look at birdie. Missing the green, though, will mean that managing to make a par will be difficult.

What's old is new again. And that's exactly how Donald Ross drew it up.



Walter Hagen on the 13th at Oak Hill's East Course in 1934.

OPINION

The Right Targets Corporations



WONDER LAND
By Daniel Henninger

The attorneys general of 19 states have sent a letter to JPMorgan Chase, the nation's largest bank, accusing it of discrimination against conservative religious groups. Specifically, the letter accuses Chase of canceling the groups' accounts because the bank abhorred their politics. Chase denies any such discrimination.

One of the accounts belonged to the National Committee for Religious Freedom, which is run by Sam Brownback. Any politically half-aware person knows Mr. Brownback was a U.S. senator from Kansas, the state's governor and most recently the U.S. ambassador-at-large for international religious freedom.

The long-serving CEO of JPMorgan Chase, Jamie Dimon, is one of the few American businessmen these days who could pass for a household name. Do I believe that had he known, Mr. Dimon would have signed off on canceling the Brownback group's account for ideological reasons? I do not. Could some Chase vice president have gotten it into his or her head that pulling the plug on a conservative group was just another day at the office? No answer needed.

Political polarization has been with us a while, but one gets the impression that even growing numbers of left-of-center commentators are taken aback at how it has turned simultaneously intense and casually normal.

For clarity, it is worth noting the states whose attorneys general signed this letter. They are: Kentucky, Alabama, Alaska, Florida, Idaho, Iowa, Louisiana, Missouri, South Carolina, Utah, West Virginia, Arkansas, Georgia, Indiana, Kansas, Mississippi, Montana, Texas and Virginia.

Most of these aren't just Republican or red states. Those are Hillary Clinton's deplorables. These are the states where people, in Barack Obama's telling, "cling to guns and religion." However insulting or undeserved, Mr. Obama's comment enabled the most senior management at hundreds of U.S. corporations to conclude that condescension toward millions of Americans was OK.

Can anyone purport surprise or shock that an organized political backlash is up and running today? Nineteen AGs go after JPMorgan Chase. House Judiciary Committee Chairman Jim Jordan is patrolling the landscape with subpoenas for his subcommittee on political weaponization. Virginia Gov. Glenn Youngkin is reorganizing the state's diversity office. Florida Gov. Ron DeSantis signed a bill this week simply to defund diversity, equity and inclusion, or DEI, programs at the state's public universities.

Corporations find themselves in an incipient civil war between blue and red states over issues like climate policy. New York and California won't let their pension funds invest in fossil-fuel businesses, so Oklahoma and Texas are banning bond issuers who comply with such restrictions.

Yes, it is polarizing, divi-

sive and destructive. But those cows have left the barn. The political stampede is on. Every GOP presidential candidate is going to target politicized corporations.

After Donald Trump was elected president in 2016, it was generally recognized that culturally ignored and condescended-to voters put him across the finish line. You might have thought then it was time to rethink the left's aggressive DEI agenda. Of course it didn't happen.

The business of America should become business again, not politics.

After George Floyd's killing in 2020 and the media elevation of the Black Lives Matter policy agenda, something snapped inside America's institutions. Any recognition of the long-established social utility of political neutrality was abruptly abandoned.

Recently in this newspaper, the widely admired novelist Richard North Patterson wrote a thoughtful essay about the publishing industry's nearly universal rejection of his proposed book on racial conflict. The reason—if you can call it that—offered by one conglomerate head stood out in Mr. Patterson's essay: "All she had to do, she added, was to consult the young people who worked for her. That ended that."

It is obvious that much of corporate America's leadership thought that affiliating their brands with the left's version of what one should

think about race, identity and climate was going to be a low-risk way to keep this crowd from disrupting annual meetings.

Sorry, that's not the way the Democratic Party's careerist left does business.

Once you've made this Faustian bargain, your new partners in the activist left or Biden bureaucracies show up for payment each day. The real meaning of "woke" is that your job now is to implement their politics every waking hour. Ask BlackRock CEO Larry Fink, who popularized ESG, or investing for environmental and social-justice goals, and who will spend the rest of his life entangled in the consequent strategic mess.

Earth to corporate leadership: Your problem goes far beyond the current backlash from the organized right. Most people, once known as customers, aren't enjoying your self-congratulatory moralism or the resulting woke wars. You have become tiresome.

It's time to rediscover that Calvin Coolidge had it right in 1925: "The chief business of the American people is business." That was true in the 100 years before and after Coolidge said it. The material and social success of his formula is proven.

How depressing to think that the next generation of business leadership believes its contribution to the productive life of the United States is obsequious public virtue-signaling. This may be as good a reason as any to avoid World War III. With these people behind the home front, we'd never win.

Write henninger@wsj.com.

BOOKSHELF | By Barton Swaim

An Old Man, Full of Years

The Book of Charlie

By David Von Drehle
(*Simon & Schuster, 194 pages, \$26*)

"You should write a book!" Every wizened storyteller and pub raconteur has heard that exhortation.

But a book, as anyone who's tried to write a memoir will know, is more than a string of anecdotes. Things I Saw and Did sounds like a fine premise, but by itself it doesn't work. What's needed is a gifted writer to turn the anecdotes into a story, and most people who lead full and remarkable lives, sadly, are not gifted writers.

Charlie White, a Kansas City medical doctor who died in 2014, was exactly the sort of guy whose pals urge him to put his life in writing. He was born in 1905 and died a day past his 109th birthday, his mind and memory sharp to the end. In the 1920s, as a medical student in Al Capone's Chicago, he treated mobsters gunned down in the street. During World War II he served in the Army as a physician and was among the first to train other doctors in the new art of intravenous anesthesiology. In the 1950s he was called to Peru to perform surgery on the president's hand.

Charlie was a terrific storyteller, and he had a vast stock of anecdote but neither the ability nor the inclination to collect it all in a book. What a happy circumstance, then, that in 2007 the Washington Post columnist David Von Drehle moved into his Kansas City neighborhood. Mr. Von Drehle first noticed Charlie—he was then 102—washing his girlfriend's car in his driveway.

Mr. Von Drehle is a gifted writer. The ensuing seven-year friendship, which seems to have consisted largely of Charlie talking and Mr. Von Drehle listening, has produced "The Book of Charlie."

The theme is resilience. Charlie experienced tragedy and ugliness early in life, but he wasn't undone. In 1914 his father, a popular Disciples of Christ minister and later a banker, was killed when the elevator in his Kansas City office building lurched upward as he stepped onto it, crushing his torso and then dropping him into the elevator shaft from the ninth floor. Around the same time his mother sent Charlie to a boys' camp in the Ozark Mountains. An 8-year-old boy, he traveled there by train, alone. At the camp he almost certainly witnessed sexual abuse perpetrated by its proprietor, and he may have been abused himself. But Charlie studiously avoided any suggestion that he had been traumatized or permanently scarred.

It was "the craziest camp you could imagine" was about all he would say.

"The Book of Charlie" made me nostalgic for a simpler and tougher America. In 1922 Charlie and two pals—one of them Edgar Snow, many years later the Western journalist to interview Mao Zedong—journeyed from Kansas City to Los Angeles in a Model T. "There were really no roads, no maps," Charlie remembered, only a guidebook published by the Old Trails Association. "We had a sort of a directory which would say, 'Go ten miles this way, and you'll find a big hemlock tree and turn right'—that sort of direction."

There were no rest stops either. And no hotels. "We just slept on the ground. Of course, if it was raining, we got underneath the car."

Once in Los Angeles, the wealthiest of the threesome, the one whose father owned the Model T, sold it and had his parents fetch him. Charlie and Edgar got back to Kansas City by trainhopping. Sometimes a train official would find and expel them, but they would sneak back on. They passed through the Colorado Rockies seated, very much illegally, atop the cowcatcher (Google it) of an ash-spewing locomotive.

Charlie attended college and medical school (the University of Missouri and Northwestern, respectively). He began practicing medicine during the Depression, when many patients couldn't pay cash. One paid with a few tanks of gasoline. Another gave him eggs. One man offered the 1890 edition of the Encyclopaedia Britannica, which Charlie gladly accepted.

Charlie White, a family physician in Kansas City, died in 2014—on the day after his 109th birthday. Resilience is his life's theme.

He practiced medicine in the days when house calls were the ordinary form of medical care and dining-room tables functioned as surgery beds. Charlie recalls to Mr. Von Drehle a time when, on a house call, he was required to remove a patient's tonsils. The patient was already sedated when Charlie realized that he had no wire snare, the thing used to sever the tonsil. So he took a framed picture off the wall, removed the wire used to mount it, sterilized it over a flame and performed the tonsillectomy. The only thing amiss about this operation was the frame needing a new wire.

He was married three times: widowed, divorced, widowed again. In an impressive feat of detective work, Mr. Von Drehle and his wife, a former reporter for the New York Daily News, learned more about the first wife's tragic and untimely death than Charlie ever knew.

A minor complaint. Mr. Von Drehle tries rather too hard, in my view, to explain Charlie's resilience by recourse to the ancient philosophy of Stoicism. Allusions to Marcus Aurelius and Epictetus punctuate the book. But Charlie himself says nothing about this dour philosophy, and it seems obvious to me that his character was formed by that other ancient creed: Christianity. After his father died, Charlie attended church faithfully, evidently with relish.

The idea of becoming a doctor first occurred to him when he heard the stories of medical missionaries who were boarding in his mother's home. He was attending church when Mr. Von Drehle knew him, though the old man joked that he was "cramming for the final." Mr. Von Drehle quotes the Serenity Prayer as though it were an expression of Stoicism, but its author, Reinhold Niebuhr, was a Christian theologian. Part of what made Charlie so resilient, Mr. Von Drehle says, is his capacity for joy: not exactly a Stoic habit of mind, I would have thought.

Even so, "The Book of Charlie" is an original and highly readable account of a splendid American life. We may be grateful that Mr. Von Drehle didn't tell Charlie to write it himself.

Mr. Swaim is an editorial-page writer for the Journal.

Houses Without Tomes Aren't Homes

By Faith Bottum

Books are home. I mean home in the sense of being lost in the reading of them, living within their fictions and intellectual arguments. But even before the actual reading, books are home in the sense that a house isn't a home unless it's lined with books.

Or at least that's how it has always seemed to me. The worn look of the spines, the warm spread of colors, is what transforms a living space into a dwelling. A place to be a home.

Maybe this feeling is just an aftereffect of how I was brought up. My parents' house in Hot Springs, S.D., was a ramshackle Victorian, filled with books—maybe 15,000, on every topic I could imagine.

Nineteenth-century literature wrapped around the dining room. The guest bedroom got modern poetry. Science fiction crowded the schoolroom, with reference books relegated to the living room and children's books lining the sun room.

You can't live a hallway or living room with e-books.

Mysteries and 20th-century theology and more were in upstairs bedrooms and hallways.

To play was to bump into bookshelves. To earn an allowance was to work resheling the books that got pulled down during dinner discussions and my father's rapidly

fluctuating research into whatever took his fancy.

Just holding those books, carrying them to their proper shelves, was an education. I learned young that I should look in the Classics section to reshelving Plato, the Medieval section for Thomas Aquinas, the Renaissance for Dante, the Mystery shelves for Rex Stout.

Books were always everywhere, slowly stacking up on coffee tables and chairs. This past Thanksgiving my father corralled my friends and me to go through the children's books and the foreign-language reference shelves. In his effort to free some bookcase space, he began making piles to give away—and a small part of me started to rebel, objecting to the idea of ever removing any books from the shelf.

Do we ever outgrow our childhood's sense of what a home should be? Maybe, but when it comes to books, I don't want to.

My parents joked that they built a library of standard classics only to find themselves in a world where anyone could download the entire set for free. But an e-book reader with hundreds of titles isn't the same. I suspect we read differently when we read electronic text, but I know we live differently without physical books. They define space with their repository of words. They catch the eye and beckon the imagination. They call to us in ways that no electronic text can.

Ms. Bottum is an assistant editorial features editor at the Journal.

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Mr. Swaim is an editorial-page writer for the Journal.

OPINION

REVIEW & OUTLOOK

The GOP Can Win on Work and Welfare

House Republicans are holding firm as they negotiate a deal with President Biden to raise the debt ceiling—a small miracle for the GOP—and one sticking point is work requirements in welfare. Democrats are digging in, calling the rules this week a “nonstarter,” but the attacks are false, and the GOP has the high ground on the merits and the politics.

The House GOP's Limit, Save, Grow Act that passed this spring stiffens work requirements in programs such as food stamps and Medicaid. The Supplemental Nutrition Assistance Program currently stipulates 20 hours per week of work or training for able-bodied adults under age 50 without children. Those who don't comply can only receive benefits for three months out of every 36.

House Republicans want to raise the age requirement to 55. The bill would also crack down on states that water down the requirements with exemptions. Decide for yourself if a part-time work program aimed at able-bodied men without children at home constitutes taking “food out of the mouths of kids,” as House Democrat Pete Aguilar said in a Tuesday press conference.

Then there's the cash benefit Temporary Assistance for Needy Families (TANF). As a condition of federal funding, states are supposed to engage at least half of families in some type of work, including training or job hunting. But only six states hit the 50% target in 2021, according to the House Ways and Means Committee, and 34 had a 0% effective rate.

Why? For one, states can claim a “credit” against the work target if they reduce their caseload relative to the welfare year 2005, and most do. Republicans would update the year to 2022 so states can't exploit this provision based on antiquated data. What radicals.

States can also pay away the work requirement by spending more of their own money on the program, which the GOP wants to end. Most egregious: Some states goose their stats by sending \$10 or \$20 TANF checks to food-stamp recipients who work, and then counting them in their calculations. The term for this is scam, and offenders include California and Oregon.

The details show how reasonable the debt-ceiling proposals are.

The GOP's boldest proposal is to introduce a work requirement in Medicaid. This is also not an obligation to hold a full-time job, and it doesn't apply to anyone caring for dependent children or an ailing relative, or to pregnant women, or to anyone who is in treatment for substance abuse, among other exemptions.

The biggest budget savings from the GOP work proposals would come from Medicaid, with the Congressional Budget Office estimating \$109 billion in reduced spending over 10 years. States could still pick up the tab for those on Medicaid who refuse to work, and CBO predicts that many would.

President Biden acknowledged on Saturday that he has supported work requirements in the past, most notably Bill Clinton's 1996 welfare reform. He said Medicaid is “a different story” as a healthcare program, but then why not agree on food stamps? The next day the President's Twitter account claimed the GOP proposal would put a million older adults at risk of “going hungry.”

Republicans didn't extend work requirements to parents, even to those with children in school for more than 20 hours a week, and the lesson is that such concessions don't stop Democratic attacks. But now Republicans can hold firm, and even if Mr. Biden won't agree on Medicaid they can bank the incremental wins and build on the progress later.

“They're coming for the children. They're coming for the poor. They're coming for the sick, the elderly and the disabled,” Democrat John Lewis wailed on the House floor in the 1995. He was wrong about that 1996 welfare reform, which included a work requirement and has been an engine for upward mobility. By one analysis, single-parent household poverty fell more than 60% between 1995 and 2016.

Democrats have slowly reversed much of the 1996 reform in recent years. This is one reason so many prime-age Americans are now out of the labor force, which hurts the economy and social cohesion. Republicans can win this debate, if they can explain that welfare should be a temporary hand up, not a permanent sinecure in return for doing nothing.

California's New Budget Reality

California Gov. Gavin Newsom knows which way the political wind blows, and suddenly he's discovered spending restraint. “You don't have to be profligate to be progressive,” he said after unveiling a slightly slimmed down budget last Friday.

Necessity is the mother of Mr. Newsom's newly discovered fiscal invention. The state is now forecasting a \$31.5 billion deficit, up \$9 billion from his January plan and a reversal from last year's \$97.5 billion surplus. Even he blames California's heavily progressive income tax structure, which makes the state vulnerable to sharp revenue swings. The state's top marginal tax rate of 13.3% hits households making more than \$1 million, and the top 0.5% of taxpayers pay more than 40% of state income-tax revenue.

Capital-gains revenue has fallen with the stock market and tech start-up valuations. Income-tax withholding is running about 5% lower than last year, no doubt owing in part to layoffs in Silicon Valley. The Governor's new budget predicts operating deficits of roughly \$15 billion each year from 2024-2027.

Ergo, the new Newsom. His \$306 billion bud-

As revenue falls, Gov. Newsom sees new virtue in spending restraint.

get cuts \$15 billion in spending, in part by clawing back funds appropriated during the pandemic but never spent. Following Sacramento custom, Mr. Newsom also employs accounting tricks such as paying for general fund spending with other revenue sources. His budget is hardly frugal.

But Mr. Newsom is resisting, at least for now, the Legislature's reflexive impulse to raise taxes and raid the state's reserves to spend more on climate, social welfare and raises for government workers. State Senate Democrats want to impose a new progressive corporate income tax and suspend a net operating loss deduction, which lets businesses carry forward losses to future years. Mr. Newsom includes no tax increase in his revised budget other than on Medicaid managed care plans, an accounting gimmick to squeeze more money from Washington.

Mr. Newsom's fiscal turn is notable as Democrats in Washington howl about the House GOP's proposal to cap discretionary spending growth and rescind unspent Covid funds in return for lifting the debt ceiling. Mr. Newsom has a better read on the electorate than his Beltway brethren.

More Election Warnings for the GOP

Three times in a row, since 2018, Republicans have been disappointed on election night in November, in large part because they lost the suburbs. More defeats Tuesday for the GOP in Pennsylvania, Colorado and Florida suggest the erosion is continuing.

After a special election Tuesday outside Philadelphia, Democrats will retain their one-seat majority in the Pennsylvania House that they captured last fall. The 163rd district in Delaware County was long held by the GOP, but Democrat Mike Zabel flipped it in 2018. Mr. Zabel resigned after three women accused him of sexual harassment, giving Republicans another chance to retake the seat.

Democrat Heather Boyd focused on abortion. She won, 60% to 39%, according to the latest returns. Compare that to the registration data: 51% of the district's voters are Democrats, 37% are Republicans, and 12% are unaffiliated. Ms. Boyd's Republican opponent was massively outspent, but the GOP can't win statewide without a better showing in the Philadelphia suburbs.

