

What's News

Business & Finance

The stock market took its biggest U-turn since the early days of the pandemic, with the Dow falling 1,063.09 points, or 3.1%, posting its largest decline this year just 24 hours after its largest gain since 2020. The Nasdaq and S&P 500 slid 5% and 3.6%, respectively. **A1**

◆ **The yield on the 10-year Treasury note rose to 3.066%, the highest level since November 2018.** **B11**

◆ **Musk has assembled a group of investors including a Saudi prince, Larry Ellison and a bitcoin exchange to pony up more than \$7 billion to back his bid for Twitter.** **A1**

◆ **Boeing plans to move its global headquarters to Arlington, Va., from Chicago, a shift that would bring the company's leadership closer to top federal officials.** **B1**

◆ **Top U.S. regulators proposed overhauling how banks lend hundreds of billions of dollars annually in lower-income communities.** **A2**

◆ **The BOE raised its key interest rate but signaled that it is likely to move cautiously in coming months.** **A10**

◆ **Bausch + Lomb priced its IPO at \$18 a share, falling short of expectations.** **B1**

◆ **Peloton Interactive is exploring a sale of a sizable minority stake in an effort to shore up its business.** **B1**

◆ **Shell said it took a \$3.9 billion posttax charge related to its decision to exit Russia, only slightly denting an otherwise strong quarter.** **B3**

◆ **Shopify agreed to buy fulfillment specialist Deliverr in a \$2.1 billion deal.** **B4**

World-Wide

◆ **Russia is intensifying strikes on Ukrainian infrastructure, seeking to disrupt deliveries of Western weapons as Moscow's offensive in the east appears to have stalled.** **A1, A8-9**

◆ **The U.S. provided intelligence that enabled Ukraine to sink the missile cruiser Moskva, the flagship of Russia's Black Sea fleet.** **A8**

◆ **The Democratic and Republican parties are weighing the political impact of the prospect of the Supreme Court overturning Roe v. Wade as they look ahead to midterm elections.** **A4**

◆ **The FDA limited the use of the Covid-19 vaccine from Johnson & Johnson after reviewing the risk of life-threatening blood clots.** **A3**

◆ **The WHO estimated that nearly 15 million people had died from causes related to the coronavirus pandemic by the end of 2021.** **A10**

◆ **The level of carbon dioxide in the atmosphere reached a record high in April, according to measurements at an observatory on Hawaii's Mauna Loa volcano.** **A3**

◆ **A suspected terrorist attack in central Israel killed at least three people and injured several others, rattling the country as it celebrated independence day.** **A10**

◆ **U.S. Indian Health Service hospitals in the Dakotas have faced delays in obtaining life-saving equipment.** **A6**

◆ **Suspected Colombian drug kingpin Dairo Antonio Úsuga was arraigned in a New York federal court.** **A5**

CONTENTS	Markets..... B11
Arts in Review A12-13	Opinion..... A15-17
Business News B35-6	Sports..... A14
Crossword..... A13	Technology..... B4
Equities..... B8	U.S. News..... A2-6
Heard on Street. B12	Weather..... A10
Mansion..... M1-14	World News..... A8-10



Russian Missile Strikes in Ukraine Intensify



SHATTERED: A Ukrainian serviceman on Thursday walks next to an apartment building destroyed by shelling in Kramatorsk in eastern Ukraine. Russia intensified strikes on infrastructure, in particular in Ukraine's west, where arms are flowing into the country. **A8**

For Mariupol Civilians, 'Days Passed Like a Blur'

By MATTHEW LUXMOORE

ZAPORIZHZHIA, Ukraine—As Russian forces bore down on Mariupol in the first days of the war, unleashing artillery and rocket fire on the strategic port city in Ukraine's southeast, Anna Zaitseva, a young schoolteacher, found herself scrambling for safety.

After a night in their apartment block's cramped, airless basement, her husband, Kirill, suggested they move with their infant son, Svyatoslav, and Ms. Zaitseva's parents to what he deemed the ultimate refuge: the bunkers beneath the sprawling Azovstal steel

plant where he worked.

"We didn't know what provisions there were or how well defended it is," said Ms. Zaitseva. "But we took a leap of faith and went."

In interviews with The Wall Street Journal, Ms. Zaitseva and other civilians who escaped from Azovstal painted a picture of what life was like inside.

As the Russian army turned Mariupol into rubble over more than two months, leaving thousands dead and depriving the city of food, water, electricity and phone signal, the steel plant became the final holdout and a symbol of

resilience in the face of seemingly insurmountable odds.

The site is a complex Cold War-era labyrinth of warehouses, furnaces, tunnels and rail tracks spanning a territory of 4 square miles on the east bank of the Kalmius River that divides Mariupol in two. There are 40 bunkers underground, said one evacuee who worked at the plant, five of which are

Please turn to page A8

- ◆ **Attacks in Russia expand scope of conflict.....** **A8**
- ◆ **U.S. shared intel that helped Ukraine sink warship.....** **A8**
- ◆ **Kremlin effort to redraw export map faces hurdles....** **A9**

Stocks Dive In Dizzying About-Face

Tech rout brings market down from previous day's rally as rate reality sets in

By CAITLIN McCABE AND HARDIKA SINGH

The stock market took its biggest U-turn since the early days of the pandemic on Thursday, with the Dow Jones Industrial Average posting its largest decline this year just 24 hours after its largest gain since 2020.

The reversal wiped out the euphoria that reigned on Wall Street Wednesday in the wake of Federal Reserve Chairman Jerome Powell's comment that the Fed wasn't "actively considering" raising interest rates by 0.75 percentage point at a future meeting. With inflation at its highest level since the early 1980s, markets were anticipating such an increase and the prospect of a slower rise in rates set off a furious buying spree in the late afternoon.

The optimism behind that rally was long gone Thursday, when selling was widespread, though most intense in the

technology shares that have fallen on hard times in 2022 after years of leading the market advance.

Tesla dropped 8.3% and Amazon.com fell 7.6%. Bank stocks, a key indicator of economic expectations, dropped 2.7%, according to the KBW Nasdaq index of large commercial lenders. The Russell 2000 index of smaller U.S. companies declined 4%.

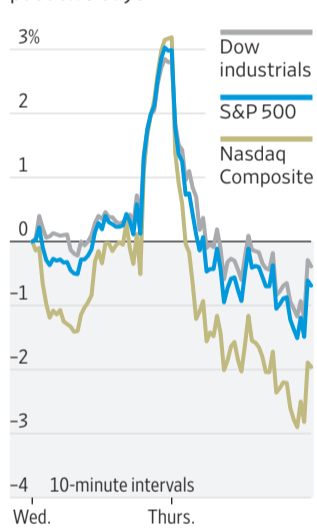
"The market yesterday was a relief rally," said Seema Shah, chief strategist at Principal Global Investors. By Thursday, she said, the realities of a more challenging environment for stocks were starting to settle in, including higher rates, difficult earnings comparisons and a stronger U.S. dollar that weighs on overseas earnings at multinational companies.

Thursday's rout is the latest *Please turn to page A2*

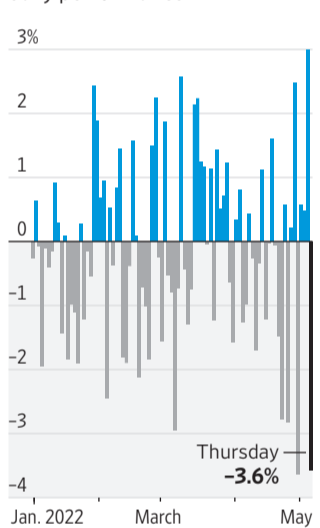
Market Fallout

- ◆ **Mortgage rates reach 13-year high.....** **A2**
- ◆ **Investors look to stocks that pay dividends.....** **B1**
- ◆ **Bitcoin and other cryptocurrencies fall.....** **B11**

Index performance past two days



S&P 500 daily performance



Source: FactSet

Booster Collectives Shake Up Athlete Pay

By LAINE HIGGINS

The Kansas Jayhawks won the NCAA men's basketball title in early April. A few weeks later, members of the team are on a barnstorming tour that will let them monetize their success in a way that was never possible until now.

Members of the title team stand to collectively make nearly \$1 million during a six-week trek to seven gyms around the state. The Jayhawks will sign autographs for adoring fans, auction off game-worn sneakers and shoot around—but not play games or scrimmage—during the events.

Jayhawks star Ochai Agbaji will likely soon sign an NBA contract worth as much as \$5 million as a first-round pick, but most of the touring players will return to the team next year. All of it is being organized by Kansas alumni who are explicitly banding together to line players' pockets—and it's all perfectly legal.

The "KU Basketball Barnstorming Tour" is being organized by a new and disruptive entity in college sports: "collectives" of supporters that operate outside the normal universe of the university and its athletic department. Collectives are companies, usually founded by well-connected and well-resourced alumni, whose sole aim is to pool the financial resources of a university's fan base and direct

Please turn to page A14

INSIDE



MANSION

Below the Hollywood sign, a once-secret enclave has become a hot market. **M1**

Musk Secures Fresh \$7 Billion From Investors in Twitter Bid

By WILL FEUER AND HEATHER SOMERVILLE

Elon Musk has assembled a group of investors including a Saudi prince, Larry Ellison and a bitcoin exchange to pony up more than \$7 billion to back his bid to buy Twitter Inc.

Tesla Inc.'s chief executive has lined up about \$7.14 billion from 19 investors, a roster of big-money backers whose investment effectively reduces the personal risk Mr. Musk has to take to close the \$44 billion deal for the social-me-

dia company.

The new money will cut in half the amount Mr. Musk needs to borrow against his Tesla stake, according to a regulatory filing, and will slightly reduce the balance of cash he needs to put up personally, to just under \$20 billion.

The biggest contribution comes from Prince al-Waleed bin Talal of Saudi Arabia, who agreed to retain a stake in Twitter valued at \$1.9 billion following Mr. Musk's takeover, the disclosure said.

The prince, a nephew of

King Salman, initially dismissed Mr. Musk's offer, saying it undervalued Twitter. Prince al-Waleed was at his desert camp outside Riyadh Thursday and unavailable to comment, said a spokesperson for his company, Kingdom Holding Co.

Mr. Ellison, a co-founder of Oracle Corp., agreed to put in \$1 billion. Cryptocurrency exchange Binance.com, controlled by billionaire developer Changpeng Zhao, promised \$500 million. Venture-capital

Please turn to page A4

New Workers Are Vanishing Before They Even Get Started

People accept job offers and are never heard from again; 'It was just crickets'

Enervise Inc. recently found someone to fill a \$75,000-a-year job. The new hire said he would move to Cincinnati and report to orientation at 8 a.m.

By Chip Cutter, Lauren Weber and Ray A. Smith

on his first Monday. The day before, he emailed to say he had changed his mind.

Taken aback, Aaron Dorfman, the recruiting manager for the facility-services and plumbing company, emailed back. No response. "I called, too, and it was just crickets," he said.

Add another head-scratching new feature to the post-Covid employment landscape: A job isn't filled until the new hire actually shows up for work.

Manufacturers, restaurants, airlines and cleaning companies are among the employers seeing a surge of job seekers who accept positions—and are neither seen nor heard from again. Southwest Airlines Co. said some 15% to 20% of new hires for some jobs don't turn up on their first day. At security and facility-

services provider Allied Universal, roughly 15% of new hires disappear before

Please turn to page A9



Hired?

Facebook Chaos Said To Be Deliberate

Whistleblowers allege havoc in Australia was negotiating tactic on news-payment law

Last year when Facebook blocked news in Australia in response to potential legislation making platforms pay publishers for content, it also took down the pages of Aus-

Australian authorities by whistleblowers allege the social-media giant deliberately created an overly broad and sloppy process to take down pages—allowing swaths of the Australian government and health services to be caught in its web just as the country was launching Covid vaccinations.

The goal, according to the whistleblowers and documents, was to exert maximum negotiating leverage over the Australian Parliament, which was voting on the first law in the world that would require platforms such as Google and Facebook to

Please turn to page A11

Facebook documents and testimony filed to U.S. and

U.S. NEWS

U.S. Weighs Shift in Lending Rules

Planned revamp in loans in lower-income communities comes as online banking grows

By Andrew Ackerman

WASHINGTON—Top U.S. regulators proposed overhauling how banks lend hundreds of billions of dollars annually in lower-income communities, the first major revamp to the standards in more than two decades as lenders increasingly offer financial services online.

The proposal to modernize rules for the 1977 Community Reinvestment Act was announced Thursday and could be finalized by the end of the year. It aims to ensure lending to lower-income individuals and small businesses is distributed more evenly where banks do business.

Existing rules focus on bank activities around their physical branches. Those rules are outdated in a world in which much financial activity happens over the Internet and with mobile phones, both bankers and community advocates say.

“Today’s proposal seeks to expand access to credit, investment, and banking services in [low- and middle-income] communities,” said incoming Federal Reserve Vice Chairwoman Lael Brainard, in a written statement. The Fed is one of three regulators rewriting the lending rules.

The other two, the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corp., also signed off on the proposal Thursday. The regulators will collect public comment on the proposal through early August before writing final rules. Congressional approval isn’t needed.

The proposal doesn’t cover nonbank lenders, who write a large share of consumer loans. That change would require congressional approval.

Under the plan, large banks would face expanded scrutiny of their auto lending activities if such loans comprise a significant portion of their business, in addition to mortgages and small-business loans. Officials



Salt Lake City has experienced a glut of spending under rules governing how banks lend in lower-income communities. Thursday’s proposal, supported by incoming Federal Reserve Vice Chairwoman Lael Brainard, aims to distribute the lending more evenly.

cited the importance of auto loans to lower-income borrowers in explaining the added scrutiny.

The proposed revamp comes as the Democratic Biden administration has pledged to do more to address disparities in wealth, incomes and access to financial services among Black Americans and other racial minority groups.

The Community Reinvestment Act is designed to end “redlining”—banks’ historical practice of avoiding lending in certain areas, often lower-income communities, frequently leading to stark economic disparities along racial lines.

Still, some officials suggested they were unconvinced Thursday’s proposal would improve bank reinvestment activities.

Fed governor Michelle Bowman, appointed by former Republican President Donald Trump, said in a statement that it remained unclear if the overhaul’s costs will be greater than its benefits. “While I support issuing the proposed rule

for public comment, there are significant unanswered issues posed by the proposal,” she said.

In recent years, the law has become a source of conflict between community groups that want the rules to be enforced more strongly and bankers who argue the regulations are too bureaucratic and haven’t

The proposed rule change could be finalized by the end of the year.

kept up with technological changes, among other criticisms. Banks are typically examined every three years on their CRA efforts. A bad grade effectively prohibits mergers.

Thursday’s proposal aims to make rules more transparent and objective, potentially making it easier for banks to understand their regulatory re-

quirements, though the firms could face heightened reporting mandates.

Under existing rules, banks must lend to lower-income communities in the area around their offices, even though they now accept deposits and make loans around the country via online accounts. This has led to a glut of reinvestment act spending in places such as Salt Lake City, where dozens of banks are headquartered but have no branches elsewhere.

If Thursday’s plan is finalized in the coming months, it would aim to spread online banks’ related activities nationally. Banks would generally be assessed for the CRA obligations in areas where they don’t have physical offices if they make 100 mortgage loans or 250 small business loans in a particular area for at least two years.

At present, banks are evaluated on compliance with the act based on a complex formula.

The Consumer Bankers Association said it welcomed the

proposal. “We’re pleased to see the proposal focus on providing banks with the clarity, consistency, and transparency necessary to continue delivering on CRA’s important mission for years to come,” said Richard Hunt, the industry group’s president and chief executive, in a written statement.

Consumer advocates said they hoped the proposal would boost banks’ obligations under the law. “The impact will be pretty clearly to raise the bar in terms of what’s expected from banks,” said Jesse Van Tol, president and chief executive of the National Community Reinvestment Coalition, a fair-lending advocacy group.

Mr. Van Tol said there is a major gap in one aspect of the proposal: It wouldn’t apply to the nonbank financial firms that now provide the bulk of the consumer loans in the U.S., such as in the mortgage market. Nonbanks originated about 75.5% of government-backed home loans as of March 2022, according to the Urban Institute.

Labor Market Remains Tight

By Bryan Mena

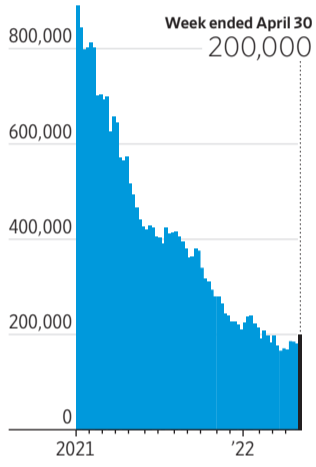
New applications for unemployment benefits rose last week for the first time since early April amid other signs the U.S. labor market remains unusually tight.

