

# THE WALL STREET JOURNAL.

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DJIA 40954.48 ▲ 742.76 1.85% NASDAQ 18509.34 ▲ 0.2% STOXX 600 517.30 ▼ 0.3% 10-YR. TREAS. ▲ 16/32, yield 4.168% OIL \$80.76 ▼ \$1.15 GOLD \$2,462.40 ▲ \$39.50 EURO \$1.0900 YEN 158.35

## What's News

### Business & Finance

- ◆ **Bank of America** said its second-quarter net income fell 7% from a year earlier as higher interest rates continued to weigh on its lending businesses. **B1**
- ◆ **The S&P 500** and Dow hit records, rising 0.6% and 1.8%, respectively, while the Nasdaq gained 0.2%. The Russell 2000 surged 3.5%, extending small-caps' run. **B1**
- ◆ **Elon Musk** said he is moving the headquarters of two of his companies, social-media platform X and rocket maker SpaceX, to Texas from California. **B1**
- ◆ **Ozy Media** and its chief executive, Carlos Watson, were convicted of repeatedly deceiving investors about the financial health of the once-promising digital-media startup. **B1**
- ◆ **Defaults are mounting** in a favorite Wall Street mortgage-bond investment, setting off fresh alarms about the future of offices and malls in cities across the U.S. **B1**
- ◆ **UnitedHealth's** results were hit hard by a major cyberattack as the company sought to reassure investors that it was able to counter challenges that include higher medical costs. **B2**
- ◆ **Shares of Charles Schwab** fell 10% after the largest publicly traded U.S. brokerage reported a decline in bank deposits and an increase in pricier short-term funding. **B2**
- ◆ **A former Goldman Sachs** banker appeared in federal court in Brooklyn, N.Y., and pleaded not guilty to charges he bribed Ghanaian government officials to secure a lucrative power-plant contract for a client. **B10**

### World-Wide

- ◆ **Big names in tech** are turning Trump's way, a shift likely to be accelerated by excitement over Elon Musk's nine-figure commitment and the addition of former venture capitalist JD Vance to the ticket. **A1**
- ◆ **Sen. Bob Menendez** was convicted of peddling his office's power in exchange for gold bars, cash and a convertible, a likely death blow to the New Jersey lawmaker's political career. **A1**
- ◆ **The Biden administration** in recent weeks determined there was an increased threat from Iran against Trump that was serious enough to prompt additional security measures for the former president, a U.S. national security official said. **A3**
- ◆ **Investigations into** the attempt on Trump's life at the rally in Butler, Pa., are probing how the Secret Service coordinated and communicated with local officers before and during the event and where failures occurred. **A3**
- ◆ **Biden is expected** to call for legislation that would bring sweeping changes to the Supreme Court, including setting term limits and imposing enforceable ethics rules on justices. **A5**
- ◆ **Proceedings in** the secret trial of Wall Street Journal reporter Evan Gershkovich were set to resume on Thursday, earlier than first scheduled, after a request from his defense team, according to the Russian court where he faces a false accusation of espionage. **A6**
- ◆ **A New York jury** convicted controversial China critic Guo Wengui of bilking his followers out of more than \$1 billion. **A**

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Sen. Bob Menendez leaves the courthouse in New York City after he was found guilty of all 16 criminal counts on Tuesday.

## Jury Finds Menendez Guilty Of Taking Bribes in Cash, Gold

By JAMES FANELLI AND CORINNE RAMEY

U.S. Sen. Bob Menendez was convicted of peddling his office's power in exchange for gold bars, cash and a convertible, a likely death blow to the longtime New Jersey lawmaker's political career. A federal jury in New York found the Democratic senator guilty Tuesday of all 16 criminal counts he faced, including bribery, fraud and illegal foreign-agent offenses. Federal prosecutors charged him with pocketing

bribes in exchange for taking official actions to benefit three New Jersey businessmen and the governments of Egypt and Qatar. During the nearly two-month trial, prosecution witnesses painted a damning portrait of a crooked politician who hashed out illegal deals—coordinated by his wife—over cigars, ritzy dinners and bottles of wine. Jurors also got to hold a gold bar that prosecutors said was a bribe. Menendez, 70 years old, was stoic as the jury forewoman read the verdict, which the panel reached on its

third day of deliberations. He is scheduled to be sentenced Oct. 29 and could face decades in prison. After the verdict, Menendez said he planned to appeal. "I have never violated my public oath," he said outside the courthouse. "I have never been anything but a patriot of my country." The senator, who stepped down as chair of the Foreign Relations Committee when he was indicted, has so far refused to resign from office, despite calls to do so from top members of his party.

"In light of this guilty verdict, Senator Menendez must now do what is right for his constituents, the Senate, and our country, and resign," Senate Majority Leader Chuck Schumer (D., N.Y.) said. New Jersey Gov. Phil Murphy, a Democrat, said if Menendez won't resign, he will call on the Senate to expel him. It takes a vote of two-thirds of the Senate to expel a senator under the Constitution. Menendez recently filed to run for re-election as an independent, but the Democratic

## More Tech Moguls Put Their Money On Trump

Shift in long-liberal Silicon Valley is highlighted by Musk's support, Vance pick

Big names in tech are turning Donald Trump's way, a shift likely to be accelerated by excitement over Elon Musk's nine-figure commitment and former venture capitalist JD Vance joining the ticket.