Meantime, the GOP also lost two of its last urban redoubts. Democrat Donna Deegan, a former TV anchor, took the Jacksonville, Fla., mayor's race with 52% of the vote. The GOP has run Jacksonville for most of the past three decades, and the U.S. Navy has a large presence there. In an even bigger surprise, independent local businessman Yemi Mobolade won the mayoral runoff in Colorado Springs against a well-known Republican. The GOP has run the conservative city for 45 years.

A silver lining Tuesday in Pennsylvania is that sane Republicans rejected Judge Patricia Mc-

Republicans keep losing the suburbs, and now two more big cities.

Trump's 2020 election grievances is a running GOP sore.

With Mr. Trump trying again in 2024, there's a significant risk of hitting a suburban wall next November. In Kentucky on Tuesday, state Attorney General Daniel Cameron secured the GOP nomination to challenge Gov. Andy Beshear. “The Trump culture of winning is alive and well in Kentucky,” Mr. Cameron said, in a shot at Florida Gov. Ron DeSantis, who had endorsed another Republican candidate.

In a GOP primary, Mr. Trump's imprimatur is valuable, but not so much in a general election. Mr. Beshear won't be easy to beat this fall, and Mr. Cameron's strategy of hugging Mr. Trump will be tested. The same goes for the Senate next year, where a friendly map gives the GOP an opening. As Mitch McConnell recently warned: “We do have the possibility of screwing this up, and that gets back to candidate recruitment.”

Democrats gained a Senate seat last year, after the GOP picked fringe nominees. If those same characters, or similar ones, try again next year, they won't magically be more popular. Electability matters. That means giving up Mr. Trump's 2020 conspiracy theories, looking to the future, and finding an abortion compromise that Republicans can sell to the voters they used to take for granted.

Cullough, who was seeking the party's nomination for a state Supreme Court seat. “I was the only judge in the entire country to enter an order to halt the certification of the 2020 presidential election results,” she once bragged. The GOP nominated instead Judge Carolyn Carluccio. But the fact that party money and energy is still being wasted by President

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LETTERS TO THE EDITOR

Is There Any Justice in Charging Daniel Penny?

Regarding your editorial “Charging the Subway Samaritan” (May 13): Some of us are old enough to recall the outrage attending the 1964 murder of Kitty Genovese. No one came to her aid, despite multiple witnesses to her screams as she was attacked at night on a Queens, N.Y., street. There were weeks of media soul searching as to the quality of a culture that led people to ignore her plight.

In charging Daniel Penny, it would appear that Manhattan District Attorney Alvin Bragg now wishes, in effect, to codify such shameful behavior. Jordan Neely had no business being permitted on or below the streets, terrifying citizens. For the sake of brave samaritans everywhere—and certainly for Mr. Penny—let us hope the grand jury sees matters in a similar fashion.

RICHARD H. LEE
Jamestown, R.I.

It is true that, according to the Bible, the good samaritan intervened when everyone else went by. Unlike Mr. Penny, the U.S. Marine, however,

the samaritan didn't subdue, strangle and ultimately kill the poor man. He gave him food and shelter and cared for his wounds.

MORTEN HORN
Oslo

Your editorial worries that citizens will be deterred from intervening to restrain dangerous people in other situations. That is a valid concern, but we must also wonder if a decision not to charge Mr. Penny would lead to more deadly encounters between the mentally ill and bystanders on the New York subway. The editorial points out there has been a “decline of public order,” but chokeholds and deaths on the subway aren't representative of public order, either.

Mr. Neely was acting erratically, and Mr. Penny obviously didn't intend to kill him. But that doesn't mean the rule of law should be neglected. Now, it will be up to a jury to decide what happens next.

BENJAMIN AYANIAN
McLean, Va.

Michelle Obama for President? Not So Fast

Regarding Douglas Schoen and Andrew Stein's op-ed “If Biden bows out, How About Michelle Obama?” (May 15): How about some common sense instead? Sorry, but being married to a former president doesn't provide the necessary credentials and experience to become president.

More likely, the authors are hoping Mrs. Obama would provide a front for a third term for her husband, but two was enough for him. I hope the American people will wake up from the current nightmare to elect a president in 2024 in full possession of his or her faculties and with meaningful experience.

NANCY FLYNN
Bloomfield Hills, Mich.

Mrs. Obama is no doubt a wonderful person with many redeeming qualities, but executive experience doesn't seem to be one of them. Arguably, Bill Clinton was the last U.S. president to begin with what one

RICHARD P. KIDWELL
Gibsonia, Pa.

I can hear Mrs. Obama's victory speech now: “For the second time in my adult life, I am proud of my country.”

MICHAEL H. WAY
Bakersfield, Calif.

New Rules to Make Our Appliances Even Worse

Your editorial “The New Federal Dirty Dish Rule” (May 13) reminds me of our “water-saving” toilet, which often must be flushed several times

A Campus Outrage That Shouldn't Be Allowed to Pass

The outrageous, humiliating removal by security of Prof. Scott Gerber from his Ohio Northern University classroom while teaching, and the subsequent threat of immediate firing, apparently over nonwork views condemned by ONU's diversity jihadis, is shocking (“DEI Brings Kafka to My Law School,” op-ed, May 10). Where is due process? Where are hearings at which Mr. Gerber can confront his accusers? Where is the faculty or governing board? Why shouldn't ONU lose its accreditation?

Based on my experience as a professor in his 58th year of teaching, if we fired every instructor for lack of perceived “collegiality,” we would have a national crisis from academic villages depopulated of their faculty.

ED SEIDERS
Tulsa, Okla.

We wash the dishes before we put them in the machine, so we already follow that wasteful practice. Other rituals include running our water-saving washing machine multiple times to get the clothes clean and restarting the dryer two or three times due to sensors that stop the cycle prematurely. My low-flow toilet? I think my record is five flushes, an achievement I was hoping to take to my grave.

When did inefficiency become synonymous with success, anyway?

TOM ECKER
Laguna Niguel, Calif.

Laguna Niguel, Calif.

Reading Sen. Marco Rubio's op-ed “No More Subsidies for Junk Food” (May 8) reminds me of SNAP abuses known to many in the food business.

I spent a lifetime in a small meat business, with half our sales retail. We sold only meat and cheese, much of it paid for with SNAP benefits. The other half was wholesale to grocers, who could recount many abuses, such as SNAP recipients paying for shopping carts full of cheap, off-brand soda pop on sale, including the bottle deposit. Push the cart into the parking lot, dump the soda in the curb, return the deposit for cash and head straight to the liquor aisle.

DALE SANDERS
Ludington, Mich.

PTSD, Anorexia and the Desire to ‘Stop the Feelings’

My advice that childhood sexual abuse be considered in cases of anorexia nervosa (Letters, May 9) prompted a letter (May 12) regarding psychiatrists blaming parents. Frankly, I haven't heard a psychiatrist blame a parent in decades. That isn't to say that childhood sexual abuse shouldn't be on the list of possible factors; most of the abusers, if this is the case, aren't the fathers, but other relatives or nonrelatives.

What I did discover, to my horror, during the final years of my career, is that 90% of women in our jails and prisons have experienced severe childhood sexual abuse. Essentially all of them suffer from PTSD, and many used opioids and methamphetamine for the symptoms. Less than 1% ever said to me they enjoyed these drugs. Instead, “they stop the feelings,” which is what anorexia does as well, whatever the origin of those feelings.

I admit that I didn't realize until this century that the phrase, “They brought heroin back from Vietnam,” didn't mean in their duffel bags, but in their brains altered by trauma.

DOUGLAS A. KRAMER, M.D.
Middleton, Wis.

Letters intended for publication should be emailed to wsj.ltrs@wsj.com. Please include your city, state and telephone number. All letters are subject to editing, and unpublished letters cannot be acknowledged.

Pepper ... And Salt

THE WALL STREET JOURNAL



“... and then it dawned on me how many hundreds of hours of my life I've spent just waiting for food to drop.”

OPINION

For Gen Z, Unemployment Can Be a Blast

By Suzy Welch

As a regular old, capitalist Boomer gal teaching bright and shiny young M.B.A. students, I sometimes find myself wondering if Generation Z is brilliant or bonkers. Burnout, self-care, boundaries—they need and want them all, sigh. But because I love my students, and they so often surprise me with their profound self-awareness, boundless creativity and poignant longing to save the planet, I usually delight in the discrepancies in our understanding of how the world works. It will all sort itself out in the end, I tell myself, when they bump into reality.

It struck me as bonkers. But then I thought back on the angst of my decades working seven days a week.

But my equanimity was recently tested for the first time in a while, with graduation looming and summer almost upon us, when my students started throwing around the term “funemployment.” As in, “I’ll work when I work, until then, I’ll just do some funemployment.”

I literally screamed in class the first time a student casually mentioned that “funemployment” was her next step in life. “What, what, what?” I cried. “Are you literally saying funemployment—like unemployment can be fun?”

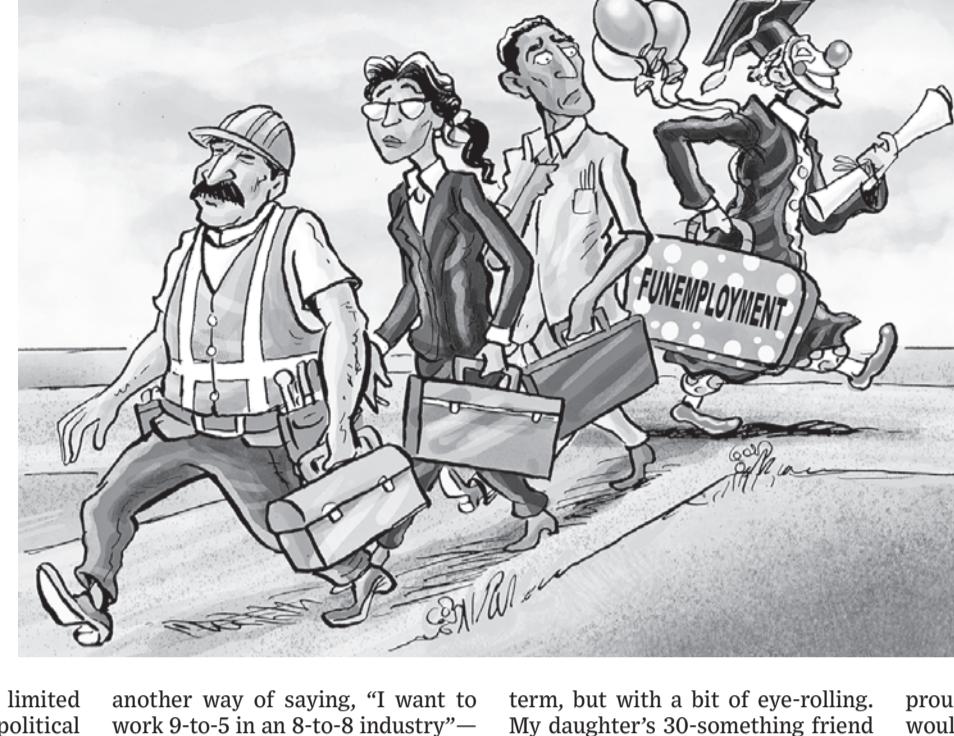
My students burst into laughter. “Yes, exactly!” they assured me. “It can be!” In class and then afterward, they threw out all sorts of ways: going to a vegan sanctuary in Madrid for a few months, mountain climbing in Peru, volunteering with refugees

in Greece for five hours a day in return for room and board, attending Burning Man and then taking some “quality time” to recover.

In a flash, I was reminded of the time Kim Kardashian broke the internet when she said her best advice for women in business was to “get your f— up and work.” The metaverse cleaved in two—people under a certain age were indignant at the suggestion that the system wasn’t rigged against them, rendering hard work pointless. People over a certain age were muttering to themselves, “Oh, I didn’t realize Kim Kardashian was actually smart.”

I generally don’t try to talk my students out of their values. They’ve come to them the same way my generation did ours: life experience. Gen Z has known limited (read: no) economic or geopolitical stability, and, because of social media, their view of the world is both more intimate and more vast than I can fully understand. In one minute, they can bounce between a romantic crisis playing out on Instagram and Twitter posts of a school shooting. When they look up, they see artificial intelligence—which Warren Buffett recently likened to the atomic bomb—hurtling toward them. In this context, if Boomer values rankle them and they’d like to make up a new set, so be it.

But . . . *funemployment*? The idea that not having a job, or even the prospect of one, could be pleasant, delightful and, yes, even desirable? This seems a level step up from wanting work-life balance. It makes even quiet quitting—which is really



When I tested “funemployment” on her, she texted back wryly, “I guess we were truly the joyless generation.”

Another friend, an executive in financial marketing, said, “You must be joking. Then again, why am I not surprised?” A third wrote, “I remember when unemployment was bad and scary—back in the good old days.”

But I wonder, were the old days so good after all? I spent decades working seven days a week—if you count answering emails during my son’s wrestling matches and dictating client memos at birthday parties—and never took a real vacation, or at least one without bouts of panic and guilt. I know I am not alone. My cohort wore this life like a badge of honor.

I still love my job and am proud of my career. But maybe it would have turned out OK anyway without all that angst, not just for me but for everyone whose life I touched.

Sometimes when the Gen Zers in my midst suggest they’re opting out of our “approach” to work, my self-righteous defensiveness breaks down to something closer to mere dismay.

We won’t have a verdict until we see how Gen Z’s values play out for their lives. Until then, I’ll be left mulling whether “funemployment” and Gen Z’s other innovations are brilliant or bonkers. Maybe I’m asking it about the wrong generation after all.

Ms. Welch is a professor of management practice at NYU’s Stern School of Business and a senior adviser at the Brunswick Group.

another way of saying, “I want to work 9-to-5 in an 8-to-8 industry”—seem tame.

Since I first heard about funemployment in class, I have been testing it out on everyone I meet. Gen Zers I know have received my queries with bemusement. Funemployment is so much a part of the vernacular, how could I not know about it? Don’t get all worked up about it either, they said—no one wants to stay unemployed forever. I made a point as well to seek out a few students who I knew were on scholarship. How, I asked them, are people affording funemployment? I was met with shrugs. “You just do,” I was told. My children and their friends, millennials mostly in midlevel corporate jobs, also shrugged off my amazement. To a person, they were familiar with the

term, but with a bit of eye-rolling. My daughter’s 30-something friend observed, “I think Gen Z might be hiding this from you all. Clever.”

She might be right. My own cohort has responded to my funemployment survey with what can only be described as weariness. I have a friend who runs a large media company and employs an army of Gen Zers. We often exchange dispatches from the front. She tells me about the young editor who left a meeting with the explanation “I have to go meet the plumber.” I tell her about the student who reported her homework would be late because she was attending a Harry Styles concert. In our day, we agree, we’d never have skipped out of work midday or missed a deadline, or at least we’d have come up with better excuses.

The ‘14th Amendment Option’ Is a Trap for Biden

By Saikrishna Prakash

The threat of a debt default is again in the air, with the possible dreadful effect of ruining the credit of the U.S. To stave off that default and embarrassment, President Biden is toying with the idea of asserting that the debt ceiling violates the 14th Amendment. Neither the Constitution nor the law nor common sense is on his side.

The 14th Amendment is often cited but rarely quoted. Section 4 both repudiates Confederate debt and promises to honor U.S. debt. The provision at issue provides that the “validity of the public debt of the United States, authorized by law . . . shall not be questioned.” Section 4 doesn’t address default or other failures to honor terms of a debt contract. It bars repudiation. A debtor who is late on a payment isn’t questioning the debt’s validity; he is merely tardy. To my knowledge, no one on either side of the debate is suggesting that the U.S. repudiate its debt.

Further, even if one assumes the 14th Amendment bars debt defaults, it nowhere authorizes the president to take whatever measures he deems necessary to prevent default.

It no more empowers him to take such measures than it does you or me. As per the Constitution, Congress, not the president, has the power to “borrow money on the credit of the United States.” If the Constitution bars default and more money is needed to prevent default, Congress must act. The president can’t issue debt on his own say-so.

And even if one assumes the president has the authority to borrow to pay interest on existing debts, why would he be able to issue debt sufficient to fund all fiscal operations, including not only debt service but hundreds of billions of spending? What Mr. Biden is contemplating isn’t an increase in the debt ceiling sufficient to pay the interest. He is considering defiance of the debt ceiling altogether to spend all that Congress has appropriated. There is no constitutional requirement that once Congress appropriates funds, the federal government must do whatever it takes to spend that money. If Congress appropriates \$1 trillion and the Treasury has only \$900 billion, there is no constitutional issue with spending only the money available. What the president is contemplating has nothing

to do with questioning the validity of federal debts.

Perhaps most important, the White House and the Treasury are hiding the ball. Even with no increase in the debt ceiling and no new borrowing, there’s more than enough money to service the existing debt. According to the Treasury, in March federal receipts were

If he borrows money without congressional approval, the U.S. could later repudiate that debt.

\$313 billion and interest payments were \$67 billion. In April the receipts were \$639 billion and interest \$62 billion. There is no month of the year when interest on the debt will outstrip federal tax receipts.

Hence, even if there were a constitutional requirement to avoid default—and there isn’t—the government has ample funds to meet that obligation. The Treasury knows this. Secretary Janet Yellen’s May 15 letter warns of being

“unable to continue to satisfy all of the government’s obligations.” The “government’s obligations” aren’t limited to the debt. Ms. Yellen is referring to the money that Congress has appropriated. In other words, if the debt ceiling isn’t raised, the amounts that Congress appropriated for this year won’t be spent because there are insufficient funds in the Treasury.

But that isn’t a constitutional problem, and it has nothing to do with the 14th Amendment. If Congress fails to raise the debt ceiling, the only reason there would be a default is if the executive fails to pay the interest on the debt as it comes due. But if the executive branch believes there is a constitutional requirement to pay the interest, why would it even consider refusing to do so? To my knowledge there is no law that prevents the executive from prioritizing interest payments above all other spending.

In fact, there is an argument that having by statute pledged the “faith of the United States Government,” Congress implicitly prioritized the payment of the interest and principal. If the debt ceiling isn’t raised, the Treasury should pay the interest as it is due and

spend less than Congress appropriated. That would be the best solution in the wake of a mismatch between total inflows (taxes plus new borrowing) and Congress’s desired spending.