Initial jobless claims, a proxy for layoffs, increased by 19,000 to 200,000 last week from the previous week’s revised level of 181,000, the Labor Department said Thursday.

Filings for unemployment benefits have remained near historic lows since late 2021. The four-week average for claims, which smooths out volatility in the weekly figures, rose to 188,000 from the previous week’s revised 180,000. The four-week average reached 170,500 last month, its lowest point on records dating back to 1967.

Continuing claims, a proxy for the total number of people receiving payments from state unemployment programs, declined to 1.4 million for the week ended April 23 from the previous week’s level—the

New filings for jobless benefits



Note: Seasonally adjusted. Source: Labor Department via the St. Louis Fed

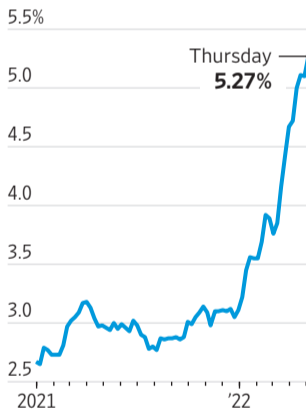
lowest level since January 1970. Continuing claims are reported with a one-week lag.

The low level of worker jobless claims is among several signs of a robust labor market that has strong job growth and high demand for workers.

The Labor Department on Friday will release April employment figures. Economists surveyed by The Wall Street Journal estimate employers added 400,000 jobs last month and that the unemployment rate ticked down to 3.5% from 3.6% the prior month.

Job gains have been above 400,000 each month since last May, the longest such streak since 1939, and the 3.6% unemployment rate in March was close to matching the low reached ahead of the pandemic.

Average 30-year fixed-rate mortgage, weekly



Source: Freddie Mac

Mortgage Rates Reach 13-Year High

By Charley Grant

The steady climb in mortgage rates shows no sign of slowing down.

The average rate for a 30-year fixed-rate home loan rose to 5.27% from 5.1% a week earlier, housing-finance giant Freddie Mac said Thursday. That marked the weekly figure’s highest reading in nearly 13 years.

Thursday’s reading continued what has been a rapid surge as the busy spring sell-

ing season takes hold. The average rate on America’s most popular home loan was 3.22% in early January and 2.96% a year ago. From January to April, rates rose at their fastest three-month pace since 1994.

On Wednesday, the Federal Reserve raised interest rates by half a percentage point in a bid to curb inflation. Chairman Jerome Powell indicated that additional half-point increases could be warranted at meetings in June and July.

Freddie’s weekly average was recorded before the central bank’s Wednesday announcement. Mortgage rates are closely tied to the yield on the 10-year U.S. Treasury, which tends to rise in tandem with the Fed’s benchmark rate.

Higher rates can translate into larger monthly payments for borrowers, who are getting creative in response. Some buyers are paying fees to cut their mortgage rates or boosting their down payments to

lower their monthly bills. Demand for adjustable-rate mortgages has risen sharply in recent months, according to the Mortgage Bankers Association.

MBA chief economist Mike Fratantoni said on Wednesday that mortgage rates are likely to plateau near current levels.

That should encourage more consumers to buy, but demand to refinance existing mortgages is unlikely to recover soon, the trade group said.

Stocks Dive In Dizzying About-Face

Continued from Page One instance of the volatility that has characterized markets this year and highlights the unease over the likely impact of the Fed’s rate-increase campaign, which aims to reverse years of easy policy.

That unease is amplifying the tendency of many investors to sell some shares into market rallies, in a bid to rebalance portfolios that may have become too concentrated in the shares of firms that benefited from pandemic-era stimulus.

The Nasdaq Composite Index fell 647.16 points, or 5%, to 12317.69, the largest one-day percentage decline since June 2020. The S&P dropped 153.30 points, or 3.6%, to 4146.87, and the Dow slid 1,063.09, or 3.1%, to 32997.97. The major indexes fell between 7.02 and 9.38 percentage points from Wednesday’s highs to Thursday’s lows, according to Dow Jones Market Data, their largest swings since the first half of 2020.

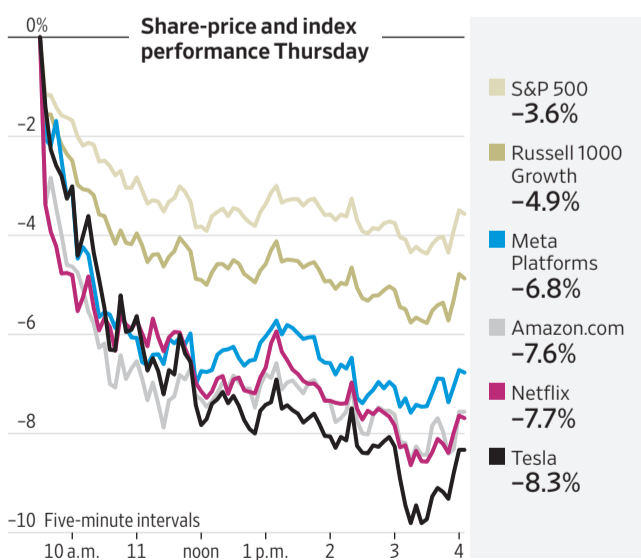
In the bond market, the yield on the benchmark 10-year Treasury note rose to 3.066%, the highest yield level since November 2018. Bond prices fall when yields rise.

The pullback came a day after major U.S. stock indexes soared, with the Dow climbing more than 900 points, its biggest one-day gain since 2020. On Wednesday, central-bank officials approved a half-percentage-point rate increase, lifting the federal-funds rate to a target range between 0.75% and 1%.

“The Fed is reducing liquidity in the markets and that’s driving up volatility, and so this could be our new normal here for a bit until the Fed gets inflation under control and changes the policy,” said John Ingram, chief investment officer and partner at Crestwood Advisors.

Even with a larger rate increase off the table in the coming months, investors are facing the most aggressive tightening of U.S. monetary policy since 2000—the last time the Fed last raised rates by a half point. Though many investors say the market setup then was drastically different from the one now—with valuations higher and many of the highest-flying dot-com firms lacking long-term prospects—it isn’t lost on them that that year ended with sharp declines for the major indexes.

Many investors are questioning how high the Fed might raise rates over the next two years and how that might ripple across the economy and corporate profits.



Source: FactSet

and NXP Semiconductors all declined at least 4%. Megacap technology stocks also pulled back, with Meta Platforms falling 6.8%, Netflix declining 7.7% and Apple slipping 5.6%.

Higher rates can diminish the allure of tech stocks by reducing the value that investors place on their future earnings. Higher yields in general boost the attractiveness of fixed-income products versus riskier assets such as stocks.

Some of the darlings of the pandemic lost ground. Etsy tumbled 17%, after the online marketplace released guidance below expectations for the current quarter. EBay lost 12% after cutting guidance on effects from the war in Ukraine.

Shares of Wayfair slid, losing 26% after the online home goods retailer posted a bigger-than-expected quarterly loss. Shopify’s first-quarter earnings missed analysts’ expectations, sending the stock down 15%.

Bucking the trend, shares of Twitter jumped 2.7% after Tesla Chief Executive Elon Musk said he received letters from investors committing more than \$7 billion in fresh financing to boost the equity part of his offer to buy the company.

Booking Holdings jumped 3.3% after its revenue exceeded expectations and it said it saw strengthening of global travel trends in the current quarter.

Even after Wednesday’s rally, some strategists and investors

said they were hesitant about the stock market’s outlook.

If the Fed tries “to do too much and the market comes unglued, then [Fed officials] kind of shot themselves in the foot because it will make it difficult to do future rate hikes,” said Jordan Kahn, chief investment officer at ACM Funds. “That’s the fine line the Fed is trying to walk—to do as much as they think the market can digest without upsetting it too much.”

In oil markets, Brent crude, the international benchmark for oil, rose 0.7% to \$110.90 a barrel. The Organization of the Petroleum Exporting Countries and its allies, together called OPEC+, met Thursday to discuss production targets.

Assets that investors perceive as safer were among those to rally as money managers looked for havens. The WSJ Dollar Index, which measures the U.S. currency against a basket of 16 others, rose 1.1%. The dollar’s status as the world’s reserve currency makes it a particularly attractive haven.

Gold prices climbed, rising 0.4% to \$1,874 a troy ounce.

The British pound fell about 2% against the dollar after the Bank of England raised rates, but signaled it is likely to move cautiously in coming months as recession worries grow.

The pan-continental Stoxx Europe 600 fell 0.7%. In Asia, Hong Kong’s Hang Seng fell 0.4%, and the Shanghai Composite rose 0.7%. Markets in Japan were closed for a holiday.

CORRECTIONS & AMPLIFICATIONS

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U.S. NEWS

FDA Limits J&J Shot Over Blood Clots

By LIZ ESSLEY WHYTE AND PETER LOFTUS

The Food and Drug Administration limited the use of the Covid-19 vaccine from Johnson & Johnson after reviewing the risk of life-threatening blood clots.

The agency said Thursday that the J&J shot's authorization was now only for adults for whom other shots aren't available or medically appropriate, or who won't take another vaccine.

The FDA said it was making the move after confirming a total of 60 cases, including nine deaths, of the clotting condition known as thrombosis with thrombocytopenia syndrome, or TTS, among the millions of people who got the J&J shot.

The change will likely sharply scale back use of a vaccine that health authorities had once hoped would be a convenient option for many people, but has become a third choice for most people because of the emergence of the risk for the rare but life-threatening side effect.

In the U.S., roughly 17 mil-

J&J's Covid vaccine has a different design than the shots from Pfizer and Moderna.

lion people have gotten the J&J vaccine, compared with more than 202 million who received two doses of the authorized Covid-19 vaccines from Pfizer Inc. and partner BioNTech SE and from Moderna Inc., according to the Centers for Disease Control and Prevention.

Because of the risk for the clotting condition, the CDC in December recommended that patients opt for one of the other vaccines over the Johnson and Johnson shot.

"Our action reflects our updated analysis of the risk of TTS following administration of this vaccine and limits the use of the vaccine to certain individuals," said Peter Marks, who leads the FDA division responsible for regulating vaccines.

J&J said it has updated the fact sheet for its vaccine to increase awareness of the clotting condition. "Data continue to support a favorable benefit-risk profile for the Johnson & Johnson COVID-19 vaccine in adults, when compared with no vaccine," the company said.

U.S. health authorities in

April 2021 paused the use of J&J's vaccine to investigate the clotting-condition risk. Later that month, the authorities allowed the one-dose shot's use to resume, saying the benefits outweighed the risks.

Yet the pause prompted many people to choose the Pfizer-BioNTech and Moderna shots, and the FDA and CDC monitored reports of the blood-clotting condition among people who developed cases after vaccination.

The FDA said it decided to limit use of the vaccine not just because of the number of clotting incidents confirmed so far, but also because scientists don't know what risk factors lead to vaccinated patients developing the syndrome. The agency also said the illness can cause patients to deteriorate rapidly, even if a doctor diagnoses the condition quickly.

The 60 cases and nine deaths of the clotting condition confirmed by the FDA took place through March 18, the FDA said. The agency said it had determined 3.23 cases of TTS were reported for every million doses of the J&J vaccine administered, and that 0.48 deaths were reported per million doses of the vaccine administered.

The agency said J&J's vaccine was also still authorized for adults who have had an allergic reaction to one of the messenger RNA vaccines from Pfizer-BioNTech and Moderna or who would otherwise not receive a vaccine, including those who have "personal concerns" with the mRNA vaccines.

The vaccines from Pfizer and Moderna use RNA-based technology, while J&J's vaccine has a different design. It uses a common virus, an adenovirus, to deliver a gene that sets off an immune response against the coronavirus.

A Covid-19 vaccine from AstraZeneca PLC uses a similar design and has been linked to an increased risk of TTS. That vaccine is available in other countries, but not in the U.S.

Initially, health authorities and experts said J&J's vaccine would be an important tool for vaccinating residents of poor countries with large rural populations, as its one-dose regimen often makes it easier to administer in far-flung locations. Yet the safety concerns combined with manufacturing problems that limited supply have diminished the role of J&J's vaccine.

◆ WHO estimate links nearly 15 million deaths to Covid.... A10

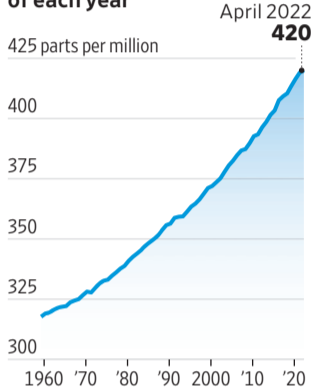
Tornadoes Leave Behind Destruction in Oklahoma and Texas



IN RUINS: Debris surrounded a school in Seminole, Okla., Thursday, the day after a springtime storm system spawned twisters that tore through areas of Texas and Oklahoma. Several structures were damaged but there were no reports of serious injuries.

Carbon Dioxide Hit Record in April

Average atmospheric carbon dioxide at Mauna Loa Observatory for April of each year



Source: National Oceanic and Atmospheric Administration

By NIDHI SUBBARAMAN

The level of carbon dioxide in the atmosphere reached a record high in April, according to measurements of the heat-trapping gas at an observatory on Hawaii's Mauna Loa volcano.

The April reading was the highest since monitoring of atmospheric carbon dioxide began 64 years ago, said Pieter Tans, a senior scientist at the National Oceanic and Atmospheric Administration's Global Monitoring Laboratory in Boulder, Colo. The previous high at Mauna Loa was set last May.

The uptick is part of a decadeslong rise in atmospheric

carbon-dioxide levels driven by the burning of coal and other fossil fuels, according to the chemical fingerprinting of atmospheric carbon atoms and various other scientific analyses conducted in recent years.

The rising levels—and the increasing global temperatures to which they are linked—indicate efforts to rein in carbon emissions are falling short.

Emissions from the burning of coal, oil and natural gas for energy sent 36.3 billion metric tons of carbon dioxide into the atmosphere in 2021, the International Energy Agency said.

"To mitigate the impacts of climate change, we need to get to net-zero emissions and halt

the increase in concentrations" of carbon dioxide, said Noelle Selin, an atmospheric chemist at the Massachusetts Institute of Technology. "What the increase in concentrations is telling you is that we're not there yet."

The level during April averaged 420 parts per million, scientists said. The previous high last May was 419 parts per million.

The last time atmospheric carbon-dioxide levels were so high occurred more than 2.5 million years ago, analyses of fossils and minerals suggest.

Carbon-dioxide levels at that time are believed to have exceeded 400 parts per million.

Ancient Water Found Under Antarctica

By AYLIN WOODWARD

A vast reservoir of ancient water has been found thousands of feet under the ice in western Antarctica, scientists said in a paper published Thursday in the journal Science.

Researchers had long suspected but never established the existence of hidden pockets of Antarctic groundwater, which they believe act to lessen friction between ice sheets and underlying bedrock to make the ice more prone to slide from the continent's interior toward the surrounding ocean.

The first-of-its-kind discovery—made possible by an electromagnetic field measuring technique that is rarely used in polar environments—shows there is far more water under the Antarctic ice than scientists realized.



Researchers install geophysical instruments to measure groundwater below western Antarctica.

It adds to a growing body of evidence showing that the complex computer models scientists use to calculate Antarctic ice loss and the result-

ing sea level rise are incomplete.

"Because there were no observations of groundwater prior to our study, it hasn't re-

ally been incorporated in our models of understanding like how ice flows," said Chloe Gustafson, a postdoctoral researcher at the University of California, San Diego's Scripps Institution of Oceanography and a co-author of the paper.

"I don't know if you could say we're underestimating ice loss, but we are missing a process in trying to understand how ice moves off the continent," she said.

Most of Antarctica is covered with a thick ice sheet, the edges of which periodically slide into the surrounding Southern Ocean to form floating ice shelves. Friction associated with the sliding and heat rising from Earth's core together form streams of meltwater just below the sheet, lubricating the ice in some areas and facilitating those areas' glissade off the rock and into the ocean.

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U.S. NEWS

Court Aims to Keep Leak Probe In-House

By SADIE GURMAN

WASHINGTON—The Supreme Court marshal tasked with finding out who leaked a draft opinion overturning *Roe v. Wade*, the landmark 1973 abortion-rights case, is a retired Army colonel with untested investigative powers to uncover the breach, which was extraordinary but might not be criminal.

Gail Curley, whose public duties include calling the court to order with “Oyez, Oyez, Oyez,” will seek to determine the source who shared the draft, which was published Monday by Politico.