By Dana Mattioli, Preetika Rana and Emily Glazer

Those two developments have punctuated a brewing cultural change in traditionally liberal Silicon Valley, as investors and executives announce their support for Trump, the GOP presidential nominee, over issues including the Biden administration's stance on artificial-intelligence regulation and crack-downs on acquisitions by big technology companies. Some said following President Biden's poor debate performance and Trump's response to this weekend's assassination attempt, there is more momentum and permission to support the Republican.

The growing support among tech executives is helping fuel the Trump campaign efforts with funds from deep-pocketed donors. Musk has told people he will donate around \$45 million a month to

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- ◆ **Trump narrows his inner circle** for campaign..... **A4**
- ◆ **Musk to move** two headquarters to Texas.... **B1**

## ‘Apartment King’ Promised Riches

Investors keep faith in Brad Sumrok, even as high rates threaten his realm

By KONRAD PUTZIER AND WILL PARKER

Brad Sumrok, all smiles and promise, for years chartered buses filled with people wide-eyed at the prospect of ditching jobs for a life of freedom and wealth. Doctors, engineers, warehouse workers, retirees, married couples and tattooed 20-somethings took seats and rolled through the outskirts of Sunbelt cities, stopping to inspect apartment buildings for sale, one after another. The rentals looked rundown from the outside. Yet, to those in the

know, they hid riches within, according to Sumrok's pitch. Sumrok, 57 years old, sold a map to the American dream. The route was simple: Raise money, take out loans and buy a multifamily rental building. Make small repairs and raise rents as high as the market will bear. When the bus convoys arrived to view properties, real-estate brokers wanted to know, *Who are these people?* During the pandemic, glory days for Sumrok and his devotees, interest rates were at rock-bottom, rents were rising, and more people

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## How Stealth Shoppers Hide Purchases From Their Partners

Not everyone agrees on personal spending; ‘sheepish about buying so many shirts’

By SUZANNE KAPNER

Evan Elkowitz has perfected a strategy for sneaking new clothing, handbags and shoes into her Old Westbury, N.Y., home undetected. She enters through the back door and shoves her packages in the coat closet, behind an armoire or in the laundry basket. At night, when her husband and three sons are asleep, she puts away her haul.

Elkowitz pays for her shopping with money she earns as a designer and stylist. Yet, she says she still feels guilty about how much she spends. "I'm a

clothes horse," the 54-year-old said. "My husband doesn't need to see that I bought another pair of shoes." Her clients are no different. She said they will leave packages in their trunks or garages, rather than bring them inside and risk being interrogated by their spouses or significant others. One woman changed into a pair of new shoes in her car and wore them into her house as if she'd had them for years, Elkowitz said. America is a consumerist nation. But disagreements over what to buy and how

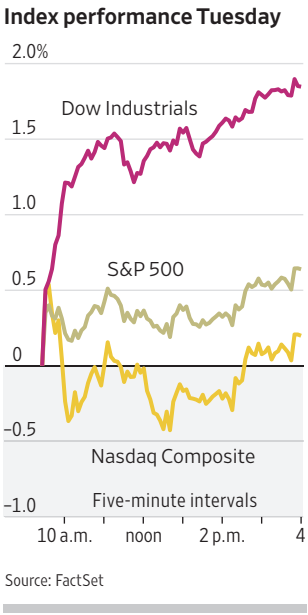
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Under the radar

## Dow, S&P Hit Record Highs

Small-cap stocks outperformed mega-cap technology giants in Tuesday's markets. **B1**



Source: FactSet

## Ignoring GOP Plan Helps Trump Win Over Latinos, Blacks

By AARON ZITNER AND ALEX LEARY

MILWAUKEE — Demographic change was dooming the Republican Party, GOP leaders concluded, and so they came up with a plan: To draw in the nation's exploding number of Latino and other minority voters, the party had to soften its stance on immigration. Instead, the party under Donald Trump has gone in a sharply different direction than laid out by a blue-ribbon panel of the Republican National Committee in 2013, when the party was dispirited after two straight losses to

Barack Obama's multiracial coalition and had suffered its fifth loss in the popular vote in six presidential elections. Today, Republicans are embracing Trump's get-tough immigration policy, which not only calls for aggressive efforts to seal the border with Mexico but the largest campaign in U.S. history to find and deport illegal immigrants. Yet Trump is drawing more support from Latino voters than any GOP nominee since George W. Bush, current polling shows. His support among Black voters, if polling trends hold until Election Day, would be stronger than recorded for

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## Chasing Netflix, Disney Overhauls Streaming

By ROBBIE WHELAN AND JESSICA TOONKEL

Disney spent years trying to attract new subscribers to its Disney+, Hulu and ESPN+ streaming services. Now it is trying to make sure those customers spend more time glued to the screen. The entertainment giant is developing a host of new features aimed at lengthening the amount of time subscribers spend viewing its shows and movies. The goal is to mitigate customer defections and generate more revenue from advertising sales. A metric known as "hours per subscriber"—a measure of user engagement—has taken on increased importance at Disney in recent months, current and former streaming

employees said. Netflix, famous for enabling binge-watching with batch releases of episodes, also has given priority to improving user engagement and return visits in recent years. New features in the works at Disney include a more-personalized algorithm to power content recommendations, customized promotional art for new shows and movies based on subscribers' tastes and usage history, and emails sent to viewers who stop watching in the middle of a series reminding them to finish, according to people familiar with the matter. Some of these features could roll out in the next six months. The company is developing pop-up live channels aimed at

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## INSIDE



### PERSONAL JOURNAL

For many workers, it's the summer of the quiet vacation—but don't tell the boss. **A11**

### WORLD NEWS

Macron's government resigns amid political gridlock that's gripped France. **A6**