If Mr. Biden borrows money by executive fiat, the U.S. would be in dangerous and uncharted territory. It’s unclear if anyone would have legal standing to bring a court challenge. But purchasers of these Biden bonds would be assuming an enormous risk. Because the 14th Amendment refers only to debt “authorized by law,” the government could repudiate the Biden bonds.

I hope a compromise is reached. But if our politicians fail us again, the president would be violating the Constitution if he ignored the debt ceiling and borrowed money without Congress’s authorization. The Constitution doesn’t make the president a Mr. Fix-It, empowered to do whatever he feels just or right.

Mr. Prakash is a law professor and Miller Center Senior Fellow at the University of Virginia and author of “The Living Presidency: An Originalist Argument Against Its Ever-Expanding Powers.”

The Durham Report Finds Bad Apples Have Spoiled the FBI

By Thomas J. Baker

Special Counsel John Durham on Monday released his long-awaited report on the origins of the Federal Bureau of Investigation’s probe into Russia’s alleged collusion with Donald Trump’s 2016 presidential campaign. Mr. Durham’s handiwork makes clear that the bureau didn’t have sufficient cause to investigate Mr. Trump’s campaign. Yet the special counsel takes the conclusion a step further, writing that “the FBI failed to uphold their important mission of strict fidelity to the law.” Mr. Durham thus describes a cultural rot, not merely the work of a few bad apples.

The report’s 316 pages detail the FBI’s failings at every turn. Mr. Durham describes how the bureau initiated its probe based on a conversation

between unpaid Trump adviser George Papadopoulos and an Australian diplomat. No U.S. law-enforcement or intelligence agency thought the conversation was evidence of collusion, but the FBI launched a formal investigation anyway without “any significant review of its own intelligence databases” or “conducting interviews of witnesses essential to understand the raw information it had received.” The FBI also opened full investigations of four members of Mr. Trump’s campaign team.

The bureau then began working on authorizations for use of Foreign Intelligence Surveillance Act, or FISA, warrants—which would lead to highly intrusive electronic coverage of Trump adviser Carter Page. We learned from the special counsel that former FBI attorney Kevin Clinesmith committed a criminal

offense by fabricating language in an email that helped the FBI obtain the FISA surveillance order against Mr. Page. Agents also used the unverified dossier, concocted by former British intelligence agent Christopher Steele, as probable cause in its FISA applications.

Mr. Durham notes that the FBI personnel working on those applications displayed “a cavalier attitude towards accuracy and completeness.” FBI personnel continued to seek renewals of FISA surveillance while acknowledging that they didn’t believe there was probable cause. They also disregarded exculpatory information, such as surreptitiously recorded statements from some of the targets themselves.

At the very least, Mr. Durham reminds us, the bureau should have exercised restraint when it received information from Mr. Steele, who was at that time being paid by entities of Hillary Clinton’s campaign. This partisan information helped sustain the probe and, in Mr. Durham’s opinion, contributed to the creation of special counsel Robert Mueller’s investigation.

Mr. Durham’s conclusion tells us that there is a “continuing need” for the FBI to address its analytical failures, confirmation bias and willingness to act without appropriate objectivity. The report adds: “We therefore believe it is important to examine past conduct to identify shortcomings and improve how the government carries out its most sensitive functions.”

On Monday FBI Director Christopher Wray released a message to the bureau’s workforce. Mr. Wray told

his employees that the report concerns the “actions of a few who are no longer part of the organization.” In another statement, the bureau stressed that it has “already implemented dozens of corrective actions.” In other words, the bad apples are gone—nothing to see here.

Yet Mr. Durham’s report doesn’t recommend wholesale changes in Justice Department or FBI policies. The guidelines currently in place,

The special counsel’s inquiry reveals a bureau divorced from its mission of strict fidelity to the law.

which date to Attorney General Edward Levi’s tenure (1975-77), simply need to be followed. As Mr. Durham writes, “the answer is not the creation of new rules but a renewed fidelity to the old.” He concludes that additional regulations will likely prove fruitless if agents aren’t committed to the FBI’s guiding principles of “fidelity, bravery and integrity.”

One needn’t read Mr. Durham’s lengthy report to get a sense of the FBI’s suffering culture. Consider the bureau’s decision last week to refuse a subpoena for Mr. Wray from the House Oversight Committee.

Following up on a whistleblower’s allegations, the committee requested a document that it believed might implicate then-Vice President Joe Biden in a “criminal scheme.” Yet in a six-page letter that was both disrespectful—signed by the

acting assistant director of congressional affairs, not the director, to whom it was addressed—and lecturing, the bureau refused.

I spent 33 years in the FBI, including several in its office for congressional and public affairs. Such recalcitrance was foreign to our operations. Former directors William Webster (1978-87) and Louis Freeh (1993-2001) insisted that the FBI respond promptly to congressional requests. In those days a congressional committee typically didn’t need a subpoena to get information from the FBI. My colleagues and I absorbed that ethos and knew that responding to congressional requests was the right thing to do.

There were times when providing information might have compromised sensitive information—yet there were invariably ways to accommodate requests. In the current instance, the House committee is asking for information contained in a form FD-1023, which is used to record information received from a source. The FBI has a long tradition of protecting informants. To satisfy Congress’s request, the bureau could have provided a summary of the source’s information without identifying him. Instead it refused outright.

Mr. Durham is right: Until its culture is restored, the bureau will continue to stray further from fidelity to the law.

Mr. Baker is a retired FBI special agent and legal attaché and author of “The Fall of the FBI: How a Once Great Agency Became a Threat to Democracy.”

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THE WALL STREET JOURNAL.

Thursday, May 18, 2023 | B1

Target Shoppers Rein In Buying, Denting Sales

BY SARAH NASSAUER

Target sales suffered in the most recent quarter as shoppers stopped splurging as frequently on trendy clothes, home goods and other items that make up the bulk of the retailer's annual revenue.

Comparable sales, those from stores and digital channels operating for at least 12 months, came in flat for the quarter ended April 29 compared with a year earlier. That is slightly lower than the previous quarter's 0.7% rise and lower than analysts' expectations for a 0.2% sales rise in the most recent quarter, according to estimates from FactSet.

Sales of food and beverages, beauty and home essentials such as detergent rose, while demand for apparel, home goods and items such as toys and electronics fell sharply in the most recent quarter as shoppers further pulled back on discretionary spending, said Target executives on a call with analysts Wednesday. The latter discretionary categories make up around 54% of Target's annual sales, according to financial filings.

Those figures further high-

light a challenging trend for the Minneapolis-based retailer: Shoppers flock to Target for trendy items but gravitate to discounters such as dollar stores or Walmart in lean times.

Consumers became increasingly cautious in recent months amid higher interest rates and continued high inflation, which reduced spending on nonessentials, said Target Chief Financial Officer Michael Fiddelke. Shoppers are buying more of Target's food and other essential products, he said. "I'm guessing we're all looking forward to the day when economic conditions begin to stabilize and normalize."

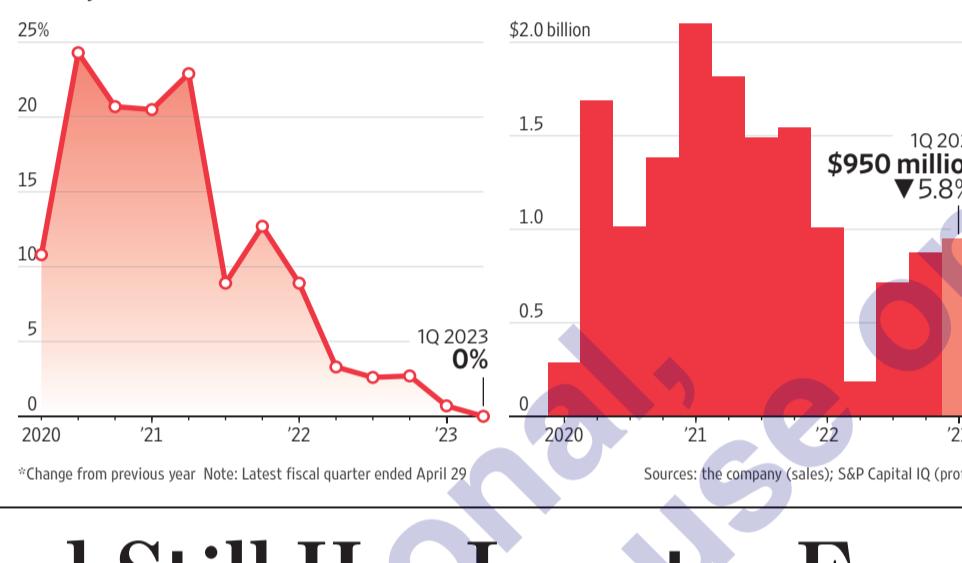
Target had a tumultuous 2022 as demand that fueled the company's strong performance earlier in the pandemic slowed, leaving the retailer with excess inventory that it has been working to unload. Inventory declined 16% in the most recent quarter compared with a year earlier as the retailer cut back on discretionary-product orders and ramped up food and other

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◆ Heard on the Street: Target's 'affordable joy' strategy... B12



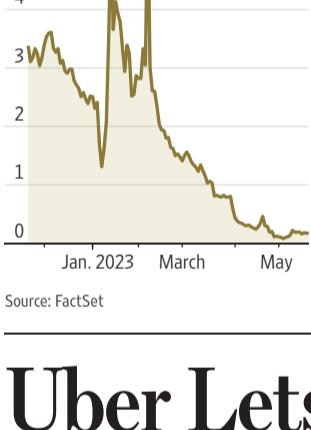
Consumers have become cautious amid higher interest rates and continued high inflation.



*Change from previous year Note: Latest fiscal quarter ended April 29 Sources: the company (sales); S&P Capital IQ (profit)

Bed Bath & Beyond Still Has Investor Fans

Bed Bath & Beyond share price, past six months



BY GUNJAN BANERJI AND ALEXANDER GLADSTONE

Bed Bath & Beyond is going out of business. Some individual investors are still betting on a stock rebound.

After years of losses and an acute cash crunch, the retailer filed for bankruptcy last month and is shutting down its stores and liquidating its inventory. Passionate fans think Bed Bath & Beyond stock isn't dead yet.

Investors in meme stocks are typically eternal optimists, wagering on shares they are excited about even if the underlying fundamentals are weak. Even in that world, the

Bed Bath & Beyond bet is extreme. The company has said it expects shareholders will be wiped out, a projection that emphasizes the hard math of its chapter 11 filing.

"It is obviously the ultimate form of speculation, with buyers betting on the success of a reorganization on a worthless stock," said Charles Geisst, a retired professor of finance at Manhattan College.

The stock now trades for pennies in the over-the-counter market, the province of companies that generally can't trade on regular exchanges. Since it started trading on May 3, Bed Bath & Beyond stock has made

up more than 9% of trades in the Pink Current Market, the over-the-counter market in which it resides, according to data from OTC Markets Group as of last Friday.

Mentions of the ticker have

risen on social media, according to the social-media marketing platform Hootsuite, and many individual investors are exchanging theories on how the shares might stage a U-turn.

The stock, which hit a record of around \$80 in its heyday in 2014, closed at 18 cents on Wednesday.

The company is moving forward with plans to liquidate its inventory. When the company

filed for bankruptcy, it had a gaping hole in its financials: assets of \$4.4 billion and liabilities of \$5.2 billion. Shareholders, as is usually the case in bankruptcy, would be the last in line for any repayment.

The company is still hoping to get a bid for some or all of its assets, Chief Restructuring Officer Holly Etlin said in bankruptcy court papers last month.

Michael "Jared" Martin, 25, said that most of his portfolio is tied up in shares of Bed Bath & Beyond and GameStop. When he received a bonus check from his IT job, he said he poured much of it into the ad-supported version of its service.

"We have a long way to go to build scale in advertising," Netflix Co-Chief Executive Ted Sarandos said Wednesday during a virtual pitch to advertisers. Netflix plans to change the future of ad-supported streaming, and advertisers that work with the company can help shape it, company leaders said.

As of March, Netflix's \$6.99-a-month ad tier had 937,616 U.S. subscribers in March, while Disney+'s ad-backed plan—which made its debut a few weeks after Netflix's November debut—had 863,791, according to subscription-analytics firm Antenna.

Please turn to page B5

Uber Lets Teens With Family Accounts Ride Solo

BY DALVIN BROWN

Uber is offering a solution for parents who need help driving kids around: Let their drivers do it.

Starting Monday, parents and caregivers in 28 metro areas in the U.S. and Canada can invite teens under 18 to create individual Uber accounts linked to a central family profile.

The new accounts let teens request rides on Uber and or-

der food deliveries on Uber Eats. Previously, people had to be 18 to sign up for an Uber account and ride unaccompanied. Many parents already ignored the rule, the company said.

Sachin Kansal, vice president of product management at Uber, noted that teens are already riding. Until now, he said, the app didn't provide guardians proper tools for supervising their children or enhanced safety features for

younger riders. "And it's a problem for drivers because they don't know there's a teen getting into the car," he added.

New protections

The new accounts notify parents when teens request rides and send phone notifications when they reach their destination. Trips will be charged to the default payment method in the parent or guardian's family profile.

Other guardrails will limit

teens to taking trips within their home metro areas, and the young passengers will be given a PIN that drivers must match. Uber said teens can bring up to three friends with them, as long as they are 13 or older and sitting in the back seat. They can only request UberX or Uber Green rides—and they'll be charged standard rates including surge prices, the company said.

There is no spending limit, but they can't request the premium Uber Comfort, Uber Reserve or UberXL.

Driver criteria

Drivers can opt in if they are amenable to taking requests for teen rides. Uber said it would only approve highly rated drivers who have performed hundreds of rides. New drivers won't be eligible. Kansal declined to share additional driver requirements.

Drivers will be able to rate Please turn to page B4

the company is closing in on foreign rivals. A pop-up store in Paris.

CHRISTOPHE ARCHAMBAULT/AGENCE FRANCE PRESSE/GETTY IMAGES

Source: Sensor Tower

25 million

Monthly active users in the U.S.

Shein (blue line), Temu (orange line)

Source: Sensor Tower

20 million

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10 million

5 million

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Sept. 2022 '23

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BUSINESS & FINANCE

Skype Users Face Hitch Making Calls to China

By SHEN LU

Microsoft said Wednesday it was working to fix an issue that had prevented users of Skype, its internet-telephone and messaging service, from calling numbers in China.

Skype users started reporting connection issues when dialing Chinese phone numbers earlier this month. Since several Skype users sought help on Microsoft's support forum about trouble connecting to Chinese phone numbers, hundreds of other users have said they had encountered the same problem.

"I have been using Skype to call my parents in China for a long time, and it is working fine. However, I cannot do it anymore starting yesterday," one user wrote on May 7.

On Wednesday, attempts by The Wall Street Journal to call cellphones and landlines in China from the U.S. yielded a message other users said they had received: "Your connection is too weak, please try again later."

Skype said in a Wednesday notice on its website that the issue started on May 5 and that it has identified its cause. A notice published May 6 on the

website of Skype's Chinese operator attributed the connection problem to "technical issues."

A Microsoft spokesperson said Wednesday, "We're working to restore service to some customers who may have lost access to Skype in China due to changes made by local telecom operators." The statement didn't elaborate.

The Skype connection issue comes as Beijing doubles down on restricting information chan-

Skype's Chinese operator attributed the problem to "technical issues."

nels linked to the outside world. Authorities have curtailed or blocked foreign access to a number of corporate-registration services, official documents and academic journals in China. Beijing also has expanded an anti-espionage law designed to fight perceived foreign threats.

While major Western internet services such as Google's search engine, Facebook and

Twitter have long been inaccessible in the country without workaround tools, Microsoft's services have had an up-and-down relationship with the government.

Microsoft launched a heavily censored version of its search engine Bing in China in 2009 and in 2017 developed a version of Windows 10 customized for Chinese government use. Recently, the Microsoft-owned professional-networking service LinkedIn announced it would close down its China jobs app by August, citing competition and a challenging environment.

LinkedIn introduced its China jobs app, called InCareer, after it exited social media in China in 2021. In 2017, **Apple** removed Skype from its Chinese app store as Beijing tightened cyber restrictions. Skype is still unavailable for download on Apple's App Store in China, while its business version, Skype for Business, is available.

In 2019, Microsoft's Bing search engine briefly became unavailable in China as tensions grew between the U.S. and China over trade and technology.

—Tom Dotan

contributed to this article.

pany's senior lenders, including **JPMorgan Chase**.

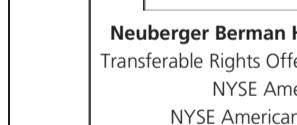
In late March, after the company's declining stock price made capital raising more difficult, Bed Bath & Beyond terminated the deal with Hudson Bay and switched to a new arrangement. In that deal, it tried to sell an even greater number of shares through the investment bank B. Riley Securities.

In total, Bed Bath & Beyond issued more than 600 million shares between Jan. 21 and April 23, bringing share count to 739 million from 117 million and diluting early shareholders.

Peter Bowditch, 32, said he enjoys following meme stocks online and chatting with others about the trades. He checks his stock portfolio on his phone in between jobs doing construction and landscaping work in western Massachusetts. He doesn't plan on selling his Bed Bath & Beyond stake.

"It's a meme stock," Bowditch said. "Anything can happen with those."

Watch a Video



Scan this code for a video on the bankruptcy of Bed Bath & Beyond.

THALIA JUAREZ FOR THE WALL STREET JOURNAL

Target's Revenue Suffers

Continued from page B1 necessities, said executives.

Target shares rose 2.6% Wednesday.

TJX, known for discounted trendy apparel, on Wednesday reported a 3% increase in comparable sales, which excluded digital sales, for the quarter ended April 29. That is a slight slowdown from the previous quarter but faster growth than many apparel retailers reported in recent months.

Some retailers have reported sales decreases for the most recent quarter as shoppers become increasingly cautious even if they are in a relatively stable financial position.

Earlier this week, **Home Depot** said sales for the most recent quarter fell 4.2% and its annual sales are likely to decline for the first time since 2009.

Home Depot benefited earlier in the pandemic from a profit and sales surge as homebound Americans spent more to upgrade their homes.

Executives knew that trend would cool, said Richard McPhail, the chain's chief financial officer, but it has happened faster than expected in recent months as other factors have made shoppers cautious, including inflation and higher interest rates.

Overall, Home Depot's core shoppers, often homeowners, are in good financial health, he said, but "there has been this shift in the consumer psyche."