The marshal oversees the Supreme Court Police Department, a federal law-enforcement agency that isn’t known to have ever conducted a leak investigation, a person familiar with the matter said. The primary functions of the fewer than 200 officers are crowd control and personal protection for the justices.

Chief Justice Roberts’s decision to rely on the marshal, rather than enlisting a large agency like the FBI, suggests the court wants to keep the controversy in-house, court observers said. Other law-enforcement agencies with potential jurisdiction fall under the executive branch, the District of Columbia city government or, in the case of the

ing,” said Allison Orr Larsen, a William & Mary Law School professor who was a law clerk to retired Justice David Souter. “Confidentiality is highly prized.”

When Ms. Larsen served, clerks were under strict orders not to take written work out of the building, and some worked on computers that couldn’t be accessed outside the court. But justices and staff have at times been working on laptops at home during the coronavirus pandemic, potentially expanding the pool of suspects to include roommates or family members, observers said.

The authenticity of the draft, written by Justice Samuel Alito and circulated internally in February, was confirmed by the Supreme Court. The draft “does not represent a decision by the Court or the final position of any member on the issues in the case,” the court said.

Before joining the court in June, Col. Curley supervised a team of Army judges and lawyers as the chief of the National Security Law Division in the Office of the Judge Advocate General, a biography on the Supreme Court’s website says. She also provided legal advice and support on national-security law to senior Army leadership. In her current post, she is an officer of the court and not part of the U.S. Marshals Service.

Congress has authorized the court police to enforce any federal or state law on or near the court’s grounds.

It is unclear how extensive the investigation will be. The court’s announcement didn’t define the parameters of the probe. At this point, neither the FBI nor the Justice Department has been asked to help, a law-enforcement official said.

“To run an effective leak investigation, especially against someone who is sophisticated, it would be extremely important to have the ability to compel both suspects and third parties to turn over relevant evidence,” said Kellen Dwyer, a former federal prosecutor who is now at the law firm Alston & Bird.

But in this case, Justice Department involvement might not be an option; unlike leaks of classified information, which can be unlawful, the disclosure of internal Supreme Court documents might not qualify as a crime, Mr. Dwyer and others said. “Even if you could find a statute that applied, you’d have a really hard time in the courts,” he said.

—Jess Bravin contributed to this article.



Supporters and opponents of abortion rights faced off in front of the Supreme Court building in Washington, D.C., on Thursday.

Parties Weigh Abortion Impact

GOP, Democrats differ on who stands to gain most in midterms from ruling on divisive issue

Democrats hope that the Supreme Court’s draft opinion ending a constitutional right to abortion will accomplish what President Biden and his party in Congress so far haven’t: Injecting urgency into the midterm elections so that Democrats feel the need to vote.

By Aaron Zitner in Washington and Joshua Jamerson in Statesboro, Ga.

Republican leaders, by contrast, argue that the prospect of a long-sought abortion victory will energize their own voters—and that Democratic enthusiasm will continue to lag due to unhappiness with inflation, Covid-19 and what they portray as the majority party’s limited legislative accomplishments in Washington.

Control of both chambers of Congress after November’s elections could be determined by which party’s analysis of the abortion issue is right.

Democrat Jill Shaw, a Kentucky native who retired to Florida, said the expected court ruling gives her extra motivation to vote this year and to encourage others to do so.

“This will definitely be front and center for me as an

issue,” said Ms. Shaw, 66, who considers herself a moderate Democrat and has friends who had abortions when they were younger. “I just can’t believe the next generation isn’t going to have that choice. It’s important that all women step up.”

By contrast, David Brasington, a Republican and retired building-maintenance worker from Statesboro, Ga., doubted that an abortion ruling would outweigh the factors that have dispirited Democratic voters and would bring them to the polls. “With everything I’ve seen, Democrats are tired of high gas prices, too,” said Mr. Brasington, 66 years old.

Speculation about the political impact of an abortion ruling turns on a central fact about midterm elections: Voter turnout tends to drop in the president’s party, while the opposing party, unhappy over losing the last presidential election, is eager to vote again.

That disparity is turning up in surveys such as a recent Fox News poll, which found that 52% of Republicans but only 41% of Democrats rated themselves as having the highest level of interest in the midterms—an 11-point GOP advantage.

Now, the two parties are watching to see if voters react as they have predicted to the prospect of a Supreme Court overturning *Roe v. Wade*, the landmark decision that established abortion as a constitutional right. That possibility

was strongly signaled in the draft ruling that became public this week, but the court’s final decision isn’t set.

The Democratic hope is that abortion rights, and the prospect of losing them, carry such emotional salience that the issue will resonate with the party’s core supporters. Some analysts see that as the likely outcome, even if the court’s final decision is less sweeping.

Christine Matthews, a pollster who has worked for Republican candidates, said focus groups she runs suggest that the issue carries impact. “I hear people saying that *Roe* being overturned seems abstract, that ‘it couldn’t happen in our state,’” she said. “The leak of the opinion is like a big bomb dropping—it will wake people up and make them say, ‘Oh, it could happen to me.’”

Others rebuffed the idea that news of the draft opinion fundamentally changes the political environment.

“I think the effect is going to be significantly less than anticipated,” said Gene Ulm, a GOP pollster. States with the heaviest concentrations of abortion-rights supporters also tend to have less-restrictive abortion laws, and so impact there will be limited, he said. “The sky could fall but not hit anyone,” he said.

“The things driving the electorate are inflation, the cost of gas—the pocketbook cluster of issues. Americans are under

duress, and [abortion] is not in that category,” he said.

Polling on abortion rights gives a mixed picture of which voters would be most motivated to vote, or what choices they would make, as the result of a change in abortion rights law.

A range of polling finds little appetite for the Supreme Court to overturn *Roe*. Surveys by CNN and the Pew Research Center have found about 70% support for retaining *Roe*, and Gallup polls have pegged support at about 60%.

But a Wall Street Journal poll in March found plurality support, though narrowly, for laws that ban most abortions after the 15th week of pregnancy. That is a narrower window than under current Supreme Court rulings.

Ruy Teixeira, a Democratic demographer, argues that Democrats face midterm challenges in large part because they are too identified with liberal stances on immigration, policing and race that have alienated centrist voters. He said that while party leaders have broad public support for their call to retain *Roe*, they must still move to the center on other issues.

“Democrats would be foolish to assume that this in and of itself is a ‘get out of jail free’ card,” he said of the abortion debate.

—John McCormick, Eliza Collins and Lindsay Wise contributed to this article.

Musk Adds Investors to Twitter Bid

Continued from Page One firms Sequoia Capital and Andreessen Horowitz are contributing \$800 million and \$400 million, respectively. Arms of asset managers Fidelity Investments and Brookfield Asset Management Inc. also will take part.

Investors with knowledge of the commitments said they were largely a reflection of Mr. Musk’s personal relationships with startup investors, and the billions of dollars his companies have made for shareholders.

DFJ Growth, one of two venture firms that spun out of one of Silicon Valley’s oldest venture operations, Draper Fisher Jurvetson, committed \$100 million. Both iterations of the firm made investments into Mr. Musk’s Space Exploration Technologies Corp.

Some of the contributions are on the small side for the funds, another sign that the investments are more about Mr. Musk and less a reflection of enthusiasm for Twitter’s prospects.

Fidelity Management & Research Co. has longstanding ties with Mr. Musk through its investments in Tesla and SpaceX, which have reaped billions of dollars in profit for the mutual-fund manager. But Fidelity’s \$316 million commitment is small for the investor, which has funds that manage hundreds of billions of dollars,

said an investor with knowledge of the company’s strategy. When Fidelity likes a deal, it tends to give an entrepreneur \$1 billion, the person said.

The deal is an unusual one, particularly for the venture-capital firms, which tend to invest in young companies before an IPO. Twitter was founded in 2006 and went public nine years ago.

Absent from the investor list are many of the big private equity and buyout funds often seen in these types of take-private deals, investors said. Getting involved in Twitter brings some political risk, the people said, which may have dampened investor interest.

A big exception is Brookfield, which is putting \$250 million into the deal via Brookfield Growth, according to a person familiar with the matter, a unit that typically invests in younger companies. The investment is the largest ever for the unit, which participated in the latest funding round for Mr. Musk’s Boring Co.

The swath of investors features firms that have put money into the development of the cryptocurrency ecosystem. Andreessen Horowitz has invested in Coinbase Global Inc. and Dapper Labs Inc., the maker of the nonfungible-token line NBA Top Shot. DFJ Growth also invested in Coinbase, according to its website. Sequoia has put money in crypto exchange FTX.

Binance said its involvement is “as a supporter of Elon Musk’s plans for Twitter and an investor,” a spokesman said. Mr. Zhao tweeted that the investment was “a small contribution to the cause.”

Mr. Musk said he is in talks



Elon Musk leveraged a wide network of associates to come aboard for his plans, some of them tied to him via past investments.

to bring more current Twitter shareholders, including co-founder Jack Dorsey, into the company after the buyout.

Mr. Musk has told potential investors in Twitter that he could return the company to public markets after a few years of ownership, The Wall Street Journal reported earlier this week. The world’s richest man, by some measures, Mr. Musk leveraged a wide network of associates to come on board for his plans.

He has said that he wants the social-media company to be less censorious in content moderation, but has otherwise given few details about his exact plans. At one point he said he doesn’t care whether he makes money on the deal. Mr. Musk has a history of missing his timelines and targets at Tesla. Still, in less than two de-

acades, Mr. Musk has grown Tesla from a niche player in the auto industry into the world’s most valuable car company.

Andreessen Horowitz, also known as a16z, is betting that Mr. Musk can help Twitter fulfill its founders’ mission to “connect the world,” co-founder Ben Horowitz tweeted.

Twitter, Mr. Horowitz said, is challenged by “myriad difficult issues”—bots, abuse and censorship among them. Its reliance on advertising exacerbates them, he said. Mr. Musk has suggested he would remove ads from Twitter and turn to a subscription-based business model.

Twitter shares rose 2.7% Thursday to \$50.36, edging toward Mr. Musk’s \$54.20-a-share offer price.

As a result of the new financing commitments, Mr.

The 19 People and Companies Putting \$7 Billion Into Deal

- ◆ Prince al-Waleed bin Talal (Kingdom): 34.9 million shares
- ◆ Lawrence J. Ellison Revocable Trust: \$1,000,000,000
- ◆ Sequoia Capital Fund LP: \$800,000,000
- ◆ VyCapital: \$700,000,000
- ◆ Binance: \$500,000,000
- ◆ AH Capital Management LLC (a16z): \$400,000,000
- ◆ Qatar Holding LLC: \$375,000,000
- ◆ Aliya Capital Partners LLC: \$360,000,000
- ◆ Fidelity Management & Research Company LLC: \$316,139,386
- ◆ Brookfield: \$250,000,000
- ◆ Strauss Capital LLC: \$150,000,000
- ◆ Bamco Inc. (Baron): \$100,000,000
- ◆ DFJ Growth IV Partners LLC: \$100,000,000
- ◆ Witkoff Capital: \$100,000,000
- ◆ Key Wealth Advisors LLC: \$30,000,000
- ◆ A.M. Management & Consulting: \$25,000,000
- ◆ Litani Ventures: \$25,000,000
- ◆ Tresser Blvd 402 LLC (Cartenna): \$8,500,000
- ◆ Honeycomb Asset Management LP: \$5,000,000

Note: Prince al-Waleed has pledged to commit his shares in Twitter to retain an investment in the company
Source: public filing

Musk said the \$12.5 billion margin loan he had reduced to buy Twitter has been reduced to \$6.25 billion and the takeover will be financed now by \$27.25 billion in equity and cash.

Mr. Musk’s heavy borrowing against his shares has weighed on Tesla’s stock in recent weeks. The shares closed down more than 8% Thursday.

The reduction in the margin loan will reduce the collateral

Mr. Musk will need to pledge. He had committed to a loan-to-value ratio of 20%, which would have called for pledging Tesla shares worth \$62.5 billion when seeking to borrow \$12.5 billion. Borrowing less means he needs to put down shares worth \$31.25 billion.

—Caitlin Ostroff, Patricia Kowsmann, Tim Higgins and Laura Cooper contributed to this article.

U.S. NEWS

Suspected Colombian Drug Lord Arraigned

BY JAMES FANELLI
AND JUAN FORERO

A suspected Colombian drug-trafficking kingpin was arraigned in a New York federal court on Thursday on charges of overseeing shipments of tons of cocaine into the U.S. and ordering the killings and kidnappings of rivals and law-enforcement officers.

Federal prosecutors accused Dairo Antonio Úsuga of being the former leader of the Gulf Clan, calling the organization the largest and most powerful cocaine-trafficking organization in Colombia. Mr. Úsuga, who is also known by the alias Otoniel, was captured in Co-

lombia in 2021 after years of being one of the country's most wanted fugitives. He was extradited to New York on Wednesday.

Mr. Úsuga pleaded not guilty at his arraignment. A federal judge ordered him held without bail after a prosecutor said he oversaw an organization that terrorized and subjugated people in northwest Colombia.

Mr. Úsuga's lawyer, Arturo Hernandez, didn't object to his client's detention but said the government's depiction of him was wrong. "We don't agree with that summation," he said.

In Colombia, President Iván Duque told reporters Thursday

that the extradition was a triumph of the law.

"He was a criminal who thought he could outwit justice, who thought he could taunt our country and escape extradition," Mr. Duque added. "He now has the jail cell he deserves."

The extradition of Mr. Úsuga touched off violence in the northern state of Antioquia, where shadowy groups believed to be tied to the Gulf Clan burned vehicles and posted pamphlets threatening residents.

Mr. Duque's decision to allow the extradition of Mr. Úsuga was controversial in Colombia because a special tri-

bunal that is trying to unravel the crimes of former guerrillas, death squad leaders, former army officers, businessmen and politicians in the country's civil conflict had been counting on testimony from the Gulf Clan leader. In recent weeks, he had already started testifying but more was expected.

"Impressive how fast the government wanted to extradite Otoniel to the USA," former Interior Minister Juan Fernando Cristo said on Twitter. Courts in Colombia had already convicted Mr. Úsuga of homicide, recruiting children, terrorism and displacing people off their land.



Suspected kingpin Dairo Antonio Úsuga is being held without bail after pleading not guilty in a New York federal court Thursday.

U.S. WATCH

NEW MEXICO

Disaster Declaration Made as Fires Rage

President Biden approved a disaster declaration for New Mexico, making additional resources and funding available for communities ravaged by wildfires this spring, as firefighters in the state made progress containing a 165,000-acre blaze.

The president's disaster relief includes assistance for residents in certain New Mexico counties for housing repairs and temporary accommodations, as well as assistance for affected business owners.

The relief comes as more than 1,280 firefighters work to contain the largest fire currently burning in the U.S. The so-called Calf Canyon Fire, which sparked mid-April and is burning east of Santa Fe, forced evacuations in the area around Las Vegas, N.M., this week as turbulent wind and bone-dry conditions fueled its quick spread.

The Calf Canyon Fire recently combined with the Hermit Peaks Fire, and together the blazes had scorched 165,276 acres by Thursday morning, according to the U.S. Forest Service at the Santa Fe National Forest. Twenty percent of the combined fire was contained by Thursday, according to officials.

—Jennifer Calfas

WHITE HOUSE

President Appoints New Press Secretary

President Biden named Karine Jean-Pierre to be his new press secretary, elevating Jen Psaki's top deputy to one of the White House's most prominent roles ahead of November's midterm elections.

The White House also announced that Anita Dunn, a longtime adviser of the president, will return to the White House as senior adviser.

Ms. Jean-Pierre, who is 44 years old, will become the first Black woman and first openly gay person to serve as White House press secretary, after acting as Ms. Psaki's understudy during the first 15 months of the administration.

Mr. Biden said in a statement that Ms. Jean-Pierre would bring "the experience, talent and integrity needed for this difficult job" and would communicate the work of his administration. He said Ms. Psaki had "set the standard for returning decency, respect and decorum to the White House Briefing Room."

Ms. Psaki, who had planned to stay a year but extended her tenure into the start of 2022, is expected to depart for an on-air role with MSNBC and the affiliated Peacock streaming service. The White House said she would leave the podium May 13.

—Ken Thomas

FLORIDA

Walgreens, State Settle Over Opioids

Walgreens said it would pay \$683 million to settle with Florida to resolve claims related to the distribution and dispensing of prescription opioid medications.

The settlement includes \$620 million to be paid out to Florida over 18 years and a one-time payment of \$63 million for attorneys' fees. The settlement includes no admission of wrongdoing or liability by Walgreens.