Target's net earnings fell 5.8% to \$950 million in the quarter, hit by higher labor costs, inflation and shrink, the loss of merchandise due to theft or other issues.

Target reported earnings per share of \$2.06 in the most recent quarter, beating analysts' expectations for \$1.77 a share, according to FactSet.

"We continue to contend with a significant headwind caused by inventory shrink, building on a worsening trend that emerged last year," said Target Chief Executive Brian Cornell. Target predicts that shrink could reduce profitability by more than \$500 million this year, he said.

Profit got a boost from lower freight costs, higher product prices, fewer discounts and fewer digital sales, which tend to have lower margins.

The retailer maintained its previous sales and profit outlook for the year.

Target's total revenue rose 0.6% in the most recent quarter to \$25.3 billion.

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Some investors are still buying the retailer's shares even as it warns bankruptcy will wipe them out.

fondly how he became chairman of GameStop. A spokesman for Cohen declined to comment.

A last-ditch financing deal earlier this year, meant to keep Bed Bath & Beyond from bankruptcy, relied heavily on the

good graces of individual investors. The deal provided Bed Bath & Beyond with a cash infusion from **Hudson Bay Capital Management**. In return, the hedge fund could acquire shares at a discount and then immediately sell them into the

market. The hedge fund sold shares into the market for almost two months.

Much of the money that Bed Bath & Beyond raised from the Hudson Bay deal was burned through by operating losses or went toward repaying the com-

pany's senior lenders, including **JPMorgan Chase**.

In late March, after the company's declining stock price made capital raising more difficult, Bed Bath & Beyond terminated the deal with Hudson Bay and switched to a new arrangement.

Peter Bowditch, 32, said he enjoys following meme stocks online and chatting with others about the trades. He checks his stock portfolio on his phone in between jobs doing construction and landscaping work in western Massachusetts. He doesn't plan on selling his Bed Bath & Beyond stake.

"It's a meme stock," Bowditch said. "Anything can happen with those."

Continued from page B1 home goods retailer's shares this March. He doesn't plan to sell.

"I think that Bed Bath & Beyond, even in bankruptcy, is one of the best deals in the stock market," said Martin, who is based near Louisville, Ky.

Martin, who started chatting with other traders on the Reddit forum WallStreetBets years ago, first got into the stock around the time that the billionaire investor Ryan Cohen did so last year.

Martin has gradually increased his stake, while doing hours of analysis on the company and how it might exit bankruptcy. "You can call me a conspiracy theorist," he said.

Cohen dumped his shares after a matter of months, sending the stock tumbling.

Now some traders are banking on Cohen to rescue the company. They remember

Shein's "on-demand production model" helps it reduce inventory turnover to about 40 days, less than half the time at brick-and-mortar retailers like H&M and Inditex, with fewer markdowns and less waste, according to a recent report by Boston Consulting Group on fashion industry supply chains.

The company said last month it is investing \$70 million over the course of the next five years to help its manufacturers upgrade their facilities and their workers' conditions.

The company is diversifying its supply chain to countries including Brazil and Turkey. It has said it is investing \$150 million to train 2,000 local manufacturers in Brazil in the next three years, making the country an export hub for Latin America.

In response to criticisms that the company's cheap, less durable clothing has fueled overconsumption, Shein launched a recycling program, "Shein Exchange," last year in the U.S. The program has one million registered users. By comparison, it has more than 20 million monthly active users in the U.S., according to data from market-insights firm Sensor Tower.

Shein is facing increasing challenges from Temu, which caught wider attention with its Super Bowl ads in February.

Temu, launched in the U.S. in September, overtook Shein in November by mobile app downloads just two months later, and is closing in on the latter's active user base, Sensor Tower data shows.

Before the latest fundraising, Shein was last valued at \$100 billion.

Regions, such as Bangladesh, Tanzania, and Pakistan, adding that cotton from the U.S., India, Brazil, and Australia make up about 95% of all cotton sourced for Shein-branded products.

During the fundraising, Shein hired London-based consulting firm ERM to conduct an independent review and due diligence of its environmental, social and governance performance to address investor concerns, according to people familiar with the matter.

"Every single disrupter that

has changed an industry has been faced with this type of backlash," Marcelo Claure, Shein's Latin America chairman, said in an interview.

Such lobbying is expected "when you are changing many billions and billions of dollars that went to traditional retail," he said.

"We have zero tolerance for forced labor," the company said in a statement. The company declined to comment on its IPO plans.

The company said on its website that its manufacturers are only allowed to source cotton from the U.S., India, Brazil, Australia and other approved

countries, such as Bangladesh, Tanzania, and Pakistan, adding that cotton from the U.S., India, Brazil, and Australia make up about 95% of all cotton sourced for Shein-branded products.

During the fundraising, Shein hired London-based consulting firm ERM to conduct an independent review and due diligence of its environmental, social and governance performance to address investor concerns, according to people familiar with the matter.

"Every single disrupter that</p

BUSINESS NEWS

IBM, Google Aid Quantum Push

Companies to give combined \$150 million for university research in supercomputer race

BY PETER LANDERS

TOKYO—International Business Machines and Google are giving \$150 million for quantum-computing research at the University of Chicago and the University of Tokyo as the U.S. and Japan try to stay ahead of a fast-rising China.

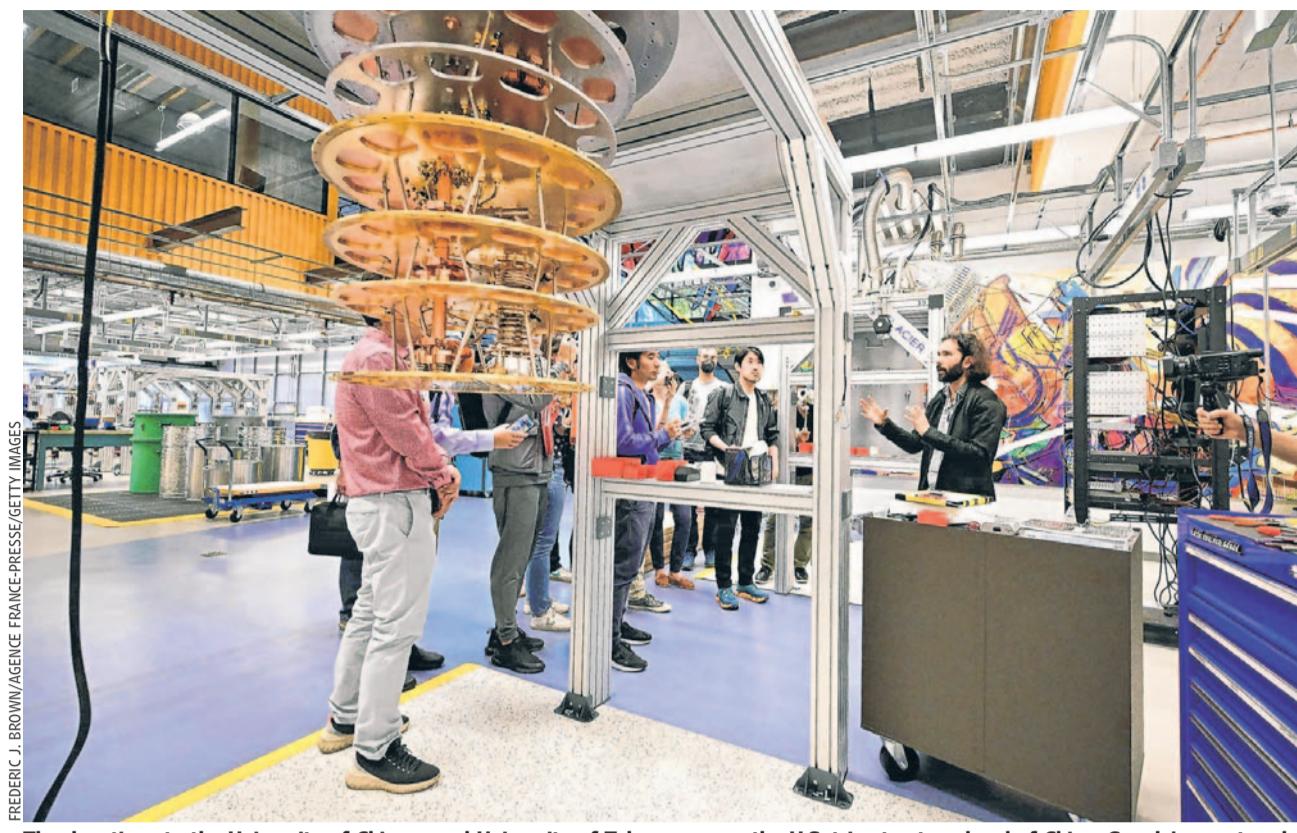
Quantum computers are a hot area of research because they could help solve problems that classical computers alone can't, such as modeling how a drug molecule interacts with the body's proteins or how batteries work at an atomic scale.

China has invested heavily in quantum computing, which also has possible military applications in cryptology and materials for weapons. U.S. researchers said Chinese laboratories have shown progress recently—often touted in state media—and are competitive in some areas. However, quantum-computing specialists say more basic study is needed before anyone can be sure the technology delivers real-world benefits.

The U.S.-Japan partnership is an example of how scientific research with implications for security and economic growth is increasingly split between China and a U.S.-led camp that includes allies such as Japan and Western European nations.

"We have to count on our allies more for primary research," said Rahm Emanuel, the U.S. ambassador to Japan.

Until recently, he said, the U.S. was too lax in allowing Chinese students to work at American universities in advanced scientific fields. "We were funding them. We were not only funding them, we were training them, educating them to come back and compete against us," he said.



The donations to the University of Chicago and University of Tokyo come as the U.S. tries to stay ahead of China. Google's quantum lab.

The University of Tokyo's executive vice president, Hiroaki Aihara, said many Chinese quantum-computing advances were shrouded in secrecy. "They are a very formidable competitor," he said.

Emanuel said the partnership was hatched when the University of Tokyo's president came over for lunch last July and mentioned the university's quantum-computing program. As mayor of Chicago, Emanuel had promoted the University of Chicago's ambitions in the field, so he pitched a joint research program with funds from U.S. companies.

IBM said it would give \$100 million to the two universities with the aim of building a quantum-centric supercomputer in a decade that contains 100,000 qubits, the quantum equivalent of bits in a conventional digital computer. The company showed off a 433-qubit processor last November.

Unlike digital bits that are

either zero or one, qubits store information in a quantum state that is a mix of zero and one. Quantum computers draw on the often-counterintuitive principles of quantum mechanics, such as the notion

negativism on fossil fuels goes away," Krishna said.

Or, he said, the new computers might be able to simulate at an atomic level what happens inside an electric-vehicle battery. "You could do something in an evening that would have taken six months in a lab," he said.

The technology is still in the early stages. Charina Chou, the chief operating officer at Google Quantum AI, said Google estimated that ultimately a useful quantum computer would need a million qubits, up from something on the order of hundreds today.

She said it would need to make an error only about one in every million steps instead of one in 100—a rate that itself is the result of breakthroughs in error correction.

Alphabet's Google recently reported in the journal Nature.

"There's going to be a real need for people who understand the technology behind this and can help to implement it," said University of Chicago President Paul Alivisatos.

the quality, so it's going to be a hard problem," Chou said.

Google is contributing \$50 million to the two universities in what Chou said was the first time the Silicon Valley company was sharing its quantum computer with university scientists as part of a long-term research partnership.

A signing ceremony is set for this weekend in Hiroshima, Japan, where President Biden and other leaders of the Group of Seven industrialized nations are holding their annual summit.

Participants said the partnership aimed to educate a generation of quantum specialists, not only physicists to design the computers but also scientists in adjacent fields who can use them to solve problems.

"We have four orders of magnitude to go on the quantity, we have four orders of magnitude to go roughly on

Holmes Is Ordered To Prison May 30

BY MEGHAN BOBROWSKY

Theranos founder Elizabeth Holmes must report to prison by May 30, a judge said Wednesday, after a court denied her request to stay out pending appeal.

The U.S. Court of Appeals for the Ninth Circuit on Tuesday denied her request to stay out on bail, saying Holmes's appeal doesn't raise a substantial question of law and that even if it did, it is unlikely that it would be enough to overturn her fraud conviction.

Holmes, the disgraced founder of blood-testing startup Theranos, was convicted of wire fraud and conspiracy to commit wire fraud against the company's investors in January 2022. She was sentenced to more than 11 years in prison.

On Tuesday, Holmes and her former second-in-command Ramesh "Sunny" Balwani, who was also convicted of fraud at Theranos, were jointly ordered by a lower court to pay \$452 million in restitution to investors, including \$125 million to Rupert Murdoch, executive chairman of News Corp, which owns The Wall Street Journal. The federal government had previously asked for more than \$800 million in restitution, according to court filings.

Holmes was originally scheduled to report to prison on April 27, but her reporting date was delayed while the appeals court considered her request. Holmes's lawyers asked the court Wednesday to set May 30 as the new date on which Holmes will report to the Bureau of Prisons.

A lawyer for Holmes didn't respond to requests for comment. A spokesperson for the government declined to comment.

Private-Equity Sector Heads Toward an Expansion Race

BY MARIA ARMENTAL

More private-markets firms see peers as potential acquisition targets in the race to expand assets under management and the fees they generate, according to industry consulting firm Bain & Co.

Such transactions establish new lines of business and provide for expanding into new geographic markets, Boston-based Bain said in a report.

On Monday, buyout firm TPG said it would acquire fellow asset manager Angelo Gordon. The transaction would mark a significant expansion into private credit just three years after TPG parted ways with Sixth Street Partners, its credit investing arm. The deal would increase TPG's assets by 54% to about \$208 billion.

The number of strategic acquisitions announced or made by the world's 50 largest alternative-asset managers more than doubled from 2020 to a decade-high of 25 in 2021, Bain said. Last year saw 18 such transactions, the second-highest total over the past decade.

Hugh MacArthur, Bain's chairman of private equity, said the trend would acceler-

Number of firm acquisitions by the 50 largest private-capital firms



ate over the next two to three years, particularly among publicly traded firms.

For instance, European buyout and infrastructure firm EQT hadn't done any strategic acquisitions before going public in 2019. Since then, it completed five such deals, including a \$7.5 billion acquisition of investment firm Baring Private Equity Asia last year and buying real-estate-focused Exeter Property Group in 2021, Bain said. The two transactions es-

tablished EQT as a major operator in Asia and as a U.S. real-estate investor, particularly in the logistics and industrial markets.

Private-capital firms often prefer to build businesses and teams in-house, but "what we're seeing increasingly is that our industry is maturing, which means that it also becomes harder to do things on [an] organic basis," said Gustav Segerberg, EQT's head of business development.

"That was the case for us in Asia, where we had an existing business, but we did not feel that we had the right capabilities to really scale it," Segerberg said.

Bain's MacArthur said he expects improved market conditions to unleash a wave of acquisitions as more alternative managers go public. Such a turning point could arrive as soon as early next year, he said.

Despite their expertise in buying other businesses, private-equity firms have largely shied away from acquiring their own. Too often, Bain said, cultures clash, disagreements over compensation and sharing investment profits prove insurmountable, or talented people at target firms jump ship.

New Relic Is in Talks to Be Sold

BY LAURA COOPER

Private-equity firms Francisco Partners and TPG are working together on a \$5 billion-plus bid to acquire software company New Relic, according to people familiar with the matter.

Should there be a deal, it could be reached in the next few weeks, according to the people. It is possible the talks could fall apart and other suitors could still emerge.

Shares of New Relic closed at \$83.84 Wednesday, up 11%, after The Wall Street Journal reported the potential deal, giving the company a market value of roughly \$5.8 billion.

New Relic, based in San

Francisco, provides observability software, which allows app owners and websites to track the performance of their services.

Mergers and acquisitions, especially for private-equity firms, have been muted of late as a result of market volatility and economic uncertainty. As of May 12, private-equity firms had struck \$73.2 billion worth of leveraged buyouts versus \$111.1 billion in the year-earlier period, according to Dealogic.

TPG is known for investing in both technology and healthcare companies. The firm, which went public last year, has about \$137 billion in assets under management.

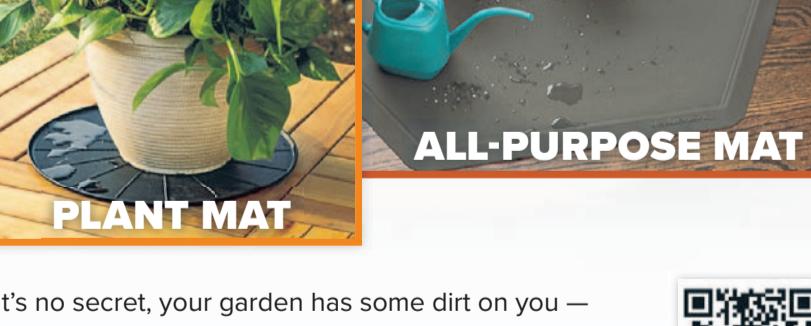
On Monday, the firm an-

nounced that it would buy alternative investment firm Angelo Gordon, which focuses on credit and real-estate investing, in a transaction valued at \$2.7 billion.

Francisco focuses on technology investing. In February, the firm said it would purchase software company Sumo Logic for about \$1.7 billion. Last year it raised some \$17 billion across two funds, including \$13.5 billion for its latest main buyout vehicle.

The San Francisco firm is known for complex carve-out transactions such as the purchase of International Business Machines' healthcare-data and analytics assets, which it completed in June 2022.

NIP MESSES IN THE BUD



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CNN Adds Kaitlan Collins to Prime Time

Anchor to host key 9 p.m. show beginning in June as network struggles in ratings

By ISABELLA SIMONETTI

Kaitlan Collins, the CNN anchor who moderated the network's recent town hall with former President Donald Trump, will take over as host of its 9 p.m. hour starting in June, network boss Chris Licht said in an email to staff Wednesday.

Collins's new program, which will officially launch this summer, will include reporting and perspective on major news stories, Licht said in the email.

The 31-year-old Collins has emerged as a rising star at CNN. Her appointment is Licht's latest attempt to reshape the network's programming since he became the network's chief



KEVIN MAZUR/GETTY IMAGES

Collins moderated the cable network's recent town hall with former President Donald Trump.

executive a little over a year ago. During the past three years, Collins has served as the network's chief White House correspondent, morning show

anchor and now prime-time host. "She is a smart and gifted journalist who we've all seen hold lawmakers and newsmakers accountable," Licht said in

the email. "She pushes politicians off their talking points, gets real answers—and as everyone who's worked with her knows—breaks a lot of news."

Licht also said that CNN will consider internal candidates and undergo a nationwide search for an executive producer for Collins's new program. Collins will transition from "CNN This Morning," a program she currently hosts with co-anchor Poppy Harlow. A rotation of different anchors will take her place during the transition, Licht said.

The May 10 town hall with Trump was a big moment for Collins, who was put in front of a sizable television audience to spar with Trump as a crowd of more than 300 people, which included likely Republican primary voters, often cheered on the former president.

The town hall was watched by 3.3 million viewers, according to Nielsen data provided by CNN, much higher than CNN's typical average in prime time but smaller than the audience for major political debates.

CNN has been struggling with its lowest ratings in years. Licht has been trying to make the network more in touch with an audience beyond the Northeast, after internal research found that viewers were turned off by inflammatory political coverage, *The Wall Street Journal* has reported.

A variety of pundits panned the Trump town hall on social media last week, saying CNN gave Trump airtime to repeat lies about the election and make light of sexual abuse.

After the town hall, the network stood by its decision to host the former president. Collins "asked tough, fair and revealing questions," the network said. "And she followed up and fact-checked President Trump in real-time to arm voters with crucial information about his positions as he enters the 2024 election as the Republican front-runner."

Uber Lets Teens Ride By Themselves

Continued from page B1
teen accounts, but those ratings won't affect the parent or family profile, he said.

Parental supervision

Parents and caregivers can track teens' trips in real time, and can call the driver if needed. Uber will also use software to monitor teen trips for potential anomalies, such as prolonged stops ahead of the destination. Drivers can't change the destination of the trip; only teens can.

One more extreme safeguard: In the app, the teen can opt into automatic audio recordings of every ride. The files are stored encrypted on the child's device. Uber said it would be able to obtain the recording only if the user opens an incident report. Otherwise,

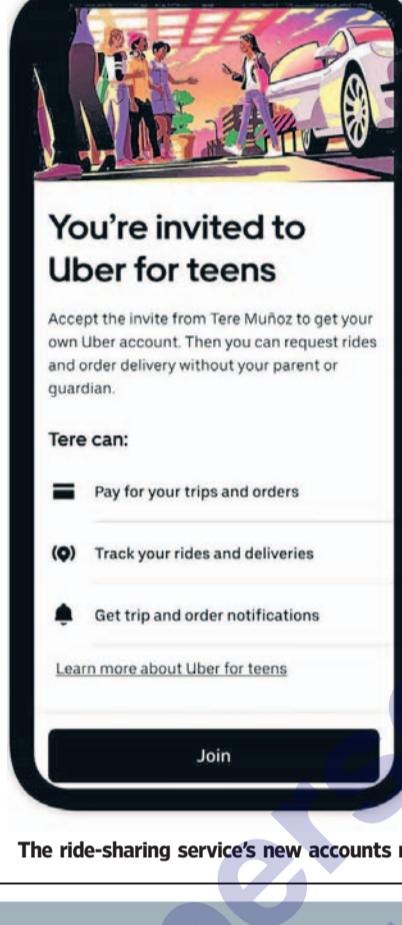
it can't be accessed by anyone. When teens turn 18, their accounts will be converted to standard Uber accounts. They will remain part of their family profiles unless they decide to leave.

Where and how

The first cities in the U.S. to get teen accounts include New York and its suburbs, Atlanta, Dallas, Houston, Phoenix and Kansas City, Mo., along with eight other metro areas. Vancouver, British Columbia, Montreal and 12 other Canadian cities also will have the new service before it expands to other places in the coming months. Uber piloted the feature in San Antonio and other cities, a spokesman said.

On Monday, the option for a family profile should appear in settings under Account in an updated Uber app. Follow the instructions to add a family member and send him or her an invite code.

Teen accounts come alongside other new tools from Uber, including the ability to request vehicles with car seats in New York and Los Angeles.



The ride-sharing service's new accounts notify parents when teens request rides. Parents would be able to monitor the trips in real time.

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TECHNOLOGY

Laid-Off IT Staff Shun Run-of-Mill Work

Recruiters at firms not specializing in tech are at disadvantage over work culture, pay

By ANGUS LOTEN

Companies outside of the tech sector are facing an uphill battle in trying to recruit Big Tech's laid-off software developers, engineers and data scientists, recruiters say.

After contributing to leading-edge software capabilities at places like Microsoft, Google or Meta, suddenly available tech workers aren't eager to apply for day-to-day information-technology jobs, they say.

"If you're a young hotshot code developer, Honeywell may not be on your list of top five or 10 companies that you want to go work for," said Kevin Dehoff, president and chief executive officer at industrial giant Honeywell's Connected Enterprise software group.

The company currently needs software developers to drive growth; despite market turbulence, Honeywell has seen revenue gains over the past year, Dehoff said. Though tech-sector layoffs have flooded the market with tal-

ent, "we've had to kind of carve out a talent brand that would appeal to those developers," he said.

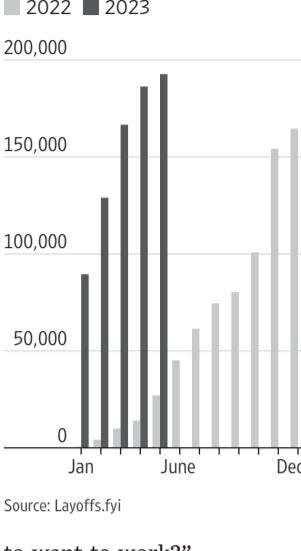
For Honeywell, that has meant offering sought-after candidates a chance to go beyond writing run-of-the-mill software code. Instead, Dehoff said, the company is offering roles with a greater sense of mission in designing innovative software apps to solve real-world business problems or broader sustainability issues.

Honeywell and other companies trying to snatch cast-off tech workers face long odds, said Lauren Illovsy, talent partner at CapitalG, Google's independent venture investing arm.

"One of the challenges these CIOs will have is that, yes, there is a lot of talent out there now, but these people might not be ready to make that move out of the tech sector," she said.

In general, it is rare for a Big Tech worker to uproot and move to the IT department of a retailer, insurance company or other non-tech business, she said. "If Fortune 500 companies really want to compete for this talent, they have to ask themselves, how do we make this the kind of company where these people are going

Estimated number of layoffs in the tech sector, cumulative



to want to work?"

The current uneven economy will make that even more difficult, as companies cut IT budgets and put moonshot projects on hold.

So far this year, employers across the tech sector had laid off an estimated 194,659 workers as of Wednesday, already outpacing the roughly 165,000 for all of 2022, according to data tracker Layoffs.fyi. Though many of those who lost jobs were in sales, marketing or administration, the cuts have also included the



Honeywell's software group says recruiting can be a challenge.

tech workers long been prized by chief information officers and other recruiters at companies outside tech.

Last month, U.S. employers across all sectors posted more than 300,000 ads for open tech positions, a six-month high, according to IT trade group CompTIA. All told, U.S. employers added 253,000 jobs in April, the highest increase since January, pushing the jobless rate to a decades-low 3.4%, the Labor Department said earlier this month.

An estimated 90% of work-

ers who have been laid off by large tech companies have already found new jobs, said Ruth Ebeling, managing director and partner at Boston Consulting Group, a management consulting firm.

Most have stayed in the tech sector—U.S. tech-sector employers added 18,795 workers in April, CompTIA estimates—with about 40% joining startups or other small tech firms, Ebeling said. "They are not waiting around to be scooped up by the IT functions of Fortune 500 companies,"

she said.

Indeed, in the wake of tech-sector layoffs many large employers are now competing for talent against early-stage startups, said Art Zeile, chief executive of tech-career marketplace Dice. Among other benefits, startups give these workers a better chance of experimenting with untested software tools, or playing a bigger role in decision-making, he said.

Software developers and engineers have also grown accustomed to working remotely, Zeile noted, an option that larger employers are less likely to provide.

The differences in workplace culture between tech and non-tech companies can also be stark, said Cenk Ozdemir, cloud and digital practice leader at PwC.

"The tech sector typically operates on an agile basis and it is fast-paced, leveraging the latest methods, tools and technologies," Ozdemir said. "Companies in other industries may take a slower, but stable approach."

Yet another issue is pay. For years, the tech world's biggest employers have snagged in-demand workers with lavish pay and benefits—packages that most companies outside the sector can't match.

Corporate Cybersecurity Chiefs Suffer From Burnout

By CATHERINE STUPP

ments.

For years, many executives showed little interest in cybersecurity, but the Covid-19 pandemic was a wake-up call as companies quickly moved to remote work and required extra security protections for employees at home, he said.

After putting some technology projects and acquisitions on hold during the pandemic, many companies are now moving on certain tech initiatives and acquisitions that require the attention of CISOs, adding more responsibilities to their plates, Simpson said. "The person that was already tired through the pandemic, got burned out during the pandemic, is now being told to run faster than ever," he said.

Seventy-three percent of CISOs in the U.S. said they had experienced burnout in the past 12 months, according to a survey of 1,600 cyber leaders across 16 countries, carried out by security firm Proofpoint. Sixty percent of all the CISOs surveyed said they had experienced burnout in the past year.

Potential liability risks related to a cyberattack have become a growing worry for

some CISOs. Two or three years ago, around 25% of candidates for the job asked about being under the insurance policy of a company director or corporate officer, but now almost all candidates ask for it, said Michael Piacente, managing partner at Hitch Partners, a cybersecurity-focused recruitment company.

Directors and officers' insurance policies protect people in senior management roles from personal losses if they are sued as a result of a decision they made on the job. Around 42% of publicly traded companies granted CISOs' requests to be under the D&O insurance in 2022, up 5% from 2021, according to a Hitch Partners survey last month of around 637 U.S. cybersecurity leaders.

The fallout from budget and staffing constraints is more serious and stressful for cybersecurity leaders even if similar limitations apply to every department, said Geoff Belknap, CISO at LinkedIn.

"In security, if you don't handle your constraints well, what you're potentially looking at is your brand is significantly damaged, your customers are at risk," he said.

Around 61% of CISOs said they face excessive expectations from their employers, up from 49% in 2022. Many CISOs need to continue to defend their companies with stretched resources. Sixty-two percent of cyber leaders said they are concerned about personal liability related to a cyberattack on their company as legal and

Covid-19 was a wake-up call as firms quickly moved to remote work.

regulatory pressures grow.

The recent legal case against former Uber Chief Security Officer Joe Sullivan, charged with obstruction of justice, has heightened awareness among CISOs about their own accountability. A federal judge sentenced Sullivan on May 4 to three years of probation and ordered him to pay a fine of \$50,000 for failing to report a 2016 data breach to the Federal Trade Commission.

"They're more and more focused on life after CISO," she said.

Tools such as OpenAI's ChatGPT bot are a special challenge. CISOs must figure out which

employees are using such tools, bearing in mind that most employees won't consider the security risks that come with the new technology, said Patrick Gaul, executive director of the National Technology Security Coalition, an advocacy group of chief information security officers. RELX, parent of publisher Elsevier and information service LexisNexis, is drafting rules outlining how employees may use ChatGPT.

Companies experimenting with or rolling out products that use ChatGPT have cautioned employees about risks involving data leaks and privacy. "CISOs can't be seen as barriers to progress," Gaul said.

Corporate bureaucracy causes stress for cyber leaders, said Jerry Perullo, who retired last year as CISO of Intercontinental Exchange. CISOs see resistance to their requests because executives often don't understand cyber risks sufficiently, said Perullo, founder of cybersecurity advisory firm Adversarial Risk Management.

"Every decision has to be second-guessed and third-guessed, potentially by people with less subject matter knowledge," he said.

Netflix Is Pushed on Ad Tier

Continued from page B1

Netflix is competing for major advertisers' dollars with rivals that have been in the ad business far longer and have larger ad-watching subscriber bases. Walt Disney-controlled Hulu had 20 million ad-tier subscribers in the U.S. in March, while NBCUniversal's Peacock had 15.5 million such customers, Paramount+ had 10.7 million and Warner Bros. Discovery's HBO Max had 3.6 million, according to Antenna.

Advertisers lauded Netflix's foray into ads because it could give them the ability to reach a subset of the population that they had been shut out from reaching for years before ad-supported versions of major streaming services launched. But some ad buyers have been frustrated by the small size of the Netflix ad tier's subscriber base because it doesn't allow them to run as many ads as they would like or effectively target specific groups of subscribers, ad buyers said. Some urged Netflix to advertise the offering more broadly to raise consumer awareness, they said.

More than a quarter of new customers signing up for Netflix choose the plan with ads in the dozen countries where it is available, the company said during Wednesday's presentation.

Netflix said its ad tier had a

global monthly active-user base of nearly five million—a number that includes members of the same household who watch it using different profiles. (Netflix allows up to five profiles per account.) It didn't say how many subscribers the Netflix ad tier had, but said the number had more than doubled since earlier in the year.

The company decided to make Wednesday's presentation virtual because its New York event at the Paris Theater near Central Park was likely to be disrupted by protesters participating in the Hollywood writers' strike. Members of the Writers Guild of America marched outside New York's Radio City Music Hall during NBCUniversal's Monday presentation.

Advertisers in the U.S. will soon be able to have more choice in where and when their ads run, Netflix said at Wednesday's event, such as in the top 10 most watched shows and films, around holidays and at the start of episodes.

Netflix has told advertisers that viewers of the ad-supported tier skew younger, that engagement is on par with ad-free viewing and that there is an 86% overlap between the lists of the top 10 titles on the ad and ad-free tiers, according to people who attended pitches and materials distributed to advertisers in recent months that were reviewed by The Wall Street Journal. The company said Wednesday the median age of the ad tier's monthly active users was 34.

The subscriber base of Netflix's ad tier in the U.S. in March skewed white, female, married and without children, Antenna found.

Antenna compiles data from third-party services that collect information from consumers, with their consent, such as online purchases, bills and banking records. That gives the company visibility into streaming subscriptions. Antenna's data don't capture promotions or wholesale deals such as subscriptions offered by wireless carriers, and might differ from what companies disclose. Disney disputed Antenna's numbers.

Other ad buyers have held back from buying a significant amount of inventory because Netflix's ad prices remain at a premium compared with other ad-supported streaming services. Advertisers are paying between roughly \$45 to \$55 for reaching 1,000 viewers, which is higher than most other streaming platforms, some of the buyers said.

Netflix executives have said they are pleased with the early

U.S. subscriber base for streaming services as of March



performance of the ad business. The average revenue per user Netflix makes from its ad tier in the U.S. is higher than that of its \$15.49 standard plan, the company said.

The company capped the number of ads shown per hour and launched the offering with a limited number of advertiser partners. Netflix has said it is

taking a "crawl, walk, run" approach to building its ad business, and Chief Financial Officer Spencer Neumann said on Netflix's April earnings call that the company hoped to move from the "crawl" to "walk" stage this year.

Because Microsoft, Netflix's ad partner, is providing Netflix with a guaranteed amount of

revenue in the event it doesn't sell as many ads as expected, Netflix executives feel they have time to build their business and continue to ask for high CPMs, or cost per thousand impressions, people familiar with the matter said.

Netflix and many of its rivals offer ad-supported tiers of service as a way to bring in fresh revenue from ad sales and attract cost-conscious customers. The ad tier could get a boost in the coming weeks when Netflix extends its password-sharing crackdown to the U.S. and more countries globally.

Netflix in February began to limit sharing in Canada and Spain, two markets where its ad tier is sold, and the company said some sharers there started their own subscriptions on the lower-cost ad plan.

Netflix to date has run digital ads touting the lower-price offering, and changed its new customer sign-up page so that its \$6.99 ad tier is visible as the lowest-cost plan instead of its \$9.99 basic ad-free plan.

The company recently improved the viewing quality on the ad tier to make it more appealing, and allowed up to two devices to use an account simultaneously instead of just one.

In recent months, the company has increased the volume of content available on the ad tier. At launch, it said the shows and films on the ad-supported tier represented 85% to 90% of viewing on Netflix, and in April the company said a new set of licensing deals meant the plan now has about 95% "content parity globally" by viewing time with its ad-free plans.



Corey Mylchreest and India Amarteifio in Netflix's 'Queen Charlotte: A Bridgerton Story.'

NICK WALL/NETFLIX

BUSINESS NEWS

Hebrew Bible Auctioned for \$38.1 Million

The Codex Sassoon, as it is known, is estimated to be about 1,100 years old

BY KELLY CROW

Sotheby's sold a roughly 1,100-year-old Hebrew manuscript for \$38.1 million on Wednesday, making it the second-most expensive historical document ever auctioned.

The 26-pound book, whose five-inch stack of parchment contains 396 pages, sold following a five-minute battle between two bidders vying mainly over the telephone. The final price, with Sotheby's fees, fell short of breaking the record currently held by a \$43.2 million copy of the U.S. Constitution bought by billionaire Ken Griffin two years ago.

The buyer was the American Friends of the ANU Museum of the Jewish People in Tel Aviv, who intend the work to be a gift to the museum, Sotheby's said.

It topped the \$30.8 million paid by Microsoft co-founder Bill Gates for a copy of Leonardo da Vinci's scientific notebook known as the Codex Leicester. It also surpassed the \$21.3 million paid by Carlyle Group co-founder David Rubenstein for a copy of the 1297 Magna Carta in 2007.

Sotheby's estimated the Hebrew Bible would sell for between \$30 million and \$50 million, renaming it the Codex Sassoon in a nod to David Solomon Sassoon, a major Judaica and manuscript collector



The tome, bought by the American Friends of the ANU Museum of the Jewish People in Tel Aviv, is the second-most expensive historical document ever auctioned.

who bought the work in 1929 for £350, the house said.

After Mr. Sassoon died in 1942, his estate held on to the book until 1978, when it sold the work for around \$320,000 to the British Rail Pension Fund. That fund resold the work in 1989 for \$3.1 million to a collector who quickly flipped it to its current owner, Jaqui Safra, the billionaire descendant of the Lebanese-Swiss Safra banking family.

Mr. Safra paid researchers

to conduct the carbon dating that definitively pegged the book's origins to the late ninth century or early 10th century, the house said.