"As the largest pharmacy chain in the state, we remain focused on and committed to being part of the solution, and believe this resolution is in the best interest of all parties involved and the communities we serve across Florida," said Danielle Gray, Walgreens executive vice president and global chief legal officer.

—Michael Dabaie

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U.S. NEWS

IHS Struggles to Get Life-Saving Gear

By CHRISTOPHER WEAVER

A blood-testing machine needed to detect heart attacks took more than a year to replace at the U.S. Indian Health Service unit in Rosebud, S.D. The agency took at least 18 months to install a needed cardiac monitor at one of its facilities in North Dakota. Outdated ultrasound devices left doctors at some hospitals in that part of the country to feed tubes into patients' arteries by feel alone.

The delays in getting medical equipment, described to The Wall Street Journal in interviews and documented in emails and other records, aren't isolated incidents. They are business as usual at five agency hospitals in the Dakotas, managers at those facilities reported in an internal survey one-and-a-half years into the Covid-19 pandemic, which increased demand for lifesaving equipment.

About 75% of senior managers at IHS hospitals in North and South Dakota agreed that "delay in obtaining medical equipment is placing my patients at my service unit in danger," according to a November 2021 internal survey reviewed by the Journal.

The agency acknowledged that aging equipment poses challenges to its efforts to ensure patient safety, maintain accreditation and recruit staff. It said it had made improvements, including updating and standardizing the software it uses to track equipment in 2020. In response to questions from the Journal, the agency said staff at its Rockville, Md., headquarters would review its processes for acquiring equipment to make further improvements.

The IHS, which provides healthcare to 2.6 million Native American patients primarily in the West, has struggled for years with budget shortfalls and difficulty recruiting staff at its facilities, sometimes leading to workarounds that can endanger patients. The Journal reported in a series of articles in 2019 that the IHS repeatedly ignored complaints that one pediatri-



Ventilators and supplies stored at the Crow/Northern Cheyenne Hospital in Crow Agency, Mont., in 2020.

cian sexually abused his patients over two decades, and that it hired doctors it knew had records littered with surgical errors, criminal allegations and licensing sanctions.

After the Journal's reports, the agency overhauled its abuse reporting procedures and changed its rules for hiring doctors.

Bureaucratic delays

The survey points to another problem at the agency. IHS hospitals buy most routine medical equipment out of their local operating budgets, current and former officials said, but many facilities, such as those in the Dakotas, rely on regional officials to approve the orders. The arrangement has led to lengthy delays, lost procurement forms and erroneous orders.

There is a layer of bureaucracy between the people who need the equipment and the senior managers who must approve it, said Rodney Vizcarra,

the former clinical director of the Eagle Butte, S.D., IHS hospital and one of several respondents to the November survey who was interviewed by the Journal.

The IHS statement said procurements could take time because of "various reviews in-

The Indian Health Service provides care to 2.6 million people, primarily in the West.

volved," uncertainty about funding and shortages of acquisitions staff.

Like in all parts of the IHS, funding is an obstacle. If a piece of equipment should be changed out every five or six years, "with the level of funding that we had, it was more than double that," said Gary Hartz,

the former director of the IHS's Office of Environmental Health and Engineering, describing circumstances during his tenure, which ended in 2020.

At the five hospitals in the Dakotas, 17% of equipment was past its end-of-life date as of March 2021, an inventory obtained from the agency in a public-records request shows. And 10% of the equipment was more than five years past its intended life expectancy, including devices like fetal heart detectors, defibrillators and ultrasound machines.

The IHS statement said the agency estimates that it would need about \$100 million a year, adjusted for inflation, to adequately replace aging equipment and received a 2022 budget of just \$30.4 million for that purpose. President Biden's 2023 budget proposal, if approved, would fully fund the agency's equipment needs.

Not all equipment must be replaced at its end-of-life date,

the agency said, although it noted its policies call for replacement when a device is past its useful life.

Patients at greater risk

The survey, an informal poll of the top leaders at those five Dakota hospitals, was conducted by an official in the agency's Aberdeen, S.D., regional office, which oversees those facilities.

The official, Ming Lin, who supervises emergency departments in the region, wrote to his boss, chief medical officer Lee Lawrence, in November that the "lack of functional and crucial medical equipment puts our health care worker [sic] at great disadvantage and puts our population at greater risk of pain, injury and death." The emails don't show what action, if any, Dr. Lawrence took, and he left the agency soon afterward. Dr. Lawrence couldn't be reached for comment.

To be sure, other government agencies have struggled to acquire medical gear under federal contracting rules. A 2021 report from the inspector general of the Department of Veterans Affairs noted the agency faced longstanding challenges obtaining patient-care supplies in a timely and consistent manner at some of its hospitals.

The delays described to the Journal affected patient care, current and former IHS medical staff said. For instance, a cardiac monitor needed to admit inpatients at the Fort Yates, N.D., IHS hospital took over 18 months to replace. People working at the facility at the time said the regional contracting office took so long to approve their procurement requests that vendor bids expired, forcing them to restart the process.

Meanwhile, reports the hospital filed with the federal Medicare agency show it averaged less than one patient a night for its 12 hospital beds during the period, in part, people familiar with the matter said, because there was no heart monitor in the unit.

—Dan Frosch
contributed to this article.

U.S. Found To Recycle Plastic at 5% Rate

By TALAL ANSARI

Only 5% of plastic waste in the U.S. is being recycled, according to an Energy Department report.

The report, released this week, found that approximately 86% of the 44 million metric tons of plastic waste managed in 2019 was sent to a landfill. Of that, 9% was combusted and 5% was recycled.

Last Beach Cleanup and Beyond Plastics, environmental advocacy groups behind another report released on Wednesday, found that there was a 5% to 6% recycling rate for post-consumer plastic waste in the U.S. for 2021.

The reasons are many, according to environmental and waste management experts, and include population growth, the desire for single-use plastics, and a dwindling international demand for recyclables.

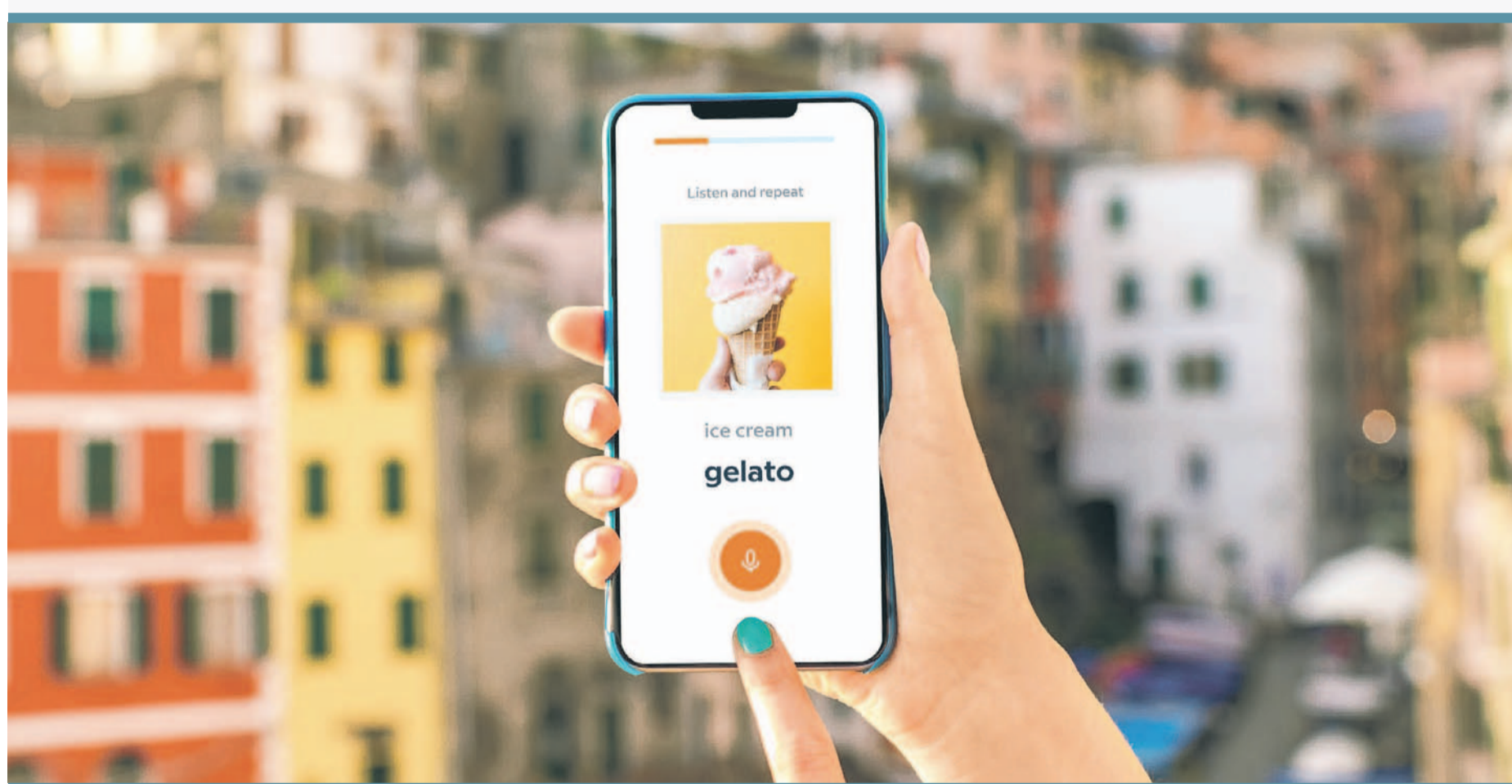
Cities and counties around the U.S. suspended parts of their recycling programs in 2019 after China tightened restrictions around recyclable imports. Historically, China has been an important player in the plastics and recycling industries. When the country stopped taking imports of plastic waste in 2018, recycling markets in the U.S. and other countries were left in disarray.

Demand to use recycled plastic in products is low, which in turn makes prices of recycled plastic low and doesn't motivate collection and sorting of plastic waste, said Paschalis Alexandridis, a distinguished professor at the University at Buffalo's Department of Chemical and Biological Engineering.

The Plastics Industry Association, a trade group, said the report "blindly estimates current recycling rates based on outdated information and irrelevant data."

WSJ+

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7 Multi-Gold Portuguese Star
Aluado 2020



6 Vibrant Venetian Favorite
Visionario 2020



5 Gold-Medal Bordeaux
Tour du Roch-Milon 2019



4 Classy California Chardonnay
DeLoach Private Collection 2020



3 Bold Argentine Malbec
Alambrado 2020



2 Pristine Italian Pinot Grigio
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THE UKRAINE CRISIS

Moscow Steps Up Infrastructure Strikes

Missile attacks seek to disrupt shipments of Western weapons to Ukrainian forces

BY JAMES MARSON

Russia is intensifying strikes on Ukrainian infrastructure, seeking to disrupt deliveries of Western weapons as Moscow's offensive in the east appears to have stalled.

Ukraine's state railway operator said on Thursday that 46 passenger trains were delayed by up to 11 hours because of damage from the Russian attacks.

Recent missile strikes have targeted rail hubs and electrical power facilities—in particular in Ukraine's west, where arms are flowing into the country from the U.S. and its allies. Pentagon officials say the strikes haven't disrupted the handoff of arms.

Russia also resumed bombing the Azovstal steel plant in Mariupol on Thursday, a day after more than 340 women, children and elderly people were evacuated through a humanitarian corridor from the city and surrounding areas, Ukrainian officials said.

Ukraine's Ministry of Defense said Russian forces were blocking and trying to destroy Ukrainian units in the Azovstal area.



An apartment damaged by a missile in Kramatorsk, eastern Ukraine, on Thursday.

"With the support of aircraft, the enemy resumed the offensive in order to take control of the plant," the ministry said.

Kremlin spokesman Dmitry Peskov said Russian forces were continuing to block the Azovstal plant, but didn't confirm that Russia had resumed bombing the site.

Trains around Lviv were particularly affected by Russian strikes, the railway operator said. Lviv, some 30 miles from the border with Poland,

is a hub for moving weapons and supplies into Ukraine.

The Russian Defense Ministry said Thursday it had used air-launched missiles to strike the Kanatovo military airfield in the Kirovohrad region in central Ukraine, as well as a large ammunition depot and a fuel-storage facility for Ukrainian military equipment in the Mykolaiv region on the Black Sea.

Ukrainian officials in those regions confirmed strikes overnight but didn't give an

assessment of the targets.

Russian Defense Minister Sergei Shoigu reiterated Wednesday that Moscow considers weapons shipments from the West legitimate targets.

Ukraine's railways have been critical for moving weapons and evacuating civilians. A Russian missile strike last month on a station in the eastern city of Kramatorsk killed more than 50 civilians.

Ukrainian President Volodymyr Zelensky said the in-

U.S. Shared Intel That Led to Sinking

The U.S. provided intelligence that enabled Ukraine to identify and sink the missile cruiser Moskva, the flagship of Russia's Black Sea fleet, U.S. officials said Thursday.

Ukrainian forces fired two Neptune missiles on April 13 at the cruiser, which caught on fire and sank a day later as the Russians were trying to tow it to port.

The sinking of the ship was a major boost for the Ukrainian military in its fight against Russia, whose warships in the Black Sea have been firing cruise missiles at Ukrainian cities.

The Moskva was about 60 nautical miles south of Odessa

when it was hit, and its sinking resulted in a number of other Russian ships moving away from the coastline into the Black Sea, defense officials said.

U.S. officials later confirmed that the ship had been struck by two Ukrainian-made Neptune missiles. The Russian government has said that the ship had been damaged when ammunition exploded as a result of an accidental fire.

The 12,000-ton warship was believed to have had a crew of nearly 500 sailors. Independent Russian media have said dozens of sailors died as a result of the sinking. The Kremlin initially claimed the entire crew had been rescued but said late last month that one sailor died and 27 were missing.

—Gordon Lubold and Michael R. Gordon

Attacks Inside Russia Raise Prospect of Wider Conflict

BY THOMAS GROVE

A series of attacks inside Russian territory and unexplained explosions at Russian targets near the border with Ukraine have expanded the scope of the conflict in recent weeks, underscoring Russian vulnerabilities in regions that are crucial to Moscow's renewed offensive in eastern Ukraine.

Last month two Ukrainian Mi-24 helicopters entered Russian airspace flying at low altitudes to evade air defenses, and launched a missile attack on a fuel depot in the Belgorod region on the western edge of the country, less than 20 miles from Ukraine's war-ravaged city of Kharkiv, Russian officials said.

Since then, an explosion sparked a blaze at an ammuni-

tion depot near the city of Belgorod, and blasts have been reported inside the city. Last week, fires erupted at other oil depots, including one at a Russian military base. Other explosions have damaged rail lines beyond Belgorod in the provinces of Kursk and Bryansk. Ukraine has denied a role in the incidents.

Ukrainian presidential adviser Mykhailo Podolyak, who declined to comment on Ukraine's involvement, has said the blasts could have been caused by a higher power following the killing of Ukrainian civilians. "There may be totally different reasons for the destruction of military infrastructure in border provinces, including even...divine intervention," he said.

Moscow blamed Ukraine on Thursday for shelling inside

Russia during artillery exchanges between the two sides over the border, but Russian authorities have played down the larger incidents. Regional governor Vyacheslav Gladkov denied the city of Belgorod had come under attack by the Ukrainians, telling residents that a series of loud explosions in recent days were the result of military operations, without elaborating.

But Western analysts believe Ukraine has sought to attack transit and logistics infrastructure inside Russia to disrupt Moscow's effort to concentrate forces in Ukraine's east.

"Ukraine is looking to cross-border operations, and it's looking for certain targets that could disrupt the Russian war effort," said Rob Lee, a senior fellow at the Foreign Pol-

icy Research Institute, a Philadelphia-based think tank.

Belgorod has become a strategically vital logistics hub for Russian plans to take control of eastern Ukraine's Donbas region

Assaults have hit infrastructure vital to Moscow's offensive in eastern Ukraine.

and deploy Russian soldiers south toward the urban centers of Slovyansk and Kramatorsk, where Kyiv's headquarters for operations in the east is located. "Russia wants to make this fight about the Donbas.

Ukraine wants to do the exact opposite," said Mr. Lee.

The Institute for the Study of War said in a report that Ukrainian forces likely would continue to conduct cross-border strikes to disrupt Russian logistics. But new weapons that the Ukrainians will receive from the West are much more powerful than anything they or the Russians have, raising the possibility of more strikes deeper inside Russia.

Early in the conflict, Ukraine proved its ability to reach targets in Russia. The day after Russia launched early-morning missile attacks on Ukrainian military infrastructure on Feb. 24, Kyiv allegedly hit one of the airfields involved in the invasion with a ballistic missile strike that

killed one pilot. Neither Russian nor Ukrainian authorities commented on the strike, but a military academy from which the pilot graduated said he died from wounds he suffered when Ukraine hit the Mille-rovvo Air Base in Russia's Rostov province on Feb. 25 with a Tochka-U ballistic missile.