Heading into the sale, Sotheby's said it had high hopes in part because Mr. Safra kept the work largely hidden away, adding to the book's mysterious allure. The book's singular place in bibliography also added to its appeal.

Although written long after the Dead Sea Scrolls, scholars

consider this book to be the earliest and most complete collection of Hebrew writing gathered into a book instead of spread across a scroll. The book contains 24 smaller books that sweep across the Old Testament, better known to Jews as the Tanakh.

Richard Austin, Sotheby's global head of books and manuscripts, said the tome is comparable to the Aleppo Codex but may be more historically significant simply because it is

more complete. The Aleppo Codex is missing some pages in part because it survived a synagogue fire in 1947.

Among collectors of rare and historic books, the value of a document often depends on what it says—with buying paying premiums for letters or first editions that divulge an author's intimate thoughts or sentiments. This Hebrew Bible is comparatively straightforward, but its antiquity and completeness may have appealed to collectors of rare books.

That isn't to say it lacked a personal touch: Mr. Austin said its margins remain peppered with entries noting various past owners, from its sale by a man named Khalaf ben Abraham in the early 11th century to its 13th-century dedication to a synagogue in a town called Makisin in northeastern Syria—later allegedly destroyed by the Timurid Empire founder Tamerlane in 1400.

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Portrait of an Artist As a Young Man Sold for \$6.1 Million

BY KELLY CROW

Collectors have already mopped up more than \$1 billion in art during New York's spring sales series, but a sale on Wednesday revealed signs of saturation, with a few pieces selling for around half their asking prices and works

by James Rosenquist, Norman Lewis and Louise Bourgeois going unsold.

Christie's only drew muted reactions for some expected stars, including a painting of nude bathers by Gerhard Richter. Yet collectors chased hard after a storied Barkley L. Hendricks portrait of his college classmate and coveted painter Stanley Whitney.

The 65 pieces from the estate of Boston collector Gerald Fineberg were expected to sell for at least \$163 million, but the group totaled \$153 million. Richter's "Bathers," a sepia-toned orgy of blurry bodies painted in 1967, sold for \$9.6 million, well under its \$15 million low estimate.

An untitled red-and-blue Willem de Kooning from 1983 also sold for \$5.3 million. It was estimated to sell for at least \$8 million. A more satiric

abstract painted by the same artist in 1977, "East Hampton III," sold for \$3.7 million. It was estimated to sell for at least \$6 million.

Christopher Wool also had a tough night, with his untitled text piece laced with an expletive from 1993 selling for \$10 million beneath its \$15 million low estimate.

The glut of estate offerings during this series may have sparked bidder fatigue, particularly as Wednesday's sale coincided with the opening day of the New York fair, Frieze, dealers said. Yet earlier that same day, boutique auction house Phillips sold a solid 89% of its offerings, totaling \$70 million.

Hendricks's 1971 portrait of his art-school classmate Whitney didn't get top billing heading into the sale, but it proved to be Christie's sleeper hit. It sold for \$6.1 million, establishing a record for the artist.

"Stanley," Hendricks's 1971 portrait of Whitney standing against a gold background and smoking a cigarette, was painted while the pair were still obscure graduate students at Yale University's art school.

Although largely overlooked

by collectors for decades afterward, both painters are now enjoying curatorial and commercial comebacks, with Whitney's colorful grid paintings standing out in the most recent Venice Biennale.

Ahead of the sale, Whitney said he was rooting for the

work to reset his friend's previous auction record of \$4 million. Hendricks's stylish portraits of Black people from the 1970s have lately been hailed as a major influence on today's art stars such as Amy Sherald and Amoako Boafo.

Hendricks died in 2017.

Barkley L. Hendricks's 1971 portrait of his art-school classmate Stanley Whitney, titled 'Stanley,' was the sleeper hit.

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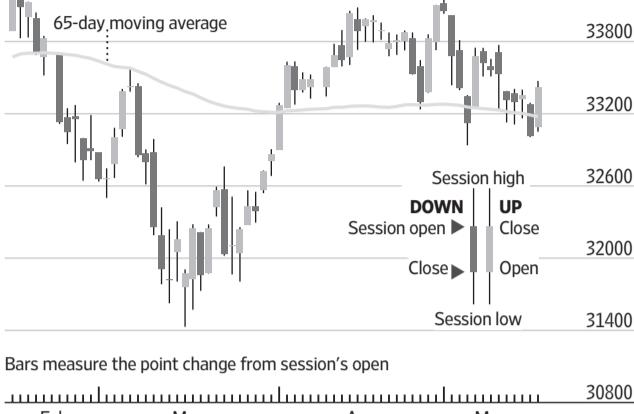
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33420.77 ▲ 408.63, or 1.24%
 Last: 22.27, Year ago: 17.91
 High, low, open and close for each trading day of the past three months.
 Trailing P/E ratio: 17.60, 16.93
 P/E estimate: 2.06, 2.25
 Dividend yield: 2.06, 2.25
 All-time high: 36799.65, 01/04/22

Current divisor: 0.15172752595384



Bars measure the point change from session's open

Feb. Mar. Apr. May
 30800 31400 32000 32600 33200 33800 34400

*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; Based on Nasdaq-100 Index

S&P 500 Index

4158.77 ▲ 48.87, or 1.19%
 Last: 18.42, Year ago: 20.48
 High, low, open and close for each trading day of the past three months.
 Trailing P/E ratio: 18.78, 17.45
 P/E estimate: 1.67, 1.53
 Dividend yield: 1.67, 1.53
 All-time high: 4796.56, 01/03/22

Feb. Mar. Apr. May
 3725 3800 3875 3950 4025 4100 4175

Nasdaq Composite Index

12500.57 ▲ 157.51, or 1.28%
 Last: 27.56, Year ago: 26.15
 High, low, open and close for each trading day of the past three months.
 Trailing P/E ratio: 26.27, 22.12
 P/E estimate: 0.83, 0.84
 Dividend yield: 0.83, 0.84
 All-time high: 16057.44, 11/19/21

Feb. Mar. Apr. May
 10800 11100 11400 11700 12000 12300 12600

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	High	Low	Latest Close	Net chg	% chg	52-Week		YTD % chg	3-yr. ann.
						High	Low		
Dow Jones	33427.38	33050.41	33420.77	408.63	▲ 1.24%	34589.77	28725.51	6.1	0.8 12.2
Industrial Average	13958.61	13724.64	13939.39	294.23	▲ 2.16%	15640.70	11999.40	1.8	4.1 21.6
Transportation Avg	925.72	917.25	921.27	-2.22	▲ -0.24%	1061.77	838.99	-7.1	-4.8 7.4
Utility Average	41499.31	40950.07	41444.34	532.49	▲ 1.30%	43441.80	36056.21	5.1	7.6 12.8
Total Stock Market	911.83	891.86	910.84	18.98	▲ 2.13%	1023.20	825.73	-0.1	-1.0 15.1
Barron's 400	3680.33	3419.35	3589.26	163.25	▲ 1.22%	13667.18	10679.34	13.9	24.2 14.1

Nasdaq Stock Market

Nasdaq Composite	12514.07	12335.02	12500.57	157.51	▲ 1.28%	13128.05	10213.29	9.5	19.4 11.5
Nasdaq-100	13608.33	13419.35	13589.26	163.25	▲ 1.22%	13667.18	10679.34	13.9	24.2 14.1

S&P

500 Index	4164.67	4113.62	4158.77	48.87	▲ 1.19%	4305.20	3577.03	6.0	8.3 13.2
MidCap 400	2461.74	2419.25	2458.23	41.79	▲ 1.73%	2726.61	2200.75	2.6	1.1 15.9
SmallCap 600	1145.51	1118.27	1143.29	26.52	▲ 2.37%	1315.82	1064.45	-3.3	-1.2 17.1

Other Indexes

Russell 2000	1776.90	1737.39	1774.50	38.32	▲ 2.21%	2021.35	1649.84	-0.0	0.8 12.2
NYSE Composite	15338.47	15129.25	15313.92	184.67	▲ 1.22%	16122.58	13472.18	1.8	0.9 11.8
Value Line	542.18	532.28	541.55	9.27	▲ 1.74%	606.49	491.56	-2.6	1.0 11.8
NYSE Arca Biotech	5344.55	5259.44	5341.69	34.83	▲ 0.66%	5644.50	4208.43	19.2	1.1 -0.9
NYSE Arca Pharma	877.55	865.97	872.49	-4.50	▲ -0.51%	892.45	737.84	6.2	0.5 10.5
KBW Bank	77.20	74.39	77.16	3.74	▲ 5.09%	116.53	71.96	-27.9	-23.5 6.3
PHLX® Gold/Silver	130.90	129.17	130.26	-0.87	▲ -0.66%	144.37	91.40	5.5	7.8 1.0
PHLX® Oil Service	73.08	71.08	72.66	1.78	▲ 2.52%	93.94	56.08	-2.3	-13.3 38.2
PHLX® Semiconductor	3135.30	3055.97	3124.68	75.97	▲ 2.49%	3230.86	2162.32	7.5	23.4 22.5
Cboe Volatility	18.26	16.68	16.87	-1.12	▲ -6.23%	34.02	15.78	-45.5	-22.2 -19.1

\$ Nasdaq PHLX

Sources: FactSet, 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 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
Bank of America	BAC	7,530.9	28.54	-0.03	-0.11	28.63	27.36
iShares MSCI Brazil ETF	EWZ	5,432.4	29.97	-0.02	-0.07	30.05	29.84
SPDR S&P 500 ETF Trust	SPY	5,308.1	415.17	-0.06	-0.01	436.90	413.70
Cisco Systems	CSCO	5,181.1	45.53	-2.10	-4.41	48.97	45.31
Apple	AAPL	3,012.0	172.63	-0.06	-0.03	172.75	171.75
Wells Fargo	WFC	2,957.4	40.42	-0.04	-0.10	40.59	38.39
Health Care Sel Sector	XLV	2,699.6	130.96	-0.06	-0.05	131.28	130.70
Advanced Micro Devices	AMD	2,579.3	103.66	-0.09	-0.09	103.79	101.48

Percentage gainers...

Take-Two Interactive	TTWO	1,622.8	136.10	11.08	8.86	139.99	118.00
dLocal	DLO	57.0	15.12	1.12	8.00	15.82	14.00
ImmuTep ADR	IMMP	1,271.3	2.74	0.12</td			

COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Metal & Petroleum Futures

	Contract						Open interest
	Open	High	Low	Settle	Chg	Interest	
Copper-High (CMX)-25,000 lbs.; \$ per lb.							
May	3,6460	3,7490	3,6460	3,7430	0.0885	1,425	
July	3,6620	3,7740	3,6525	3,7545	0.0875	130,999	
Gold (CMX)-100 troy oz.; \$ per troy oz.							
May	1983.60	1983.60	1983.60	1980.70	-7.70	165	
June	1993.00	1997.00	1978.10	1984.90	-8.10	226,358	
July	2003.30	2005.50	1988.30	1994.60	-8.20	1,770	
Aug	2012.10	2015.90	1997.10	2003.70	-8.50	239,418	
Oct	2031.30	2034.60	2016.70	2022.90	-8.50	11,134	
Dec	2049.50	2052.90	2035.00	2041.40	-8.20	33,625	
Palladium (NYM)-50 troy oz.; \$ per troy oz.							
May	1490.00	1490.00	1490.00	1492.90	-14.70	1	
June	1493.50	1505.00	1475.50	1484.90	-14.70	7,715	
Platinum (NYM)-50 troy oz.; \$ per troy oz.							
May	1058.50	1104.20	1104.20	1085.70	15.70	1	
July	1067.70	1086.10	1067.40	1082.60	15.70	67,178	
Silver (CMX)-5,000 troy oz.; \$ per troy oz.							
May	23.580	23.815	23.580	23.752	0.015	413	
July	23.915	24.060	23.715	23.897	0.004	115,507	
Crude Oil, Light Sweet (NYM)-1,000 bbls.; \$ per bbl.							
June	70.60	73.26	70.04	72.83	1.97	138,469	
July	70.60	73.30	70.05	72.89	2.05	333,707	
Aug	70.45	73.15	69.93	72.77	2.11	187,193	
Sept	70.09	72.83	69.63	72.48	2.15	155,231	
Oct	69.76	72.41	69.29	72.10	2.16	173,416	
Dec	69.05	71.67	68.59	71.33	2.11	225,387	
NY Harbor UrsL (NYM)-42,000 gal.; \$ per gal.							
June	2.3603	2.4311	2.3428	2.4226	.0587	50,225	
July	2.3404	2.4143	2.3267	2.4075	.0608	67,304	
Gasoline-NY RBOB (NYM)-42,000 gal.; \$ per gal.							
June	2.4849	2.5771	2.4649	2.5692	.0901	63,821	
July	2.4318	2.5208	2.4141	2.5139	.0845	85,164	
Natural Gas (NYM)-10,000 MMbtu-\$ per MMbtu.							
June	2.362	2.435	2.322	2.365	-.011	96,406	
July	2.524	2.586	2.471	2.509	-.025	349,984	
Aug	2.599	2.662	2.545	2.584	-.025	98,835	
Sept	2.591	2.649	2.534	2.574	-.024	159,066	
Oct	2.690	2.744	2.633	2.670	-.026	110,628	
Jan'24	3.889	3.950	3.842	3.856	-.041	76,575	

Agriculture Futures

	Contract						Source: FactSet
	Open	High	Low	Settle	Chg	Interest	
Corn (CBT)-5,000 bu.; cents per bu.							
July	581.75	582.75	554.25	561.50	-19.75	522,405	
Dec	507.00	507.75	494.00	499.00	-6.25	381,817	
Oats (CBT)-5,000 bu.; cents per bu.							
July	339.00	347.00	333.25	343.00	-2.00	3,117	
Dec	356.00	356.00	350.00	353.75	-1.75	1,048	
Soybeans (CBT)-5,000 bu.; cents per bu.							
July	1365.65	1365.75	1332.75	1337.00	-27.00	274,632	
Nov	1207.50	1208.50	1184.00	1187.50	-19.50	210,859	
Soybean Meal (CBT)-100 tons; \$ per ton.							
July	426.90	429.00	423.90	425.30	-1.60	180,032	
Dec	391.20	391.20	385.10	386.80	-4.20	102,933	
Soybean Oil (CBT)-60,000 lbs.; cents per lb.							
July	47.67	47.99	47.55	46.41	-1.04	198,416	
Dec	46.80	47.31	47.55	46.19	-.50	132,479	
Rough Rice (CBT)-2,000 cwt.; \$ per cwt.							
July	17.43	17.58	17.31	17.51	.10	3,279	
Sept	15.20	15.37	15.20	15.33	.15	4,235	
Wheat (CBT)-5,000 bu.; cents per bu.							
July	646.75	654.25	616.00	625.50	-22.00	210,578	
Sept	660.75	666.50	628.75	637.75	-22.50	68,212	
Wheat (KC)-5,000 bu.; cents per bu.							
July	897.00	918.75	880.50	885.50	-9.75	88,830	
Sept	885.75	902.00	868.25	873.25	-11.25	41,467	
Cattle-Feeder (CME)-50,000 lbs.; cents per lb.							
May	205,900	205,975	204,425	204,550	-1.150	4,429	
Aug	231,800	232,050	230,325	231,150	-3.25	32,629	
Cattle-Live (CME)-40,000 lbs.; cents per lb.							
June	164,075	164,925	162,925	164,825	.950	61,667	
Aug	162,550	163,175	161,500	163,125	.650	139,490	
Hogs-Lean (CME)-40,000 lbs.; cents per lb.							
June	87,600	87,825	84,325	84,875	-2.325	53,960	
July	88,350	88,575	84,675	85,550	-2.575	63,896	
Lumber (CME)-27,500 bd. ft.; \$ per 1,000 bd. ft.							
July	505.00	506.50	501.50	503.00	-2.50	4,741	
Sept	525.50	528.50	524.00	526.50	-2.00	1,043	
Milk (CME)-200,000 lbs.; cents per lb.							
May	16.22	16.22	16.18	16.19	-.03	4,786	
June	16.40	16.56	16.20	16.32	-.01	6,707	
Cocoa (ICE-US)-10 metric tons; \$ per ton.							
July	2,989	3,012	2,968	3,000	5	129,764	

Macro & Market Economics

Watching the Gauges: U.S. Supply and Demand

Inventories, imports and demand for the week ended May 12. Current figures are in thousands of barrels or thousands of gallons per day, except natural-gas figures, which are in billions of cubic feet. Natural-gas import and demand data are available monthly only.

Inventories, 000s barrels

	Current	Expected change	Previous week	Year ago	4-week avg	5-year avg	
Crude oil and petroleum prod	1,242,352	...	1,235	1,153	1,236	1,263	8,881
Crude oil							
excluding SPR	467,624	-800	463	421	463	470	6,860
Gasoline	218,330	...	220	220	221	235	

BANKING & FINANCE

Banks Cut Deposit Rates In China to Boost Profits

By CAO LI

Banks across China are slashing deposit rates, after a year that saw their profits being squeezed by lower lending rates and record-high savings levels.

Around a dozen lenders this week lowered the maximum interest rates they pay on certain types of corporate and individual deposit accounts, according to statements from the banks and Chinese state media. Many more are expected to do the same. The latest cuts averaged 0.3 percentage point, and followed other deposit-rate reductions in recent weeks and months by other Chinese banks ranging from state-owned giants to small rural lenders.

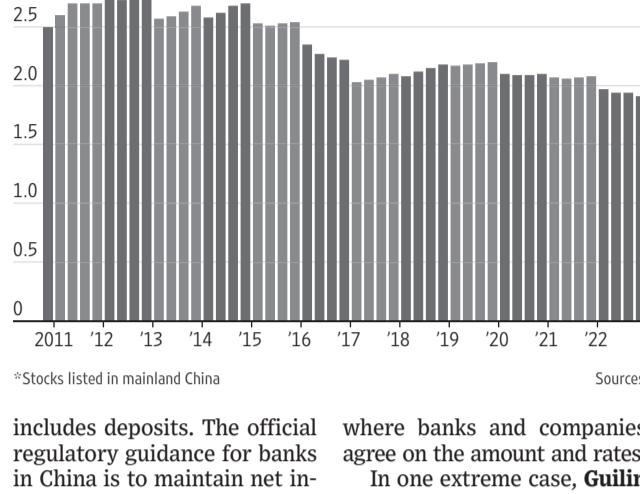
Chinese commercial banks last year heeded calls from government officials and regulators to boost lending to businesses and consumers when the country's economy was sluggish. Many did so by lowering the interest rates they charge on loans. In some extreme cases, banks extended mortgages at rates that were even lower than widely used industry benchmarks.