Russia's failure to prevent more of the incidents at fuel depots and railways could be a result of more intelligence sharing between the West and Ukraine, Mr. Lee said.

The strikes have increased since Western officials said Kyiv's war effort could go beyond defending the country to target Russia itself. Other analysts haven't ruled out other factors in the blasts, including Russia's lax safety standards.

Desperate Weeks at Azovstal

Continued from Page One equipped with basic supplies and triple bunks to host civilians.

The evacuees interviewed by The Wall Street Journal all stayed in the same bunker, and said there were about 75 people in the space, built two levels below ground to withstand a nuclear blast.

Those trapped inside, including dozens of children, recalled celebrating birthdays and holidays like Women's Day on March 8, singing songs, cheering after each night they survived intact, and weeping from joy when the soldiers living in a separate section of the plant brought them much-needed supplies.

They said they melted snow and collected rainwater to drink. The men ventured out at risk of death only to gather firewood and fuel. Russia's assault on the steel plant intensified, leaving most with no option but to remain.

"We thought it would pass after three or four days," Ms. Zaitseva's father, Oleg Yurkin, said at a Zaporizhzhia hotel providing free accommodation for some of the more than 100 people who were evacuated Tuesday under a United Nations-brokered deal.

Since then, 400 more have made the two-day journey from Mariupol to Zaporizhzhia, a way station for refugees from the Russian-occupied territories. Azovstal evacuees said Ukrainian soldiers had instructed them to delete all photos and videos from the plant.

Ms. Zaitseva's husband remained behind along with several hundred civilians, shoring up its defenses as Moscow's forces intensified their onslaught.

The wives of fighters holding off the Russian attacks in Azovstal, who staged a rally in Zaporizhzhia this week to petition the international community for help, said their husbands hadn't responded for several days. On Wednesday, Denis Prokopenko, commander of the Azov battalion, said Russian forces had entered the plant after laying siege to it for weeks.

"Already for 70 days, we have resisted the overwhelming forces of the enemy," Maj. Prokopenko said in a video posted online from the plant. "Heavy, bloody battles are taking place."

Russia said Wednesday that humanitarian corridors would be opened for more civilians to leave Azovstal, ahead of a continued push to capture it and consolidate control over Mariupol. Ukrainian officials said Thursday that Russian forces resumed bombing the area.

Two months ago, many of the evacuees worried they might never get out.

The women spent the time playing cards, preparing meals, and reading books found in the plant's library, said the evacuees. The 20 or so men in the bunker went outside during lulls in Russia's aerial and ground bombardment and used containers to siphon fuel from the burned-out husks of tractors and excavators that littered the territory to feed the single generator they relied on for light and heat.

"We emerged from the bunker only to get water and gas," said Aleksandr Dybko, an English teacher who stayed in Azovstal with his wife, Maria, and 7-year-old son, Petr. "We exploited any vehicle on the premises with its tank filled."

Anna Krylova, an Azovstal employee who found shelter in the bunker with her 14-year-old daughter, Maia, after their apartment was destroyed two days into the war, said that supplies of milk and pasta from the staff canteen lasted about two weeks. The food brought by new arrivals soon ran out too,



Anna Zaitseva and her infant son, Svyatoslav, were holed up for more than two months at Azovstal before fleeing with her parents.

and they would rifle through the offices of the plant's management for sustenance.

"Most days passed like a blur, with that constant 'boom, boom, boom' sound of bombs falling above us," she said. "We laughed, cried, organized concerts and dances. If we'd just sat there we would have plunged into depression."

Ms. Zaitseva said that Svyatoslav, who was less than 4 months old when he entered the bunker, initially cried and slept badly when the bombs started falling, but soon grew accustomed to the explosions that became a sort of white noise, "like a cradle for a child."

She stopped breast-feeding her son and gave him baby formula provided by the sol-

diers who visited during breaks from fighting. Many of the evacuees interviewed say those soldiers, which Russian propaganda has described as neo-Nazis holding the local population hostage, saved their lives.

"We wouldn't have survived without them," said Nadiya Tkacheva, who was in her first year of a bachelor's degree in Ukrainian language and literature at Mariupol State University when war broke out. "But there are many dead and wounded soldiers there who need to be taken out."

For the civilians holed up in the plant, a lack of phone signal meant there was no information about the outside world and no way to gauge

their chances of making it out alive. A couple of weeks before his evacuation, Mr. Yurkin said he found an old radio at one of the warehouses, but when he switched it on inside the bunker he found it could only pick up Russia's state-controlled Vesti FM.

After reaching Zaporizhzhia, the Azovstal evacuees were free to choose their end destination. Many headed to the capital Kyiv or further west to Lviv. Others planned to settle temporarily in Poland, which has seen an influx of more than three million Ukrainians since the war began.

Mr. Dybko said that it wasn't until he left in the convoy of buses headed for Zaporizhzhia that the absolute

destruction of his city dawned on him. In the two months since he sought refuge in the bunker, the place he was born in and loved had been turned into a deserted hellscape, his apartment block now a charred ruin.

"My city suddenly resembled archival footage I'd seen from Berlin in 1945," he said. "We had had a future we thought we were working toward. In one moment it erupted in flames."

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THE UKRAINE CRISIS

Oligarch's \$325 Million Yacht Seized in Fiji

By SADIE GURMAN

Law-enforcement officials in Fiji have seized a \$325 million superyacht owned by a Russian oligarch who was sanctioned for alleged money laundering, the Justice Department said Thursday, the latest move by a U.S. task force that is hunting down the assets of Russian elites stashed around the globe.

Fiji's High Court this week ruled in favor of a bid by U.S. authorities to confiscate the 348-foot luxury vessel named Amadea, which officials said is owned by Russian oligarch Suleiman Kerimov.

The judge gave defense attorneys time to challenge the order; the attorneys said the yacht is owned by a different Russian oligarch, former Rosneft President Eduard Khudainatov, who doesn't appear to be facing sanctions.

Mr. Kerimov, a business tycoon-turned-politician, was sanctioned by the U.S. in 2018, accused of money laundering and tax evasion. An FBI agent wrote in an application to seize the yacht that it appeared Mr. Kerimov has owned it since 2021. The yacht's automated information system was turned off on Feb. 24, almost immediately after the start of the Russian invasion of Ukraine.

The U.S. and its allies have been escalating sanctions and other enforcement actions against Russian elites as part of an international effort to

raise the cost to the Kremlin and President Vladimir Putin for starting the war.

The Justice Department also said Thursday that Attorney General Merrick Garland met with Ukraine's Prosecutor General, Iryna Venediktova, along with other foreign counterparts, to discuss their "coordinated efforts to hold accountable individuals whose criminal actions are enabling war crimes in Ukraine."

The department is assisting Ukrainian and other foreign law-enforcement agencies in gathering evidence of possible war crimes, Mr. Garland and other officials have said. "There is no hiding place for war criminals," Mr. Garland said. "We will be relentless in our efforts to bring to justice those who facilitate the death and destruction we are witnessing in Ukraine."

The Justice Department in March set up a task force to seize and freeze the luxury yachts, real estate, private jets and other assets of Russian oligarchs with ties to Mr. Putin.

The yacht's seizure in the South Pacific nation "nearly 8,000 miles from Washington, D.C., symbolizes the reach of the Department of Justice as we continue to work with our global partners to disrupt the sense of impunity of those who have supported corruption and the suffering of so many," said Andrew Adams, the federal prosecutor leading the task force, known as KleptoCapture.



A facility run by state-owned Gazprom in the Amur region of Russia's Far East is used for preparing gas supplies headed for China.

Kremlin Redraws Export Map

By GEORGI KANTCHEV

With Europe weaning itself off Russian oil, natural gas and coal, President Vladimir Putin has ordered a full-scale reorientation of Russia's commodity exports by shipping more cargoes to Asia, building new pipelines and expanding railroad links to the East.

But in redrawing its exports map, Moscow faces big hurdles, putting its sanctions-stricken economy further at risk.

European Union officials this week are preparing a sixth round of sanctions that aim to undercut Russia's energy exports. Among the proposals are a phased ban on Russian oil purchases as well as sanctions on service providers, such as ship insurers, that would stifle Russian crude shipments to other parts of the world.

The new infrastructure that Russia needs to transport the exports that Europe used to buy will take years to build. It is experiencing difficulties chartering ships to transport its oil as insurers and banks fear the impact of sanctions. Major trading houses, meanwhile, are cutting their Russian business. It is also uncertain how much of Russia's commodities big buyers such as China will be willing to buy, as Beijing looks to diversify its suppliers.

Whether Russia succeeds in rerouting its commodities flows carries high stakes for the Kremlin.

Oil-and-gas sales contributed nearly 42% of federal budget revenue in the first quarter of the year. Elevated energy prices following the invasion of Ukraine have been filling Russia's coffers, partially compensating for the loss of customers in Europe. A long-term decline in exports, however, may make spending cuts necessary, at a time when Russia is looking to support its economy and avoid social unrest as incomes fall.

The export shake-up is also crucial for the global economy. Russia grew in recent decades into a leading exporter of a range of commodities to the world, akin to a giant gas station and mining pit for international buyers. Disruptions in the trade amid already tight global markets would further fuel inflation in the West.

"Russia's energy pivot to Asia faces infrastructure bottlenecks, uncertain demand and cumbersome logistics," said Maria Shagina, visiting senior fellow at the Finnish Institute of International Affairs. While China and India could increase some of their Russian imports, that "cannot compensate for the loss of the European market," she said.

In April, Mr. Putin ordered his government to draw up plans to expand energy-export infrastructure to countries in Asia, Africa and Latin America by June 1. The plan includes building new oil-and-gas pipelines from Siberia as well as the development of the Northern Sea Route, a shipping passage along the Russian Arctic coast.

China, however, has yet to sign on to the project. In oil, the country cut back its purchases from Russia by 14% in March. Beijing has long touted diversification of its energy supplies and has other suppliers, from the Middle East for oil and gas to Australia and the U.S. for liquefied natural gas.

Japan, meanwhile, has pushed ahead on a Siberian natural-gas project as it looks to increase its gas imports from Russia.

Russia has found a willing customer for its oil in India, which counts Russia as its biggest arms supplier and has stayed neutral in the Ukraine conflict. Having bought only one cargo of Russia's flagship Urals oil blend between January and February, India sourced around 700,000 barrels a day in April, according to data provider Kpler.

The downside for the Kremlin is that India is buying Russian crude on the cheap.

"The big risk for Russian producers will be that Russia becomes a perennially discounted seller," said Viktor Kationa, energy analyst at Kpler.



The superyacht Amadea was docked in Lautoka, Fiji, on April 13.

Ed Sheeran Teams Up With Pop Star Turned Combat Medic

By ROBERT P. WALZER

When Russia invaded, the lead singer of one of Ukraine's biggest pop-rock bands swapped his mic for fatigues and headed to the front lines as a battlefield medic.

Singer Taras Topolia has taken on an additional role, joining forces with pop star Ed Sheeran to raise relief funds for Ukraine. Mr. Sheeran and Mr. Topolia's band Antytila this week released a video remake of Mr. Sheeran's 2021 hit "2Step," featuring Mr. Topolia rapping about his war experience.

"The sirens interrupted our sleep," Mr. Topolia sings in Ukrainian. "Grabbed in two suitcases everything that is the past, then go!"

"My friends and I became soldiers and joined the Territorial Defense Forces the first day of the war," Mr. Topolia, 34 years old, said by video chat from outside Kharkiv, where his 130th Battalion is stationed.

The music video was recorded in cities where battles have raged—Irpin, Kharkiv and Kyiv.

Mr. Topolia's part was recorded on the road between battle positions in northeast Ukraine, he said, in part using a GoPro. "The positions are always under fire," he said. "It is very dangerous if you stop for more than 10 minutes there because Russian drones and snipers are at work."

For the sound recording, Mr. Topolia said he didn't have access to his Kyiv studio after Russia began attacking the capital on Feb. 24, but the band found a studio in nearby Hostomel. He said the crew came under Russian fire when they were recording parts of the video in Kharkiv.

Mr. Sheeran, who wasn't available to comment, filmed the original "2Step" video in Kyiv before the war began. In that video version, Mr. Sheeran posted a note that



Taras Topolia, center, with other members of the band Antytila, joined the Territorial Defense Forces.

said: "I stand with Ukraine."

The collaboration with Mr. Sheeran began after Antytila offered to play this year at a Ukraine-benefit concert in Birmingham, U.K., where Mr. Sheeran was performing. The

concert organizers rejected Antytila's offer due to its members' links with Ukraine's military, Mr. Topolia said.

But later, Mr. Sheeran's representatives contacted him to propose a collaboration.

The video has garnered more than 10 million streams since it went live Monday, said a representative of Mr. Topolia. Funds raised from YouTube video royalties will be sent to Music Saves UA, a music-trade

organization in Ukraine that has refocused its efforts to help war refugees, according to a statement from Mr. Sheeran. Music Saves couldn't be reached to comment.

Mr. Topolia said he became a medic in the conflict after working in that role during Russia's 2014 invasion in Ukraine's Donbas region. He said he has helped many wounded soldiers in the current conflict, and prepared them for a possible chemical attack in the use of gas masks and medicinal antidotes.

In Ukraine, Antytila draws stadium crowds with thousands of people. When on tour in other European countries and in the U.S., the crowds are far more modest.

Were Messrs. Sheeran and Topolia known to each other before the conflict? "I knew of him, of course; his songs are very famous in Ukraine. But I don't think he knew who I was," Mr. Topolia said.

FROM PAGE ONE

New Hires Ghost Their Jobs

Continued from Page One starting a job.

The practice, often called ghosting, isn't new. In the tight labor market that preceded the pandemic, employers reported that some staffers quit without giving notice or just stopped showing up for their shifts. The practice picked up its own shorthand: "no call, no show."

What is different now, employers said, is that more people are vanishing before even starting a job.

"The incidence of so-called ghosting—of accepting offers and then saying that they'll start and not showing up—is at a record high," said Jonas Prising, chairman and CEO of staffing agency Manpower-

Group Inc. "It's multiples of what we've ever seen in other tight labor market cycles."

Nationally, the job market is the strongest it has been in about a half-century. The unemployment rate fell to 3.6% in March, and job openings and the number of times workers quit reached the highest levels on record. By some measures the odds of getting laid off are the lowest in decades. Many companies streamlined hiring processes or improved technology, at times making it possible for people to get hired online within minutes—and without ever speaking to a hiring manager.

The rise in no-shows "could be just an expression of job seekers having a lot more confidence in their ability to find a job," said Nick Bunker, an economist at the job-search platform Indeed.

In posts on Twitter, workers offered all sorts of reasons for blowing off new jobs. They said they got better offers between when they were hired

and when they were supposed to show up. They claimed they discovered the pay was lower or the hours or conditions different than what they were told. Some even complained that the hiring companies had previously ignored them after interviews or applications.

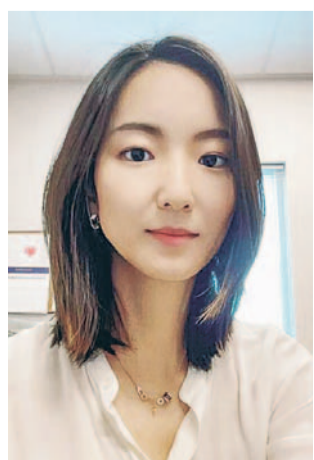
When hiring for clients, recruiting firm Murray Resources in Houston has seen candidates not show up for interviews and start dates. "Candidates have so many options in this market that typical professional etiquette is being ignored," said Keith Wolf, a managing director, who said even his own firm has run into such hiring problems.

"We have a generation of professionals who grew up on dating apps, where ghosting has been accepted as an annoying, but common, phenomenon," he said. "I believe that is leaking into the professional world."

Home-cleaning business Duster & Daisy Green Clean Service in Corpus Christi, Texas, has been trying to hire

another five cleaners. But getting new recruits to show up even for a few paid training sessions has been a struggle, said manager Sunny Zhang.

Sometimes job seekers sign on and almost immediately stop answering text messages about where to go for training. Others show up for one or two shifts, then disappear without picking up their paychecks.



Sunny Zhang said it's hard to get new recruits to show up.

About 80% of new hires eventually disappear without notice, Ms. Zhang said.

About two months ago, after it happened again, she reached a breaking point. "I was so mad," she said. She updated the company's online job listings to say: "Please apply if you are a serious JOB SEEKER. No job ghosting." Even that, she said, hasn't helped.

At Allied Universal, which employs about 300,000 in the U.S., around 18% of new security and facility-services hires failed show up in the early days of the pandemic. That number has inched down to just below 15%, said Don Tefft, Jr., the company's global head of human resources, "but we're still not back to what I would call prepandemic levels" of about 8%.

After a seeing an uptick in the number of candidates who decline its offers, technology company NetApp Inc. has streamlined its hiring processes and cut the number of interviews for some jobs. The

idea, said chief human resources officer Debra McCowan, is to speed up the process for applicants. "More than ever, talent has choice," she said.

Stella Pomianek and her husband, Mariusz, owners of Cafe Stella, struggle to keep their Norfolk, Va., restaurant fully staffed. "We have lots of applicants to choose from," she said. "I let them set up the time for the interview, and then 20% show up for the interview. The other 80% don't even call me."

Some new hires skip shifts, often without calling, the Pomianeks said. But they are reluctant to fire the no-shows given the challenge of replacing anyone. "Eventually they just stop showing up and we have no choice," said Mr. Pomianek.

"We used to take it very personally," he said. "We thought it was about us. Then we started talking to other business owners, and they said they're dealing with the same thing."

WORLD NEWS

BOE Lifts Rate, Signals Caution

By PAUL HANNON

LONDON—The Bank of England raised its key interest rate for the fourth time in as many meetings of its policy makers, but signaled it is likely to move cautiously in coming months as worries grow over a slide into recession, triggering a sharp selloff in the pound.

As in the U.S., the U.K. has seen a surge in consumer prices since early 2021, driven by higher energy costs and supply-chain bottlenecks. In response, the U.K.'s central bank first raised its key interest rate in December, while the Federal Reserve announced its first move in March.

The BOE's cautious tone prompted a selloff in the pound. The currency weakened nearly 2% against the dollar, falling the most in over 14 months and reaching the lowest level since July 2020.

The BOE on Thursday raised its key rate to 1% from 0.75%. That means the central bank has increased borrowing costs at four straight meetings of its Monetary Policy Committee, a sequence unmatched since the late 1990s.

Six MPC members voted for the rate rise to 1%, while three voted for a larger rise to 1.25%.

The central bank also said it has asked its staff to prepare a plan for selling some of

the bonds it bought as part of its past stimulus programs. That plan is set to be outlined in August, but bond sales would start later.

However, the central bank indicated that it is likely to raise rates more slowly, if at all, in coming months, with the very high energy prices that have followed Russia's invasion of Ukraine set to squeeze household spending power and weaken economic growth.

The BOE said further rises in its key rate "may still be appropriate" in coming months, but added that two of its policy makers instead thought it likely the key rate would stay at 1%.

"There were a range of

views about the need for, and extent of, any further tightening in policy in the coming months," said Andrew Bailey, governor of the BOE.

That greater caution is a contrast with the Fed, which on Wednesday approved a rare half-point interest-rate increase to a target range between 0.75% and 1%. Fed Chairman Jerome Powell said officials broadly agreed that additional half-point increases could be warranted in June and July.

Mr. Bailey said one reason for that caution compared with the Fed is that while the U.S. is "facing what looks like a demand shock, with a strong domestic labor market, strong

domestic demand," the rise in U.K. prices is mainly driven by developments overseas that are likely to chill demand.

There are signs of a slowdown in consumer spending as larger shares of household income are eaten up by higher energy costs. U.K. consumers in April were hit with a 54% increase in home energy prices. The BOE said it expects energy bills to rise a further 40% when the ceiling on prices is reviewed again in October.

If that increase happens, the BOE expects the annual rate of inflation to average 10% over the final three months of the year, reaching highs not seen since 1982.

China's Services Sector Staggers

By JASON DOUGLAS

SINGAPORE—Activity in China's services sector fell in April to its weakest level since the early days of the pandemic, according to one indicator, as lockdowns aimed at containing Covid-19 shut restaurants and stores and kept millions of people at home.

The data add to evidence that China's economy slowed sharply last month as authorities imposed restrictions on businesses and daily life in major cities including Shanghai.

Separately, a survey of nearly 400 European businesses operating in China found that just under a quarter were reconsidering their investment plans, as the country's zero-tolerance approach to battling the virus hit their supply chains, staffing and revenue.

Economists say that without an easing of the government's strict approach to smothering even small outbreaks with mass quarantines for those infected and stay-at-home orders for everyone else, the economy could shrink in the second quarter for the first time since the pandemic struck in early 2020.

On Thursday, China reported 4,848 locally transmitted new Covid-19 cases for the day earlier, with 4,466 of those logged in Shanghai and 50 in Beijing. There were 13 deaths linked to the disease, all in Shanghai.

Services-sector activity tumbled in April at its steepest rate since Covid-19 shut down the city of Wuhan in February 2020, according to an index published by Caixin Media Co. and research company IHS Markit.

The index dropped to 36.2 in April from 42.0 in March as the Covid-19 restrictions spread from city to city, closing businesses and throttling consumer demand for eating out, shopping and other services. A reading above 50 indicates expansion and below 50 points to a contraction. The index sank to a record low of 26.5 in February 2020.

New business orders and exports both fell sharply, while staffing levels dropped for the fourth straight month. Firms cut prices to win what new business they could find, according to the survey.

The deterioration in the services sector offers another glimpse into the growing economic costs of China's tough approach to the Omicron variant of the coronavirus.



The body of a coronavirus victim is set up for cremation in Jammu, India. The U.N. health agency says most Covid deaths were in Southeast Asia, Europe and the Americas.

WHO Estimates Nearly 15 Million Covid-19 Deaths

By SHAN LI AND VIBHUTI AGARWAL

NEW DELHI—The World Health Organization estimated that nearly 15 million people had died from causes related to the coronavirus pandemic by the end of 2021, putting the toll from Covid-19 at nearly three times the number that had been officially recorded by countries.

India suffered the highest toll of any country in the world, according to the report released on Thursday, but most of the deaths have gone unrecorded. The 4.7 million people who died in India by the end of last year, according

to WHO estimates, was nearly 10 times the official tally at that time of 481,000 deaths. India's count has risen to about 524,000 since then.

The report, which was compiled by scientists from around the world, has sparked fierce resistance from India, where government officials have denounced the health agency's methodology and objected to the release of the report.

"Despite India's objection to the process, methodology and outcome of this modeling exercise, WHO has released the excess mortality estimates without adequately addressing India's concerns," India's health

ministry said on Thursday.

The report put India's toll for the pandemic far higher than other countries. Russia was the next highest with nearly 1.1 million deaths, according to the report, followed by Indonesia at over one million and the U.S. at more than 930,000. India has more than 1.3 billion people, and health experts say many people in the country didn't get tested for Covid-19 and died at home, particularly during a devastating Delta wave last year.

The WHO estimated that excess deaths in Africa over the same period were 1.25 million, five times more than the

official figure. Three African countries—Egypt, Nigeria and South Africa—were among the top 20 countries that account for more than 80% of the estimated global excess mortality, the WHO added.

The new figures come as official data for parts of the continent show extremely low death rates, but evidence of higher tallies has begun to emerge.

Getting an accurate count of Covid-related deaths, including data such as demographics, times and locations, can help countries judge the effectiveness of their Covid-19 policies. The data can also be used to assess the deadliness

of Covid-19 variants and the efficacy of vaccines.

"Knowing how many people died due to the pandemic will help us to be better prepared for the next," Samira Asma, assistant director-general at the WHO in charge of data and analytics, said on Thursday.

The WHO's report covers those who died directly related to the Covid-19 pandemic and those who died indirectly, such as people unable to get proper medical care for other illnesses. It used statistical models taking into account factors such as local government and national data, demographics and policies on Covid restrictions.

WORLD WATCH

ISRAEL

Suspected Terrorist Attack Kills at Least 3

A suspected terrorist attack in central Israel killed at least three people and injured several others Thursday, rattling the country as it celebrated independence day.

Two unidentified assailants were involved in the assault, including one who used a gun and another wielding an ax, said an Israeli police spokeswoman. Hundreds of officers were searching for the perpetrators, whose identity the police hadn't confirmed, the spokeswoman said.

The attack occurred in Elad, a largely ultra-Orthodox town adjacent to the occupied West Bank. It came in the wake of increased tensions at the Al Aqsa mosque compound, one of Jerusalem's most contested holy sites, where Israeli police and Palestinians clashed in the morning.

—Adam Rasgon

IRAQ

Sandstorm Sends Hundreds to Hospital

Hundreds of Iraqis rushed to hospitals with breathing problems on Thursday and the Baghdad airport suspended flights for several hours as a thick sandstorm blanketed the country, the fifth to engulf Iraq within a month.

Most of the patients were suffering from respiratory issues, Iraqi state media said. Clinics across the country's north and west struggled to keep up with



Pope Francis, who has strained knee ligaments, greets attendees at an audience at the Vatican.

UNITED KINGDOM

Queen Will Miss Royal Garden Parties

Queen Elizabeth II will miss the traditional royal garden-party season, where she would normally meet with hundreds of people on the grounds of her residences in London and Edinburgh, palace officials said Thursday. The guests are people who have served their communities in different ways.

The 96-year-old monarch will be represented by other members of her family.

—Associated Press

VATICAN

Knee Pain Has Pope Using Wheelchair

Pope Francis arrived at an audience in a wheelchair as his knee pain continues to limit his mobility. The pontiff was wheeled into the meeting on Thursday with nuns and religious superiors from around the world who are gathering in Rome. It was the first time he was seen using a wheelchair in public.

The 85-year-old pope has been suffering from strained ligaments in his right knee for months.

—Associated Press

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FROM PAGE ONE

Facebook Allegations In Australia

Continued from Page One
pay news outlets for content.

Despite saying it was targeting only news outlets, the company deployed an algorithm for deciding what pages to take down that it knew was certain to affect more than publishers, according to the documents and people familiar with the matter.

It didn't notify affected pages in advance they would be blocked or provide a system for them to appeal once they were.

The documents also show multiple Facebook employees tried to raise alarms about the impact and offer possible solutions, only to receive a minimal or delayed response from the leaders of the team in charge.

Amended law

After five days that caused disorder throughout the country, Australia's Parliament amended the proposed law to the degree that, a year after its passage, its most onerous provisions haven't been applied to Facebook or its parent company, Meta Platforms Inc.

"We landed exactly where we wanted to," wrote Campbell Brown, Facebook's head of partnerships, who pressed for the company's aggressive stance, in a congratulatory email to her team minutes after the Australian Senate voted to approve the watered-down bill at the end of February 2021.

Facebook Chief Executive Mark Zuckerberg and Chief Operating Officer Sheryl Sandberg chimed in with congratulations as well, with Ms. Sandberg praising the "thoughtfulness of the strategy" and "precision of execution."

Facebook denied the moves were a negotiating tactic.

"The documents in question clearly show that we intended to exempt Australian government Pages from restrictions in an effort to minimize the impact of this misguided and harmful legislation," said Facebook spokesman Andy Stone. "When we were unable to do so as intended due to a technical error, we apologized and worked to correct it. Any suggestion to the contrary is categorically and obviously false." Facebook felt it needed a broad tool because the law didn't define news, Mr. Stone said.

People familiar with Facebook's thinking said executives knew its process for classifying news for the removal of pages was so broad that it would likely hit government pages and other social services. They decided to take that route because Facebook was afraid a narrower definition might lead it to run afoul of the law, which contained a nondiscrimination clause barring platforms from carrying links to some news publishers but not others, the people said.

Facebook also decided to remove pages before the law went into effect because it feared that publishers might take legal action to block their ability to remove news once the legislation became law, the people said.

Facebook's hardball approach provides a glimpse of how future fights might go as similar legislation is introduced around the world. Last month, Canada introduced legislation modeled on Australia's that would force Google and Facebook to engage in a process that could include "final offer" arbitration with publishers to decide on payment, a process that tends to favor publishers. Similar legislation is circulating in the U.S.

The Wall Street Journal's parent company, News Corp, was one of the publishers that forged deals with both Alphabet Inc.'s Google and Facebook in Australia last year, and has been an outspoken advocate that such platforms pay publishers for their content.

The Facebook documents, reviewed by the Journal, have been submitted as part of whistleblower complaints filed with the U.S. Department of Justice and the Australian Competition & Consumer Commission, or ACCC. The documents have also been shared with members of Congress.

Rod Sims, who was the chair of the Australian competition regulator at the time of Facebook's news takedown, said he believed Facebook's explanation at the time that the improper blocking of some pages was a mistake. "I gave them the benefit of the doubt that they just

overshot," he said. "It's either a conspiracy they did it deliberately, or they got it wrong and mucked it up, and I was assuming the latter."

He said he doesn't think last-minute changes won by the tech giant substantially weakened the bill, pointing to the many private deals to pay for content that Facebook and Google have forged with publishers.

Mr. Sims said his current view was that the Australian government got most of what it wanted while Facebook had to move its position from where it started. "It's been a massive turnaround by them," he said.

The whistleblowers said the intent of the project—as a negotiating tactic—was unambiguous to those who worked on it. "It was clear this was not us complying with the law, but a hit on civic institutions and emergency services in Australia," said one employee who worked on the project.

That employee is one of the whistleblowers close to the project represented by John Tye, the founder of Whistleblower Aid, the nonprofit organization that separately also represented Facebook whistleblower Frances Haugen, who made public documents that showed the company knows its platforms are riddled with dangerous flaws. In the complaints filed with regulators, Mr. Tye alleges "a criminal conspiracy to obtain a thing of value, namely favorable regulatory treatment."

In 2019, the ACCC published a study blaming Facebook and Google's business practices for weakening the country's journalistic institutions. In July 2020, it published a legislative proposal aimed at fixing the issue by forcing platforms to negotiate payment with publishers under binding arbitration.

Both Facebook and Google fought the legislation, arguing the law as originally proposed was unworkable. Worried about the precedent the law would set, both effectively threatened some kind of Australian blackout, with Google warning it would shut down its search engine in the

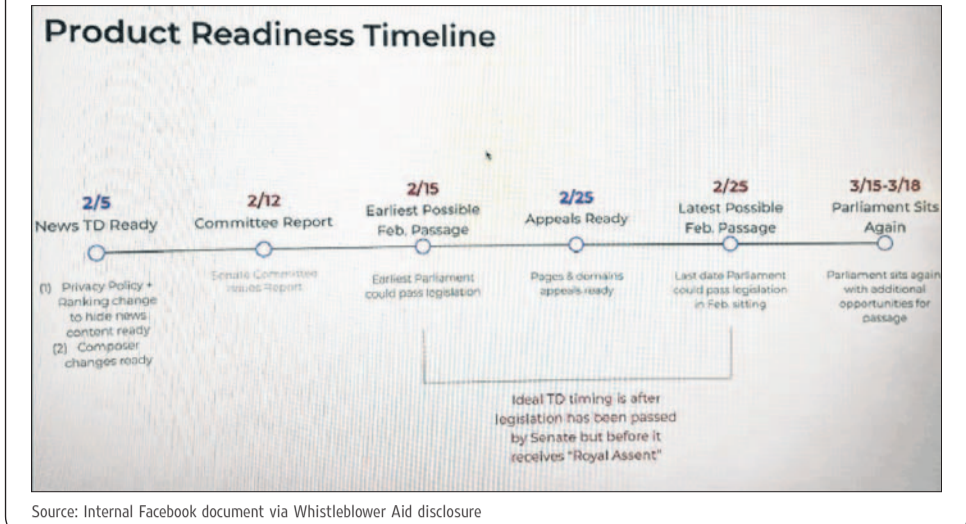
Whistleblowers said the project's intent — as a negotiating tactic — was clear.

country and Facebook saying it would remove news from its platform in the country if the proposal became law.

Inside Facebook, according to the whistleblower complaints, the company assembled a team of about a dozen people to prepare to remove the news content. The team largely consisted of members of Facebook's News team, which typically worked on products such as the Facebook News Tab, according to people familiar with the matter.

Instead of using Facebook's long-established database of existing news publishers, called News Page Index, the newly assembled team developed a crude algorithmic news classifier that ensured more than just news would be caught in the net, according to documents and the people familiar with the matter. "If 60% of [sic] more of

An internal planning document shows that Facebook considered the 'ideal TD [takedown] timing' was after the Australian Parliament voted on the legislation but before it was signed into law, and potentially before an appeals process was ready, which wasn't a typical process for Facebook.



a domain's content shared on Facebook is classified as news, then the entire domain will be considered a news domain," stated one internal document. The algorithm didn't distinguish between pages of news producers and pages that shared news.