Deposits and savings, on the other hand, built up at many banks, as an uncertain macro outlook and China's earlier restrictions on people's movements led individuals and companies to sock away more money during the coronavirus pandemic.

"Banks' net interest margins have reached a critical juncture," said Shujin Chen, head of China financial and property research at Jefferies. Some banks' capital positions could come under pressure if the trend of declining returns on equity and growing balance sheets continues, she added.

Net interest margins, a key profitability metric, reflect the difference between what banks earn on their assets and what they pay for funding—which

Average net interest margin at Chinese commercial banks, quarterly



*Stocks listed in mainland China

includes deposits. The official regulatory guidance for banks in China is to maintain net interest margins of at least 1.8%.

At the end of 2022, the overall banking sector's net interest margin fell to 1.91% from 2.08% the previous year, according to China's banking and insurance regulator. It was the lowest level in more than a decade, Wind data shows. City commercial banks' net interest margins were worse, at 1.67% on average at the end of 2022.

Smaller banks are under more margin pressure in part because they have had to rely on higher-cost deposit products to attract customers, said Karen Wu, an analyst at CreditSights. She said half the banks she tracks had net interest margins below 1.8% as of the first quarter of 2023.

"This is not an easy target for Chinese banks," Wu said, adding that many banks in China have either already lowered—or are on the way to lowering—their deposit rates.

The latest interest-rate cuts at banks saw them lower the maximum amounts they pay on so-called call deposits, in which depositors have to give lenders some advance notice before making withdrawals, and a type of corporate deposit

where banks and companies agree on the amount and rates.

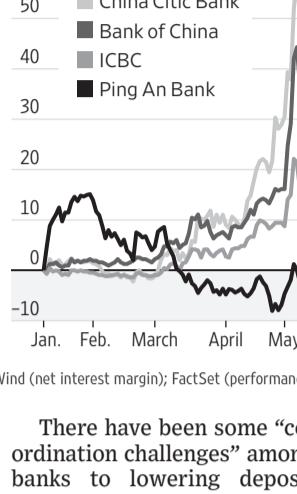
In one extreme case, **Guilin Bank**, a city commercial bank in the southern region of Guangxi, lowered the interest ceiling of both types of deposits by 0.55 percentage point. That brought down its rate on such deposits with a one-day notice to 1%, and 1.55% for

1.91%
The banking sector's net interest margin at end of 2022

those with a seven-day notice period.

Ping An Bank said over the weekend that it would cap the interest it pays on call deposits at similar levels for yuan deposits above a certain level at most of its branches. The bank's parent, **Ping An Insurance Group**, said in late April that Ping An Bank's revenue for the first three months of 2023 fell 2.4% from a year earlier to the equivalent of about \$6.5 billion, due in part to "a narrowing net interest margin."

Share-price performance, year to date*



Sources: Wind (net interest margin); FactSet (performance)

UBS Prepares For \$4 Billion Credit Suisse Hit

By WEILIN SOON AND MATTHEW THOMAS

Swiss bank **UBS** said it has set aside \$4 billion to cover potential legal and regulatory costs from its acquisition of **Credit Suisse**, and that it is expecting to record other asset write-downs.

UBS on Tuesday released an updated version of a merger prospectus that was first published three weeks ago. The new document showed that UBS expects to book a \$34.8 billion gain on negative goodwill, which is when a company acquires assets for less than their worth—typically in a distressed situation.

Part of the merger deal, which was struck in March, involved Switzerland's financial regulator electing to wipe out around \$17 billion of Credit Suisse's additional Tier-1 securities. These bonds, known as AT1s, provide a loss buffer for other creditors, but many bondholders said they expected to be paid back before shareholders.

Global investors have challenged the AT1 write-down in a Swiss court, alleging the move unfairly penalized them and violated their property rights. Shareholders of Credit Suisse, which rank below other creditors, will be given more than \$3 billion of UBS shares as part of the deal.

UBS will also make various fair-value changes to its accounts as it incorporates the value of Credit Suisse's assets and liabilities on its own book. The bank plans to write down \$9.9 billion on assets including Swiss mortgages.

It also said its liabilities are likely to increase by around \$3.1 billion, the result of taking on some loans Credit Suisse extended to clients that haven't yet been drawn.

The merger agreement be-

tween the two banks was announced on March 19, after a precipitous drop in the value of Credit Suisse's stocks and bonds raised serious questions about the health of the 167-year-old institution. Swiss authorities orchestrated the merger and provided backstops that protect UBS from some of the risk of the deal.

Credit Suisse suffered massive customer withdrawals before UBS's takeover, the troubled bank's most recent quarterly earnings report showed. Customer deposits declined by the equivalent of around \$75 billion in the first quarter of this year, and Credit Suisse suffered net asset outflows of about \$68 billion.

In the fourth quarter of 2022, Credit Suisse's customer deposits had declined by \$154 billion and its net asset outflows were \$123 billion.

UBS's \$4 billion provision for possible legal risks is in line with accounting rules which force companies to recognize all potential liabilities from an acquisition even if they are unlikely, the bank said.

Employer Blunder Denies Families Life-Insurance Payouts

By LESLIE SCISM

many companies offer free to their employees. Workers pay for the extra coverage.

In some benefits programs, the employer rather than the insurer is in charge of many administrative tasks, including calculating premiums and ensuring that employees complete health forms required for extra coverage.

In a relatively small number of instances, employers fail to get workers to complete the forms, yet they deduct premiums from their paychecks for the coverage and send the money to the insurers, officials say.

This existing practice can leave "grieving families without the life insurance for which their loved ones had paid," when employers drop the ball, Solicitor of Labor Seema Nanda said last month in announcing the action against Prudential.

Supplemental life-insurance policies typically require "evidence of insurability" questionnaires that ask about medical issues such as diabetes, liver disease and cancers. That enables insurers to avoid selling big policies to people in higher-risk health categories.

Handling of administrative chores by employers, not the insurers, "has been the norm" for decades and allows insurers to offer life insurance to workers at relatively low costs, the American Council of Life Insurers wrote in a 2021

friend-of-the-court brief in support of an insurer sued over a denial.

The premiums typically are aggregated rather than individually spelled out in programs administered by employers. Many insurers don't have arrangements for determining if premiums are coming from workers whose health forms weren't submitted and approved. They may sometimes get lists of insured workers.

Instead, some insurers run

claim arrives, according to Labor Department officials and the insurance industry itself.

Lawsuits brought by families detail denials by a range of insurers. In a letter that is part of a lawsuit filed in federal court in Maine in 2019, Lorna Shields asked Mutual of Omaha to "honor your commitment" to pay benefits for her recently deceased husband, who died of cancer in 2018 after paying premiums for a decade.

"How can Mutual of Omaha

wash their hands of this situation?" she wrote.

The insurer had paid \$236,000 of the death benefit that hadn't required proof of good health, while denying an additional \$100,000 that did require such proof, according to one of her lawyers, Trevor Savage.

The insurer declined to comment. It said in its court filings that the employer, Duramax Marine, was responsible for the absence of the required "Evidence of Good Health" form.

Shields reached settlements

with Duramax and the insurer. Christopher Taintor, another lawyer for Shields, said Duramax "behaved quite honorably" in the wake of the husband's death, but declined to comment further. Tammy Sims, chief financial officer of Duramax, said the company couldn't comment because of a confidentiality agreement.

In the Prudential settlement with the Labor Department, the insurer agreed to notify its employer clients that they must confirm that Prudential has approved any required health forms for workers' supplemental coverage before deducting premiums from paychecks. If the employers don't do so, "they may be liable to the beneficiaries" of any such employees.

Typically, either the insurer or the employer notifies workers when their request for the additional coverage is approved or denied, and insurers often provide customer-service contact information on the health forms.

The denials identified by the Labor Department "represent a very small subset of supplemental group life insurance claims," Prudential said in a statement, and the amounts at issue aren't material to the company. "Where Prudential serves as recordkeeper, we have excellent controls in place and have successfully avoided these issues," it said.

New Highs and Lows

Continued From Page B9

Stock	52-Wk % Sym	52-Wk % Sym	Stock	52-Wk % Sym	Stock	52-Wk % Sym	Stock	52-Wk % Sym	Stock	52-Wk % Sym	Stock	52-Wk % Sym	Stock	52-Wk % Sym	Stock	52-Wk % Sym	Stock	52-Wk % Sym
Nable	14.84	3.3	StoneBridgeA	APAC	10.75	1.0	Akumin	AKU	0.35	-3.2	Clarivate	CLV	7.35	-2.1	FreelineTherap	FRLN	2.75	-13.1
GXO Logistics	59.44	2.6	NorthWesternLife	NMHI	20.96	3.4	Alice	ALCE	22.58	-0.7	CDexides	CDKS	2.55	-5.5	FrontierComms	FIRN	17.45	-0.3
GeneralElec	103.8	10.7	StoneGlobe	STNE	14.60	3.4	Amgen	AMGN	220.44	-0.3	ContainerStora	CIPS	2.25	-5.5	GSE Systems	GSE	4.60	-2.1
HiltiGlobal	7.69	9.7	StrongBio	SGE	4.05	4.3	Apprealate	SFR	0.25	-17.3	CrescentEnergy	CRON	1.67	1.7	GlobeHealth	GRCY	9.60	2.6
HondaMotor	28.28	11.1	SuperMicroComp	SMCI	150.00	5.8	AntQuantumWt	ARQW	0.24	-41.7	Genpox	GCO	29.61	-1.1	GlobalNetlease	GPNX	0.72	-3.2
DR Horton	112.88	0.4	TaylorMorison	TMHC	44.53	1.2	AntQuantum	ARQ	0.70	-34.0	LHTECH	HLTH	6.17	-2.7	GlobalNetlease	GPNX	9.80	2.3
Hovnianan	89.76	3.5	TexasRoadhouse	TXRH	114.67	3.8	ArcowFinancial	AROW	17.64	9.5	CytekBiologs	CTKB	6.65	-0.4	GoldResource	GRO	0.80	-3.2
HubSpot	487.74	2.3	ProffAcqna	NDVA	301.99	3.3	AstraSpace	ASTR	0.35	-4.2	DHL Holdings	DHL	9.54	-1.4	GoldbridgeAcq	GRBRG	5.00	-40.5
IES Holdings	50.64	3.6	ProtagonistTher	ONTO	99.13	2.4	Battlions	ATT	0.81	0.5	Danaher	DHR	221.22	0.1	GrantTerraAmer	GTE	5.39	-5.5
IMMT	21.40	1.7	GroupOne	OPRA	13.89	-1.1	Atterian	ATER	0.45	-1.3	Doma	DOMA	0.28	-4.0	GreenLightBio	GRNW	10.03	-31.0
ImmuPort	3.90	4.6	TransDigm	TDG	826.28	1.6	Athenex	ATMX	0.35	-7.6	DouglasEmmitt	DE	10.09	-4.2	GreenLightBio	GRNA	0.18	31.1
InspireMedical	300.00	-0.2	UnivStainless	USLWS	30.33	-23.0	AutAllPrd	AUTPd	21.51	-0.2	DynaglassLNG	DLNQ	20.37	-6.8	HanCelestial	HAN	13.36	0.2
IntegratedRailWt	97.85	0.5	Verispace	OC	109.62	2.3	Upbound	UPBD	32.24	1.9	DynaglassLNG	PHM	19.52	5.4	HancockNs2060	HNC	1.92	-24.0
IntuitiveSurgical	308.78	0.5	Rambus	PRG	32.3													

MARKETS

Stocks Rise on Debt-Ceiling Optimism

Western Alliance's report of deposit inflow spurs jump in regional banks

By MATT GROSSMAN

Gains for bank shares and a positive debt-ceiling update from President Biden helped push stock indexes higher, even as concerns about the lingering standoff in Washington troubled investors.

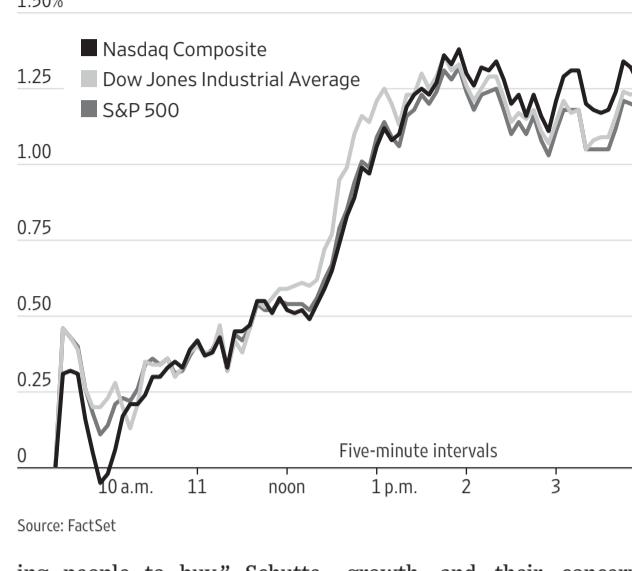
Biden said that talks with Republicans have been productive and that he believes an unprecedented U.S. default will be avoided. Treasury Secretary Janet Yellen has warned that absent a deal to raise the borrowing cap, the government could run short of funding by

WEDNESDAY'S MARKETS from Thursday.

A financial-sector update soothed investors. **Western Alliance**, a regional bank hammered by concerns about its stability, said that deposits have been growing so far this quarter, helping calm jitters about the sector's outlook amid the turmoil that has racked banks since mid-March. Western Alliance gained 10%, a move mirrored by a 7.3% gain for the KBW Nasdaq Regional Banking Index, its largest percentage increase since 2021.

Those two headlines put traders in bullish spirits, said Brent Schutte, chief investment officer at Northwestern Mutual Wealth Management. "One of the economic headwinds is supposedly coming off, and the banking system appears a bit more solvent, and that's caus-

Index performance Wednesday



Source: FactSet

ing people to buy," Schutte said, adding that his team remains concerned that a recession is approaching.

Overall, broader indexes spent the day building gains, which grew after Biden's late-morning remarks. The S&P 500 gained 1.2%, the Dow Jones Industrials climbed 408.63 points, or 1.2%, to 33420.77 and the Nasdaq Composite rose 1.3%. The S&P and Dow are struggling to find their way into positive territory for May, while the Nasdaq is up 2.2% this month.

Target climbed 2.6% after the retailer beat analysts' first-quarter profit expectations even though earnings declined year over year.

Stocks have traded in a narrow range over the last seven weeks. Investors have been torn between solid economic fundamentals—such as low unemployment and projections for steady second-quarter

growth—and their concerns that the Federal Reserve's rapid interest-rate increases over the last year could still cause a recession.

Washington's fiscal standoff darkened the mood further. House Democrats collected signatures Wednesday for a maneuver that would bypass Republican leadership to force a debt-ceiling vote.

Wall Street was worried a U.S. default could send investors rushing away from risky assets, hurting stocks and bonds across the board. Anxiety seized the market for ultra-short-term government bills given that the debt limit could disrupt their repayment. Bills due the first week of June yielded 5.631%, according to Tradeweb, up from 4.8% in early May. A bond's yield rises as its price falls.

David Nicholas, chief executive of Nicholas Wealth Management, said his bond funds



Target shares climbed 2.6% after the retailer beat analysts' first-quarter profit expectations.

JOHN SMITH/VIEWPIXS/CORBIS/GETTY IMAGES

have avoided holding Treasurys that mature in June or July, wary of what he believes is a small risk that payments might get delayed.

"People buy Treasurys because they want safety and security, and if there's an outlying risk that could dent the stability of our fund, we don't want to take on that exposure," he said.

Benchmark yields in the Treasury market edged up. The 10-year yield ended at 3.580%, up from 3.548% on Tuesday.

After a volatile year during which Fed rate increases chased yields higher month after month, bond markets stabilized as investors awaited the central bank's next step. On the whole, traders are betting that Fed officials are finished raising rates for now, although signs of persisting inflation could lead them to choose another rate increase in June.

The Federal Reserve Bank of

Atlanta's estimate of second-quarter growth in real output has climbed to nearly 3%. That is up from under 2% less than a month ago and a sign that a long-expected recession isn't imminent. Housing starts grew 2.2% in April, beating the consensus forecast of a decline.

All the leading indicators are pointing to a recession, but when you look out through the window, it doesn't yet look like recession weather at all yet," said Roger Aliaga-Diaz, head of portfolio construction at Vanguard.

In commodity markets, Brent crude, the global benchmark, added 2.7% to \$76.96 a barrel. Gold prices, though still up about 9% year to date, ticked lower by 0.4% as traders weighed a possible resolution to the debt-ceiling standoff and saw improving odds of an additional Fed rate hike next month.

Overseas, Europe's Stoxx

600 rose 0.2%. Early Thursday, Japan's Nikkei 225 was up 1.5%, Hong Kong's Hang Seng Index was up 1.1% and South Korea's Kospi was up 0.5%. S&P 500 futures fell 0.1%.

AUCTION RESULTS

Here are the results of Wednesday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

17-WEEK BILLS

Applications	\$101,247,598,300
Accepted bids	\$39,991,555,800
"noncompetitively"	\$348,051,400
"foreign noncompetitively"	\$0
Auction price (rate)	98.314167 (5.100%)
Coupon equivalent	5.274%
Bids at clearing yield accepted	81.73%
Cusip number	912797GT8

The bills, dated May 23, 2023, mature on Sept. 19, 2023.

20-YEAR BONDS

Applications	\$41,249,482,200
Accepted bids	\$17,816,959,200
"noncompetitively"	\$77,883,300
"foreign noncompetitively"	\$0
Auction price (rate)	98.913642 (3.954%)
Interest rate	3.875%
Bids at clearing yield accepted	34.77%
Cusip number	912810T57

The bonds, dated May 31, 2023, mature on May 15, 2043.

Morgan Stanley Investment Fund For Climate Raises \$500 Million

By LUIS GARCIA

Morgan Stanley has rounded up capital to cut back carbon emissions.

The investment bank's IGT climate-focused growth strategy has collected \$500 million of the \$1 billion it is seeking to back companies that together aim to reduce the equivalent of one gigaton of CO₂ emissions by 2050.

European institutions, including Danish and British pension funds as well as a German insurer, contributed all the capital raised so far, said Vikram Raju, head of climate private-equity investing at Morgan Stanley Investment Management, the bank's alternative investment unit. Raju leads the London-based IGT strategy.

Denmark pension managers PenSam, Leerernes Pension, and P+P Pensionskassen for Akademikere have committed a total of €228.5 million, equivalent to \$248.3 million, to the strategy, according to reports in Danish media.

"A lot of our deal flow is in Europe. A lot of our investors are in Europe. Naturally, Europe was our first stopping point," Raju said. "It's our ex-

pectation that we will raise money in the U.S. going forward."

The IGT strategy backs businesses in areas such as mobility, power, sustainable food and agriculture, as well as the circular economy. In its first deal, the unit last month co-led a \$50 million investment in Everstream Analytics, a German provider of artificial-intelligence-based systems that help companies increase the efficiency of their supply chains.

The company is adjusting its software to help customers better track emissions in their supply chains, Raju said. He added that the IGT team estimated that Everstream can help customers cut emissions equivalent to at least 47 million metric tons of CO₂ by 2050. That's in line with the average contribution that each of the roughly 20 businesses IGT plans to back will need to make to achieve the strategy's total goal of cutting one billion tons of CO₂ emissions—or the carbon that one tenth of the world's forests capture in one year, according to Raju.

He added that his team also sees opportunities in businesses that help reduce energy

consumption or make food production more sustainable.

"Food and food waste is a very big area for us," he added.

He declined to discuss the steps that some U.S. states have taken to restrict public pensions' investments in fund strategies based on environmental, social and governance factors. Those states say the funds often are used to ad-

ditional compensation to that goal.

"There is a lot of noise out there with respect to ESG, sustainability and green funds," Raju said. "When there is noise, you need focus."

Many fund managers in Europe have downgraded the ESG credentials of their strategies for fear of violating the European Union's Sustainable Finance Disclosure Regulation, the bloc's stringent anti-greenwashing rules, The Wall Street Journal has reported. In particular, a number of managers have dropped the Article 9 fund designation, which requires that all investments aim for sustainability or reducing emissions.

Raju said that, despite the IGT strategy's focus on carbon emissions, Morgan Stanley's process to ensure it could be labeled an Article 9 fund was "very long and elaborate."

"We have to show what systems were in place to track, measure and report emissions avoidance, which is not insignificant," he said. "And we were doing this process at the time when a lot of funds were retreating from the Article 9 label."

BroadLight Capital Raises Its Debut Fund

By MARC VARTABEDIAN

BroadLight Capital, a Los Angeles-based investment firm, has closed a \$225 million fund to back growth-stage technology companies in sectors including consumer and e-commerce, a rare debut fund when new fund raisings are hard to come by.

The firm will use its partners' entertainment and media connections to gain access to deal flow and to enlist celebrities to help market the companies it invests in, said BroadLight co-founder and managing partner David Dorfman.

Fewer venture funds are being raised these days amid a depressed fundraising environment. Those that are closing are often from large firms with extensive fundraising records.

BroadLight held an initial closing for the fund in 2021. Dorfman said that 10% of the fund has been invested in startups.

Debt funds in particular have seen a drop off. In the

first quarter, no first-time private-equity growth-expansion funds were raised, according to analytics firm PitchBook Data. In all of 2022, 16 such funds were raised.

BroadLight's fund falls into the private-equity growth-expansion category in the data that PitchBook collects.

Investors have said that raising debut funds during down markets is more difficult because limited partners that invest in venture funds generally flock to known entities during uncertain times.

Dorfman said he credits his firm's ability to close a fund despite the macroeconomic conditions to its focus on investing in companies with solid business fundamentals. The firm's limited partners include sports team owners, family offices, high-net-worth individuals and institutional capital.

BroadLight is targeting growth-stage companies—more mature companies than venture-backed early-stage startups—and thus isn't assuming traditional venture-



BroadLight's David Dorfman

capital risk, Dorfman said, adding that it will target companies in the Series B to pre-initial-public-offering stages. There will be opportunity to make structured investments in unicorns whose market valuations are off their previous highs, Dorfman said.

BroadLight was co-founded by entertainment attorney Kevin Yorn, talent manager Rick Yorn and Dorfman, an investment banker. The trio will

leverage their media and entertainment connections to help the companies they invest in win over customers and engagement, Dorfman said.

"We can match celebrities to those companies," Dorfman said. BroadLight declined to offer examples of current celebrity pairings.

BroadLight believes that technology, consumer and entertainment sectors will continue to trend.

Stricter data privacy rules have eroded the power of traditional customer-acquisition channels such as Facebook and Google to target potential customers, Dorfman said, although the traditional channels still hold the majority of power.

"Of course, they are still the 800-pound gorillas in the room," Dorfman said.

The fund has made three investments so far: Zapp, a London-based commerce delivery platform; MoonPay, a crypto payments infrastructure company; and Merama, a Latin America-focused e-commerce business.

Schwab Taps Bond Market For \$2.5 Billion in Funding

By JUSTIN BAER AND SAM GOLDFARB

Charles Schwab is selling \$2.5 billion in long-term debt, people familiar with the matter said.

The brokerage giant said Wednesday in a regulatory filing that it would offer senior notes due in 2029 and 2034.

Schwab issued \$1.2 billion of bonds due in 2029 and \$1.3 billion of bonds due in 2034, according to a person familiar with the matter.

The bonds due in 2029 were issued at a 5.643% yield, or 2.05 percentage point higher than U.S. Treasurys, while the notes due in 2034

were sold at a 5.853% yield or a 2.27 percentage point spread to Treasurys.

By comparison, the company sold 10-year bonds a little more than a year ago at a yield of around 2.9%.

In its filing, Schwab said it would use the proceeds for general corporate purposes, including "investments in our subsidiaries and supporting business growth." A Schwab spokeswoman declined to comment.

Schwab had about \$20 billion in long-term debt at the end of March, the company said in a May regulatory filing. Some \$3.7 billion of that total matures by the end of 2024.

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Don't Swing at the Yield Curve

Often a reliable harbinger of past recessions, it now could be a reflection of flawed market assumptions

When the Federal Reserve pushes shorter-term interest rates above long-term Treasury yields, it has typically been a sign that the central bank has tightened to the point that a downturn beckons. Confidence in the predictive power of such yield-curve inversions is a big part of why many investors believe the economy is now destined for a recession.

But what if the yield curve isn't inverted because the Fed raised rates too high, but because long-term Treasury yields are too low?

Different people focus on different parts of the yield curve when making recession calls. Some look at the difference between the yields on the 2-year and 10-year Treasury notes, which inverted last July.

But there have been 2-year/10-year inversions where no recession ensued. The better gauge historically has been the difference between 3-month Treasury bill and 10-year note yields, which was comforting until that, too, inverted last fall. The yield on the 3-month bill is now about 5.2%, versus the 10-year's 3.5%.

Even on that measure, the correlation between yield-curve inversion and recession at times seems

Fed policy makers' longer-run projections for the fed-funds rate, median



Source: Federal Reserve via St. Louis Fed

spurious. The curve inverted in 2019, for example, but imagining it forecast the sharp recession triggered by the Covid crisis seems a bit much.

Believing that the 1989 inversion forecast the 1990 recession—which started after Iraq's invasion of Kuwait sent oil prices sharply higher—is also a stretch.

Still, we don't get to run the experiments where Covid-19 didn't happen and Saddam Hussein de-

cided against invasion to see if recessions would nevertheless have occurred. And the basic insight holds: An inverted yield curve indicates a belief among investors that in the future the Fed will be cutting interest rates, and nothing makes the Fed cut rates like a recession.

Right now, investors think rate cuts will be coming in short order. Interest-rate futures imply the central bank will have cut its rate range, which currently stands at 5% to 5.25%, by at least a half percentage point by the end of this year. By this time next year, they suggest the range will have been cut to around 3.75% to 4.0%.

Yet that would still leave rates higher than investors, on balance, seem to think they ought to be. The median expectation among market participants surveyed by the Federal Reserve Bank of New York in March put the average level of overnight interest rates over the next 10 years at 2.88%. The Fed's latest projections, also from March, show policy makers' median longer-run expectation for overnight rates—their just-right assessment of where rates would be to keep the job market strong and inflation in check—is 2.5%.

It is possible that both investors' and policy makers' assessment of where rates will eventually land is too low—conditioned by the low-rate regime that existed before the pandemic. If the economy evades recession over the next year, for example, with inflation cooling and unemployment staying low, the Fed might not be moved to trim rates by very much.

Similar things have happened before: When rates started falling after the Fed's successful fight against high inflation in the early 1980s, investors couldn't quite believe it, and forward rate expectations were higher than where actual rates ended up landing. When the Fed started collecting policy makers' rate projections in 2012, the median longer-run rate projection was above 4%, yet the highest the midpoint of policy makers' target range on rates got over the next 10 years was 2.375%.

The pandemic changed a lot of things, and one of the things it might have done is pushed the just-right level of rates higher. If the inverted yield curve turns out not to be a recession signal, it could be signaling that investors have made a mistake.

—Justin Lahart

Chip Maker Rides EVs to New Heights



OnSemi's effort to focus on premium chips for the auto and industrial markets helped its revenue last year.

Even Tesla's gyrations can't make **ON Semiconductor** spin out these days. But keeping up with the electric-vehicle maker and its growing fleet of rivals still doesn't come cheap to the chip maker.

Tesla caused a brief moment of panic for OnSemi's investors in early March when one of its executives took the stage at the company's analyst meeting and proclaimed a new design for a coming power train that uses 75% fewer silicon-carbide chips than current models. These types of chips are better suited than standard silicon for certain use cases in EVs, such as power conversion. Silicon carbide also happens to be one of the markets that OnSemi had decided to "double down" on, in the words of Chief Executive Hassane El-Khoury in describing a strategic shift 18 months earlier.

The impact was short-lived. OnSemi's share price fell less than 2% the following day before fully recovering the next. Even the question of longer-term damage to the company's business was far from certain, given booming chip demand from the fast-growing EV market and the fact that Tesla was talking about a car it hadn't even built yet. Another cushion for OnSemi was a backlog of noncancelable, long-term supply agreements the company had with customers totaling \$16.6 billion at the end of 2022—double the revenue the company had just reported for that year.

OnSemi added \$1 billion to that backlog during the first quarter. And during an analyst meeting on Tuesday, the company gave a more detailed look at how it expects its business to look over the longer term. There was a lot to like. It expects revenue to increase by an average of 10% to 12% annually over the next five years, with gross margins hitting 53% by 2027. OnSemi's shares jumped 3.1% on Wednesday.

That comes after some impres-

sive improvements. OnSemi's effort to prune lower-margin products and focus almost exclusively on premium chips for the auto and industrial markets helped it generate \$8 billion in revenue in 2022 with gross margins of 49%. In the five-year period before its recent strategic shift, OnSemi averaged a little over \$5 billion in annual revenue with gross margins of 35%.

Still, OnSemi isn't fully escaping the slowdown affecting the chip market. Revenue is expected to decline slightly this year, as the company is exiting about \$400 million of lower-margin businesses. There is also persistent worry among some analysts that the semiconductor industry's cyclic nature will hit the automotive-chip segment, where sales remain elevated as

manufacturers build up inventory. In a report Wednesday after OnSemi's meeting, Jack Egan of Charter Equity wrote "we remain skeptical that the industry can avoid a downcycle after an unusually strong, multi-year upcycle."

There is the risk—and expense—of building up silicon-carbide manufacturing. OnSemi's acquisition of GT Advanced in 2021 has made it the only vertically integrated chip company in this space, producing everything from the initial boules and substrates to the finished chip products. But silicon carbide is a challenging material to work with and expensive to produce. OnSemi's capital expenditures topped \$1 billion last year—more than twice its average over the previous five years. And the

company said Tuesday that it expects capex to be in the range of 15% to 20% of revenue through next year, and to drop to 11% by 2027. Capital expenditures have typically averaged 8% of OnSemi's annual revenue.

Those investments should pay off as the auto industry's shift to EVs is hardly a fad. OnSemi Chief Financial Officer Thad Trent says the company has about \$1,700 of chip content in an EV, compared with \$50 in a combustion car. Ross Seymour of Deutsche Bank wrote in a report Wednesday that OnSemi's new focus should prove "structurally sustainable" and result in superior earnings and free cash flow. Life for this chip maker will likely stay in the fast lane.

—Dan Gallagher

Tencent's Earnings Show It Still Has Game

After a brutal one-two punch from Covid-19 and Chinese regulators in 2022, **Tencent** is showing clear signs of recovery.

The Chinese games and social-media giant on Wednesday reported an 11% year-over-year increase in revenue for the quarter ended in March, ahead of analysts' estimates on S&P Global Market Intelligence. That represents the first double-digit revenue growth for the company since 2021. Tencent's revenue for 2022 rose 1% from the previous year. The company was battered by China's strict Covid policies and the crackdown on the internet sector. Operating profit rose 9% last quarter compared with a year earlier, in line with analysts' expectations.

Advertising is a particular

bright spot. Such sales grew 17% from a year earlier. One major driver is a new ad-revenue stream from Tencent's short-video and live-streaming services on its WeChat messaging platform.

China's nascent consumption recovery also helped. The sharp economic slowdown and regulatory crackdown on sectors like after-school tutoring, which had been big advertisers, hurt Tencent's advertising revenue last year.

Still, revenue for the company's domestic game business—its bread and butter—grew 6% year over year. Its chart-topping games "Honor of Kings" and "Peacekeeper Elite" remain big money-spinners. But Tencent will probably need more new games for growth to really recover. China

only resumed approval for gaming licenses in April last year, after an eight-month freeze—also related to the crackdown on internet-platform companies, tutoring firms and other businesses targeted by Beijing for supposed negative impacts on young people, inequality and other social trends.

Games in China require these licenses to be able to make money. But fortunately, the government has started to approve more games again, including some potential blockbusters. Tencent's "Metal Slug: Awakening," which was launched last month, moved to third place in China's iOS app store, according to Morgan Stanley. The bank estimates the game could gross around one billion yuan, the equivalent of \$143 mil-

lion, a quarter.

But given that regulations on the game industry will likely remain stricter than before, a bit more diversified business model for Tencent—both regionally and in terms of actual business segments—is prudent. There are some encouraging signs: Tencent's international game revenue grew 25% last quarter from a year earlier. But that still only accounts for less than 10% of its total revenue.

Tencent is clawing its way back after the annus horribilis of 2022. But it has more work to do if it wants to lay the foundation for sustained growth. Primarily that means further diversification to insulate itself from Beijing—and some new big hits.

—Jacky Wong

Target Aims To Sell Joy That Is Affordable

It's a tough time to sell clothes and home products, even for a beloved retailer like **Target**.

Consumers have plenty of reasons to feel cautious, between banks failing, rising interest rates, inflation and nail-biting talks over the debt ceiling. While food inflation is showing signs of slowing, it remains high. In April, food-at-home prices were up 7.1% compared with a year earlier.

All those things considered, Target had a decent quarter. Comparable sales in the period ended April 29 were flat compared with a year earlier. Wall Street analysts were expecting a 0.1% decline. Notably, last quarter marked the 12th consecutive quarter of year-over-year growth in store traffic at Target—a feat that neither Walmart nor Costco achieved. So-called frequency categories excelled: Comparable-store sales in beauty products grew roughly 15%, while food-and-beverage sales grew by a high single-digit percentage. Household-essential sales also grew. But comparable-store sales fell in apparel, home and hardlines—categories that collectively have made up more than half of Target's sales.

Despite weaker demand in discretionary categories, Target's strategy involves leaning into them. Chief Growth Officer Christina Hennington said on the investor call that the company is trying to be clear about its value messaging to consumers, calling it "affordable joy." Swimwear starts at \$12 and its own-brand children's clothing Cat & Jack sells T-shirts for as little as \$4.

That seems to be the least bad strategy for Target in this environment. In a price-sensitive environment, it will be difficult for Target to win grocery-market share from budget-friendly rivals such as Walmart, discount grocers such as Aldi, and Costco. Target held a 3.1% market share in groceries in the first three months of 2023—unchanged from 2021 and 2022, according to data from Numerator. Price-sensitive consumers aren't going to make it any easier for Target to gain share.

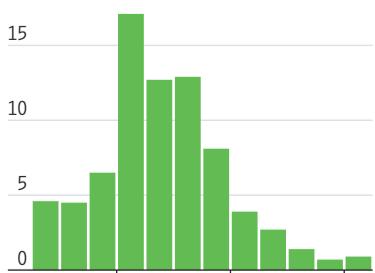
Moreover, Bed Bath & Beyond's demise could give Target an opening in other categories. While Target's executives didn't mention the bankrupt chain by name, Hennington hinted at it, referring to a "market disruption" that should help the company gain market share in home goods during the back-to-school and back-to-college season. It helps that Target worked through most of its excess inventory, which fell 16% compared with a year earlier. That gives the retailer a blank slate from which it can order new, value-oriented apparel and home goods.

Nevertheless, it won't be easy. Value-oriented discretionary sales are dominated by off-price retailers such as T.J. Maxx and HomeGoods owner **TJX Cos.**, which reported on Wednesday that the unit housing T.J. Maxx and Marshalls collectively grew U.S. comparable-store sales by 3%. Meanwhile, theft eroded Target's gross margins by 1 percentage point last quarter compared with a year earlier. If it continues at the current rate, the hit to Target's profitability could be half a billion dollars this fiscal year compared with a year earlier, the company said on the earnings call.

Target's vulnerability in a downturn is nothing new. Its stock underperformed grocery-focused peers and **TJX** in the 2007-09 recession, losing 15% from the beginning of 2007 to the end of 2009, while Walmart, Costco and **TJX** appreciated. A bit of merchandising magic and a better turn in the economy could change that fate, but Target's stock valuation of 0.66 times forward sales, slightly above that of Walmart, seems to be pricing much of that optimism in.

—Jinjoo Lee

Target comparable-store traffic, year-over-year change



Note: 2023 first quarter ended April 29. Sources: Visible Alpha (up to 4Q22), the company (1Q23)