The Facebook documents in the complaints don't explain why it didn't use its News Page Index. A person familiar with the matter said that since news publishers had to opt in to the index, it wouldn't have necessarily included every publisher.

The team also created a timeline for how it would roll out the takedown that showed it wanted to launch before an appeals process was ready, the documents show. The move didn't follow typical procedure, according to the people familiar with the takedown.

"An appeals process was being built, but the agreement was reached before it launched," Mr. Stone said.

As the legislation headed toward a vote in February 2021, Google backed off its threat to shut down its search engine in Australia and instead forged private deals with news publishers.

Google spokeswoman Jenn Crider said this week the company had worked with publishers for more than 20 years to address challenges in the industry. "We also support thoughtful regulation that will support a diverse, sustainable and innovative news ecosystem that respects the open web and free expression it enables," she said.

On Feb. 18, about a week ahead of the final vote in the Australian Parliament, Facebook began taking down pages. Despite the warnings from Facebook that it might make such a move, the reality of the blackout took Australians by surprise.

In a blog post explaining the move, Facebook said it was shutting off Australians' ability to share news on its platform and for international publishers to reach Australian audiences on it because "the proposed law fundamentally misunderstands the relationship between our platform and publishers who use it to share news content."

It was almost immediately clear that Facebook had blocked much more than news. The Australian press and internal documents show that Facebook had also blocked pages for health



Campbell Brown, Facebook's head of partnerships, seen at a 2020 event, pressed for the company's aggressive stance in Australia.

services such as the Children's Cancer Institute and Doctors Without Borders in Australia; fire and rescue services during fire season, including the Bureau of Meteorology and Western Australian Department of Fire and Emergency Services; and emergency medical and domestic-violence services such as Mission Australia and the Hobart Women's Shelter.

The health-service blackouts came just as the national Covid vaccine rollout was being announced on Feb. 18, with inoculations beginning on Feb. 22.

Shona Yang, the content manager for Mission Australia, a charity that provides housing and mental-health services, among other things, said her team monitors its Facebook inbox every morning for new inquiries and to respond to calls for assistance. During the pandemic, Ms. Yang said, Mission Australia also used private Facebook Groups to stay connected to clients who needed help.

On the morning of the news ban, staff members discovered they couldn't share a post on Facebook. The group posted on other social-media channels, letting clients know how they could stay in touch.

Inside Facebook, some employees were alarmed by the blocking of pages that shouldn't have been and flagged the prob-

lem through Facebook's internal tool that is used to track problems and their solutions. A broad range of employees can participate in and read the discussions on the internal logs.

"We took down pages that were clearly not owned by news publications," wrote one employee, who was not on the team blocking pages, on the first day, according to the internal logs. "Such pages include those operated by official government sources, fire and emergency services, universities, official health pages and charities for causes such as homelessness and domestic violence."

The employee listed pages that had been improperly blocked and reinstated, such as the Bureau of Meteorology and City of Perth, as well as those still affected, such as the Women's Legal Service Tasmania and WWF-Australia.

The employee proposed that Facebook should "proactively find all the affected pages and restore them." The person added: "We should be proactive here, not reactive, given the damage this is doing to Facebook's reputation in Australia."

Facebook didn't halt or reverse the process. It ramped up the takedown, expanding the use of the algorithm from 50% to 100% of all Australian users over the next several hours.

Mr. Stone said the reason for the quick rollout was Facebook's fear of legal action.

This was contrary to typical Facebook procedure, which would be to use the "canary" method of testing a change on a small number of users, getting feedback about any problems, and adjusting the product before taking it to all users, according to people familiar with the takedown.

"The way this whole rollout was scheduled ran contrary to standard practices for rolling out major changes that might have potential side effects," said one of those people.

The product manager for the team wrote in the internal logs: "Hey everyone—the [proposed Australian law] we are responding to is extremely broad, so guidance from the policy and legal team has been to be overinclusive and refine as we get more information."

She then outlined the team's plan to undo the improper blocking, including starting with "the most obvious cases" like government and healthcare pages, and the need to go to outside legal counsel for "more nuanced" cases.

Facebook employees familiar with the move to remove pages said this communication was notable because it didn't refer to any efforts made to avoid blocking sensitive accounts and information ahead of time.

Facebook has many tools,

such as "whitelists" that exclude some users from enforcement efforts, including XCheck, which ensures that high-profile users get special treatment.

The whistleblower documents show Facebook did attempt to exclude government and education pages. But people familiar with Facebook's response said some of these lists malfunctioned at rollout, while other whitelists didn't cover enough pages to avoid widespread improper blocking.

Thousands blocked

On the first day of the action, Facebook executives discussed that the platform had blocked about 17,000 pages as news that shouldn't have been, of which 2,400 were "high priority" pages such as government agencies and nonprofits that they were working to unblock first, according to emails viewed by the Journal.

Three days later, Brian Rosenthal, the engineering director who led the team taking down pages, wrote in the internal log tracking problems that the group had "manually reviewed all" of the affected pages in Australia and "re-instated all of the pages where our manual reviews indicated we should re-instate," with exceptions for things like pages that Facebook strongly believed its algorithm had classified correctly.

On Feb. 21, an employee wrote: "Is there a reason the pages were not reviewed this way before the rollout? I think it would have been a smoother rollout if more checks were performed beforehand and the important Government health pages were not accidentally blocked."

"We're focused mostly still debugging the active situation but will afterward post-mortem it," Mr. Rosenthal wrote.

On Feb. 23, Facebook and Australian officials came to a handshake deal to change the proposed law, including adding language that allowed the Australian Treasurer to weigh private deals between publishers and platforms before "designating" a platform, a label that would require it to take part in the government-sanctioned negotiation process with publishers that could end with binding final-offer arbitration.

The previous version of the law automatically subjected platforms like Facebook to the negotiation process, which the platforms considered unworkable and onerous.

According to internal documents, Facebook's first action after the handshake deal was reached was to manually unblock the page of the Australian national government—which required just three lines of code.

Mr. Stone said the Australian government didn't inform Facebook that the page was blocked until Feb. 22. "We took action shortly after they let us know it was down," he said.

Australian officials explained the change in the law by saying Facebook had agreed to forge deals with publishers on its own.

Two hours later, Facebook's Ms. Brown announced the agreement publicly, saying "it will allow us to support the publishers we choose to."

The next day, the Australian Senate voted to approve the changes to the law. Minutes later, Ms. Brown emailed her congratulations to the team. The day after that, the Australian House voted the changes into law, and Facebook rolled back its takedown, reinstating all the pages it had blocked.

Ms. Sandberg and Mr. Zuckerberg emailed congratulations to the team, with Mr. Zuckerberg writing, "This is something we'd been preparing for, but the last couple of weeks were really intense," adding that the company had achieved "the best possible outcome in Australia."

The Australian government is conducting a review of the first year of the law and asking for comments to improve it.

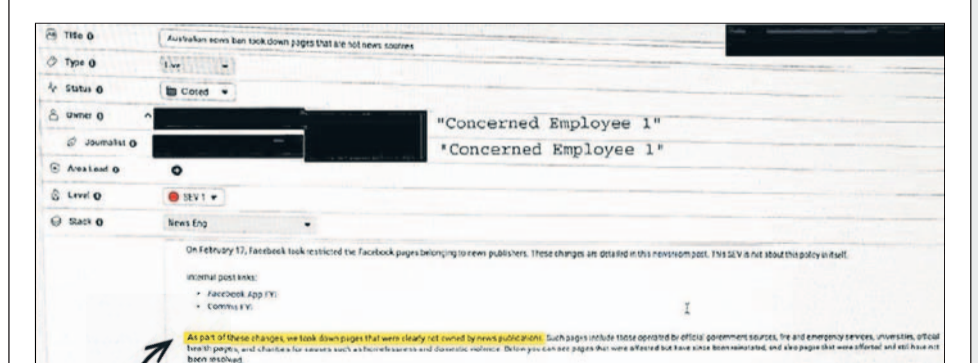
Paul Fletcher, the Australian communications minister, pointed to the deals that Google and Facebook have made with at least 19 and 11 news organizations, respectively, in Australia, to pay them a total of more than \$100 million a year, as evidence that the law is working.

Google's Ms. Crider said her company has done 60 deals with publishers in Australia representing 170 publications.

Mr. Stone said Facebook has done deals in Australia with 13 publishers, representing 200 newsrooms.

As a result, the companies haven't been "designated" by the treasurer, meaning they don't have to take part in the government-sanctioned negotiation process with publishers.

Employees noted in an internal log to track problems that pages were improperly being blocked. Later, the product manager wrote in the log that the team had been advised to be 'overinclusive' in the pages that were blocked.



'As part of these changes, we took down pages that were clearly not owned by news publications.'

'...the code we are responding to is extremely broad, so guidance from the policy and legal team has been to be overinclusive and refine as we get more information. We are iterating quickly to get more and more folks out of the block.'

Source: Internal Facebook documents via Whistleblower Aid disclosure. Redactions and employee descriptions by Whistleblower Aid.

ARTS IN REVIEW

FILM REVIEW

‘Sanctity of Space’: Roam With a View



GREENWICH ENTERTAINMENT/RENAN OZTURK (4)

By JOHN ANDERSON

IT MIGHT SOUND like documentary surf & turf, but there are more than a few similarities between the mountain-climbing movie and the surfing movie, aside from their coexistence on the nonfiction menu. Both are, often enough, about obsession—an obsession that mystifies those of us who prefer to remain on solid ground. Both genres often involve tragedy. But both have at their disposal some of the most glorious and breathtaking photographic opportunities available on Earth. And sometimes they can use that visual splendor

to inspire at least some understanding about what drives people to risk life and limb in pursuit of their ecstatic communion with the physical world.

Such is the case with “The Sanctity of Space,” in which climbers and filmmakers Renan Ozturk and Freddie Wilkinson set out to accomplish an ambitious climb—that of the Moose’s Tooth massif in the Central Alaskan Range south of Denali (formerly Mount McKinley and the highest mountain in North America). It’s not the highest climb ever undertaken, but it’s notoriously difficult. And with the cameras in the hands of the

climbers, we see how difficult it is.

Their inspiration—and co-star, to a large extent—is Bradford Washburn, who appears visually, vocally and also photographically. Washburn, who died in 2007, was an explorer, climber and photographer who had the good fortune to practice all his enthusiasms in the early days of private aircraft: His took aerial photographs of many significant world sites, but Denali specifically here, and he provided a perspective on those sites that was previously unseen. His purpose wasn’t art, though his shots were artistic (the first one we see might as well be

by Ansel Adams, who was a friend of Washburn’s). He used his 8-by-10 prints as maps, marking various trails and ascent points for future climbers—such as Mr. Ozturk, Mr. Wilkinson and their friend Zack Smith—and denoting where to approach the as-yet-unconquered peaks, such as those of the jagged Moose’s Tooth.

Burying the lede a bit, the filmmakers don’t tell us, or remind us, till very late in the film that Washburn also established, developed and served as director of the Boston Museum of Science from 1939 to 1980 and that his wife, Barbara, was the first woman to climb Mount McKinley. (The couple went climbing in Alaska on their honeymoon.) He was also poised to be Amelia Earhart’s last navigator, until he disagreed with her flight plan.

But this is indicative of the single-minded nature of the climber-directors, who seem to revere Washburn even more for his cartological contributions to their endeavors, than for the breathtaking nature of his photographs. At the same time, those pictures, in glorious black-and-white, serve as the dramatic and aesthetic counterweight to the more current color footage shot during the Ozturk-Wilkinson climbs and will engage viewers who might sympathize with another Washburn obsession—namely, the camera: Holding an object essentially the size and shape of a good-size rolling pin, Washburn explains that it’s a film roll, with which one could take 125 pictures of 8 by 10 inches. He holds up a roll of 35mm film for comparison, which echoes what he did in his pictures: placing humans



Exploring the blue glacial pools of the Great Gorge, Denali National Park, top; Bradford Washburn in 1955, above; on the summit of the Moose’s Tooth, below.



somewhere in the frame of his shots, for scale. The enormity of Denali and its surrounding mountains wouldn’t have been as graspable without them. What he would think of digital photography is unknown, but it would have made his job easier: Holding one of his massive 1920-era cameras, he explains how it was easier to instruct the pilot how to fly to frame a shot, rather

than to try to do it himself from a moving airplane.

“The Sanctity of Space” is a title that comes out of Aristotle and the citation is recited at the end. As film audiences move like migrating reindeer away from theatrical exhibition to streaming, it will no doubt grow tiresome to be told that you must see certain films on a big screen. So I won’t say it. But please do.

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ARTS IN REVIEW



THEATER REVIEW | CHARLES ISHERWOOD

Broadway Opposites Attract

Two musicals—a daring Pulitzer winner and a frothy Billy Crystal comedy—both hit their marks

The last two Broadway musicals to open during the frenetically busy spring season could hardly be more starkly contrasted. “A Strange Loop,” the Pulitzer Prize-winning musical with book, music and lyrics by Michael R. Jackson, is extraordinary in just about every way—at least for Broadway, where it has found a strange berth. An intimate and personal exploration of the tangled interior life of a black gay man, it represents theater at its most daring and unexpected.

Opening just a night later was “Mr. Saturday Night,” which is almost the aesthetic opposite of “A Strange Loop.” A traditional musical comedy that checks all sorts of familiar Broadway boxes, it’s adapted from a movie, features a marquee star, Billy Crystal, and plainly aims to please seasoned Broadway audiences, particularly those with a fond affection for Borscht Belt comedy. To see them just nights apart, as I did, was almost whiplash-inducing. With “A Strange Loop,” Broadway continues its gradual opening up to more venturesome musicals, like “Hamilton,” “Hadestown” and others—call it the future, or at least the potential future. “Mr. Saturday Night,” for all its lively charm, harks back to Broadway’s past, which of course remains a large part of its present.

Mr. Jackson’s “A Strange Loop,” seamlessly directed by Stephen Brackett, is unabashed in its self-referentiality. It has only a single significant character, Usher (Jaquel Spivey), so named because that’s his job, shepherding audiences into and out of “The Lion King” (as Mr. Jackson did). When he’s not on



Clockwise from top left: the cast of ‘A Strange Loop’; Billy Crystal in ‘Mr. Saturday Night’; Jaquel Spivey as Usher

duty, Usher is busy writing, or attempting to write, or failing to write, the musical we are watching. But in truth, and hilariously, Usher spends considerably more time wrestling with varieties of self-tortment. The rest of the cast—excellent, all—portray the inner voices, mostly scolding or mocking, who flit through Usher’s restless, endlessly worried mind. Insecurity is his brand, almost his very being, and in Mr. Jackson’s hands, insecurity is as endearing as it is moving. The show’s title comes from a Liz Phair song, and Usher confesses to an affinity for what he calls his “inner white girl,” but Mr. Jackson’s music and lyrics reveal an astute study of musical

theater. (Stephen Sondheim is clearly a major influence.) In its brash depiction of the character’s complicated sexuality—we actually see simulated sex onstage—“A Strange Loop” feels transgressive, but Usher’s sex life, his artistic ambition and his troubled relationship to his family are so honestly depicted that, strange to say, there’s nothing particularly shocking about the show. Except, perhaps, its casual bravery about depicting an overweight gay black man with all his fragilities and neuroses on display. Not incidentally, Mr. Spivey perfectly embodies this conflicted character; rarely have I seen an actor disappear so effortlessly into a role, to

the point that Mr. Spivey all but dissolves the lines between actor, character and the show that encompasses them both. Mr. Crystal certainly doesn’t disappear into the role of Buddy Young, the almost desiccated comic who is the central character in “Mr. Saturday Night,” but you wouldn’t want him to. At age 74, Mr. Crystal retains the superlative comic timing that he has displayed throughout his career. The musical, based on a movie that pretty much nobody saw, features a book by Mr. Crystal and the team of Lowell Ganz and Babaloo Mandel (the same trio wrote the movie, in which Mr. Crystal starred), with music by Jason Robert Brown and



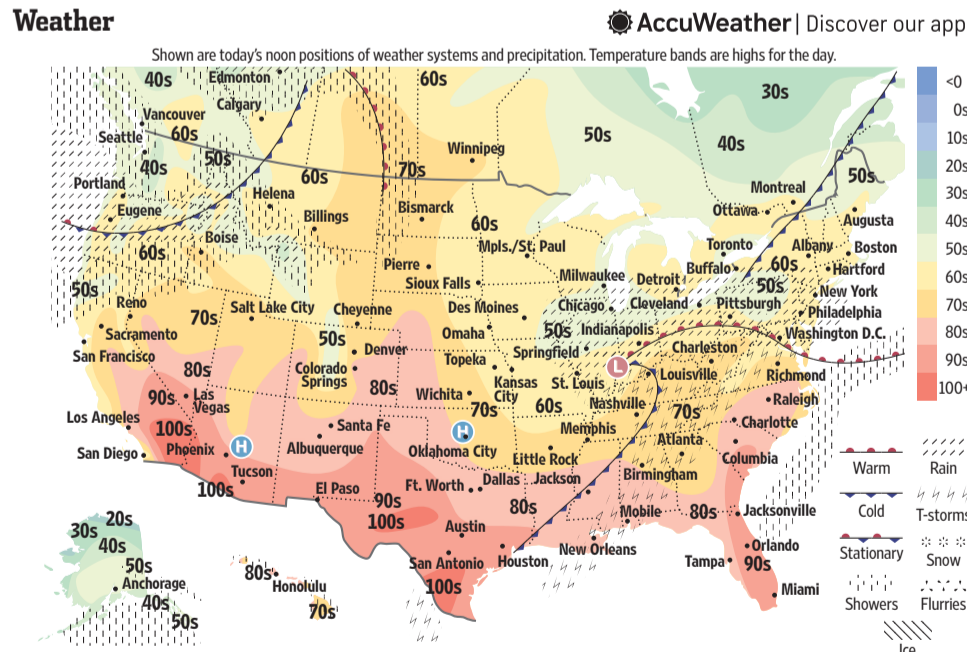
lyrics by Amanda Green. Buddy’s career has descended precipitously from the years when he had his own TV show. Now he finds himself playing to the bingo crowds at old folks’ homes—and that’s on a good day. Otherwise he can be found grousing on the couch, with his wife, Elaine (the ever-charming Randy Graff), feeding him comic setups. Happily for Buddy, death intervenes to resuscitate his moribund career. Not the grim reaper, really, but as Elaine watches the Emmys, and Buddy whines that he never got any awards, an “in memoriam” segment accidentally includes Buddy, leading to an unexpected but entirely welcome burst of attention. “Mr. Saturday Night,” directed by comedy specialist John Rando, will garner no great acclaim for sophistication or delicacy (“A Strange Loop” is almost a shooin for the best musical Tony), but it is as delightfully funny as just about any musical of recent vintage. The jokes come flying across the footlights with near-dizzying speed, and virtually all of them land in our laps like perfectly pitched baseballs. Mr. Brown is a skilled and proficient composer, here employing a buoyant melodicism that’s a nice fit for the show’s lighthearted tone. Ms. Green’s lyrics do not quite match the frothy comedy of the book, but they are expertly attuned to Mr. Brown’s music. The second act stumbles rather drizzily into sentimentality, with Buddy’s troubled relationship to his daughter (Shoshana Bean, in excellent voice) dragging things down. But that’s not likely to bother the audiences for whom “Mr. Saturday Night” is prime material. Schmaltz and shtick are a familiar combination since time immemorial, or at least the glory days of Neil Simon. They go together like bagels and lox—and who doesn’t like bagels and lox?

‘A Strange Loop’
Lyceum Theatre, 149 W. 45th Street, New York, \$49-\$189, 212-947-8844

‘Mr. Saturday Night’
Nederlander Theatre, 208 W. 41st St., New York, \$69-\$179, 800-745-3000

Mr. Isherwood is the Journal’s theater critic.

Weather



U.S. Forecasts

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Anchorage	51	40	pc	52	41	pc
Atlanta	77	60	t	72	56	pc
Austin	91	70	pc	98	73	s
Baltimore	60	50	r	54	44	r
Boise	72	47	t	56	36	sh
Boston	60	47	c	52	45	c
Burlington	61	39	pc	63	40	pc
Charlotte	85	60	t	76	53	sh
Chicago	52	46	r	61	47	pc
Cleveland	59	51	r	58	46	sh
Dallas	86	65	s	94	73	s
Denver	79	52	pc	83	45	pc
Detroit	61	48	r	57	45	sh
Honolulu	83	74	c	85	71	pc
Houston	91	72	pc	93	74	s
Indianapolis	66	50	c	62	49	pc
Kansas City	66	50	c	73	61	pc
Las Vegas	95	73	s	92	65	s
Little Rock	75	57	pc	81	60	s
Los Angeles	80	59	pc	78	59	pc
Miami	90	76	pc	93	75	t
Milwaukee	54	46	sh	55	46	pc
Minneapolis	68	48	c	70	52	c
Nashville	73	56	t	68	52	pc
New Orleans	86	71	t	90	74	pc
New York City	60	50	r	52	46	r
Oklahoma City	76	55	s	83	69	s

International

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Amsterdam	66	53	c	63	44	sh
Athens	73	58	c	72	56	t
Baghdad	88	64	pc	83	61	pc
Bangkok	88	77	t	89	77	t
Beijing	67	50	c	64	48	pc
Berlin	67	51	pc	71	48	sh
Brussels	69	52	c	64	47	pc
Buenos Aires	71	58	s	71	58	s
Dubai	100	84	s	101	83	s
Dublin	60	43	r	60	47	c
Edinburgh	62	45	r	57	47	c

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Frankfurt	71	49	pc	72	52	c
Geneva	63	53	r	67	50	c
Havana	89	71	pc	89	71	s
Hong Kong	85	76	r	84	77	t
Istanbul	65	51	s	64	50	pc
Jakarta	92	77	r	92	78	t
Jerusalem	62	52	sh	65	50	s
Johannesburg	72	50	s	70	52	pc
London	68	52	c	68	49	pc
Madrid	75	48	s	77	50	s
Manila	98	82	s	96	82	s
Melbourne	58	49	pc	59	49	sh
Mexico City	83	58	t	83	59	pc
Milan	72	61	pc	71	58	t
Moscow	59	46	c	63	49	c
Mumbai	93	83	s	93	84	s
Paris	72	53	pc	69	51	sh
Rio de Janeiro	77	70	pc	76	70	s
Riyadh	103	77	pc	98	74	pc
Rome	74	54	r	72	54	t
San Juan	86	75	pc	87	75	pc
Seoul	76	57	s	76	52	pc
Shanghai	83	65	s	82	62	c
Singapore	88	80	t	89	80	c
Sydney	67	49	s	66	49	s
Taipei City	85	72	pc	87	71	t
Tokyo	72	61	pc	71	62	s
Toronto	59	45	pc	58	42	c
Vancouver	54	44	c	56	43	c
Warsaw	66	48	c	68	52	c
Zurich	60	48	t	64	48	t

The WSJ Daily Crossword | Edited by Mike Shenk

- Down**
- 1 Biblical prophet
 - 2 Send a naughty note to
 - 3 Taylor-Joy of “The Queen’s Gambit”
 - 4 Bulldog feature
 - 5 Cruz of film
 - 6 Auction location
 - 7 Winnable chips
 - 8 ___-mo camera
 - 9 Like “To be or not to be”
 - 10 Chew the scenery
 - 11 Hot and dry
 - 12 “Why not!”
 - 13 Orgs. for orthopedists
 - 18 Yale collegian
 - 22 Honker
 - 24 All-powerful
 - 25 Live
 - 26 Philosophy’s “Father of Liberalism”
 - 27 Monk’s leader
 - 28 Prefix between milli- and nano-
 - 30 Roof material
 - 31 Candy in a divided box
 - 32 Aspect
 - 33 “Live at the Acropolis” musician
 - 38 Some Hindu royalty
 - 39 Differentiate
 - 42 Make hard to read
 - 44 Accesses gradually
 - 46 Does a perfect job
 - 50 Underhanded
 - 51 ER’s location
 - 52 Responsibility
 - 53 Doughty for the down-and-out swimmer
 - 55 Tours infinitive
 - 56 Iditarod terminus
 - 57 Go a few rounds
 - 60 Mono-
 - 61 Arthur of TV

Previous Puzzle’s Solution

A	C	I	S	B	E	T	A	B	O	O	Y	A	H	
P	O	P	S	U	G	A	R	E	N	R	I	C	O	
B	R	I	N	G	O	U	T	F	E	D	I	O	N	
O	R	I	O	N	M	O	G	A	S	T	R	O		
P	L	A	T	O	T	S	A	R	D	I	P	S		
I	L	L	S	W	A	T	T	E	D	S	L	Y		
P	A	I	S	T	H	I	E	H	A	R	M	E	D	
S	M	A	L	L	T	A	L	K						
P	E	A	P	O	D	L	A	N	O	P	A	L		
A	C	L	E	I	D	C	A	R	I	S	F	E	L	V
O	P	I	O	A	I	G	R	A	G	U	L	L	E	
T	E	R	I	N	I	H	O	R	A					
G	O	N	E	O	N	T	R	I	P	L	E	T	S	
I	N	T	O	T	O	D	A	R	E	S	N	O	T	
S	E	E	S	A	W	S	P	E	D					

TO-GO ORDERS | By Matt Gaffney & Peter Gordon

- The answer to this week’s contest crossword is a chemical element.
- Across**
- 1 Before you do anything else
 - 5 RC alternative
 - 10 Meal in a skillet
 - 14 Bistro selection
 - 15 “The Hot Zone” virus
 - 16 Poisonous plant
 - 17 It has eight electrons
 - 19 Joan of art
 - 20 He found Livingstone
 - 21 Back tracks?
 - 23 Coconut or peanut
 - 24 Rupert who plays Ron Weasley
 - 26 Flees quickly
 - 29 Its seat is Singapore
 - 34 Play honor
 - 35 Many shrinks have them
 - 36 Spotify category
 - 37 Ontario-based channel
 - 38 One who doesn’t wear rose-colored glasses
 - 40 Took off
 - 41 Divided peninsula
 - 43 Aquatic force
 - 44 Soccer star ___ Dzeko
 - 45 Garment named for a school
 - 47 Wine region of Italy
 - 48 Secret supply
 - 49 Ninny
 - 51 Croaky
 - 54 Immune system organs
 - 58 “If ___!”
 - 59 Where some go underground
 - 62 Basement floor area
- Email your answer—in the subject line—to crosswordcontest@wsj.com by 11:59 p.m. Eastern Time Sunday, May 8. A solver selected at random will win a WSJ mug. Last week’s winner: John Hayes, Davenport, IA. Complete contest rules at WSJ.com/Puzzles. (No purchase necessary. Void where prohibited. U.S. residents 18 and over only.)

SPORTS



Taiba, top, gallops at Churchill Downs. Below, Bob Baffert and Amr Zedan in the winner's circle in 2021.

Bob Baffert Is Banned From the Derby But the Horses He Trained Loom Large

Taiba and Messier might be the most interesting contenders in this year's Run for the Roses

By JIM CHAIRUSMI

Churchill Downs officials say Saturday's 148th running of the Kentucky Derby will be back to "normal," with full capacity, no Covid-19 restrictions and horse racing's biggest names in action. There is one notable exception: Bob Baffert, the sport's most prominent trainer, won't be there.

After a nearly nine-month investigation, Kentucky horse-racing officials earlier this year suspended Baffert for 90 days and disqualified last year's Derby winner, Medina Spirit, for testing positive for betamethasone, a corticosteroid that isn't permitted in a horse's system on race day. Churchill Downs also won't permit any Baffert-trained horses to run in the next two Derbies. Baffert's customary spot in Barn 33 has been reassigned, and the plaques commemorating his six Derby triumphs have been removed.

But Baffert, 69, who has been in the winner's circle after three of the past four Kentucky Derbies, still casts a huge shadow over this year's race. Two of his former horses—Taiba and Messier—are now top contenders under the care of a former Baffert assistant.

Of the two, Taiba (pronounced Tay-bah) has become a focus of intrigue at Churchill Downs. He makes the leap to horse racing's biggest stage after just two career starts, but also comes with the best speed numbers in the field—making his entry a battle between his raw talent and his inexperience.

Baffert has had unprecedented success in racing's most lucrative races and his horses have earned more than \$330 million. He swept

the Triple Crown with American Pharoah in 2015, and did it again with Justify in 2018. Authentic took the pandemic-delayed 2020 Derby, while Medina Spirit was the first horse to cross the finish line in 2021.

But the scrutiny on Baffert's barn intensified after Medina Spirit failed a post-Derby drug test. Then in December, Medina Spirit died following a workout at Santa Anita.

A spokesman for Churchill Downs Inc. said in March, "[Baffert's] actions have harmed the reputations of the Kentucky Derby, Churchill Downs and the entire Thoroughbred racing industry."

The Baffert camp doesn't see it that way. They say the trainer and his late horse are victims of inconsistent rules, with varying standards on medication limits in each state.

"What has happened to Bob and the legacy of Medina Spirit have helped to shine a light on the systemic problems of today's horse-racing industry and the dire need for reform so that rules are consistent across the board and are applied both consistently and fairly," Baffert's attorney, Clark Brewster, said on Wednesday in an emailed statement.

Baffert began his suspension on April 3 after a judge denied a request to stay the 90-day suspension. The suspension, which will be honored by other racing jurisdictions across the country, means no Baffert-trained horses will run in the Preakness on May 21 or the Belmont on June 11. An appeal hearing is set to begin on June 28, after the Triple Crown season has already wrapped.

In early April, two of Baffert's



top 3-year-old colts, Taiba and Messier, were moved to the barn of Tim Yakteen. Yakteen, 57, is a former assistant to Baffert who has had his own stable for nearly two decades, but has never previously saddled a horse in a Triple Crown race.

Racing under Yakteen's name on April 9, Taiba won the Santa Anita Derby, while Messier finished 2 1/4 lengths behind in second to both secure spots in the Kentucky Derby starting gate.

Yakteen says he "had a lottery ticket" dropped in his lap when the two Derby contenders were moved to his care. "I'm trying to go to the window and cash it," he said during a recent media call.

On Monday, Yakteen said he hasn't spoken to Baffert.

"There has been no communication," he said.

Yakteen said the transfer of both

horses to his barn has been "very routine." (The horses came over with their training charts—a log of each horse's workout routine—and inherited Baffert's groom (caretaker of the horses) and exercise rider.)

"Bob will root for Messier and Taiba while watching the Derby with his family," Brewster told the Journal.

Also rooting for Taiba will be Amr Zedan, who a year ago was at Churchill Downs celebrating the win of Medina Spirit, after the horse he purchased for \$35,000 led wire-to-wire in the Derby. Even before Medina Spirit raced that day, Zedan had a plan to return in 2022 with a 2-year-old he had bought for \$1.7 million at an auction in March 2021. That horse is Taiba, who had the look of a classic winner. (Taiba al-Taiba is a nickname for the Saudi city of Medina.)

Now Taiba has the chance to

pull off a precocious feat. The Derby will be just his third career start. He would be the first horse to win the Kentucky Derby in his third start since Leonatus in 1883. (China Visit, the sixth-place finisher in 2000, was the last horse to run in the Derby after only two starts.)

"It's the hand that was dealt us," Yakteen said. "We were fortunate to run [Taiba] in the Santa Anita Derby and find out he is an exceptionally gifted horse. We always knew he was talented."

Simon Bray, a former trainer and an analyst for the racing network TVG, said what Taiba is trying to accomplish is comparable to a pitcher in baseball jumping from single-A to the major leagues after just one outing.

"What Taiba is doing is unheard of," Bray said. "If he runs up the track in the Derby, everyone is going to say, 'Well, that just goes down to inexperience.' If he pulls it off, I think it's going to be one of the significant achievements in the Kentucky Derby."

Bray said Messier, named after NHL great Mark Messier, shouldn't be overlooked. "Messier might have an edge because he's got some pace and recently [in the Derby], we've seen that you need that early speed," he said.

Both of the former Baffert horses will be ridden by Hall of Fame jockeys who have recently won the Derby on Baffert-trained horses. John Velazquez, who piloted Medina Spirit last year, and rode Authentic to victory in 2020, has the mount on Messier. Mike Smith, who was on Justify for the 2018 Triple Crown run, will ride Taiba. Smith, 56, would be the oldest jockey to win the Derby.

Churchill Downs odds-maker Mike Battaglia has made Messier (8-1) the third choice in the wagering, behind Zandon (3-1) and Epicenter (7-2). Despite finishing ahead of Messier in his last race, Taiba is 12-1.

"The fastest horse usually wins most races in America," said former Hall of Fame jockey and NBC analyst Jerry Bailey. "These horses are assigned speed figures based on the times of their races and the tracks that they run over. The higher the number, the better the performance. In both of [Taiba's] races, his speed numbers are the fastest in the field."

Bailey said it's unclear how an inexperienced runner like Taiba will react in a 20-horse field with 150,000-plus screaming fans at Churchill Downs.

"This would be like a kid taking driver's ed thrust onto I-95. Not during rush hour, because during rush hour, things are going slow. Everything goes fast in the Derby," Bailey said. "So if he's in a spot behind horses that's he's never been in before, it's not a cinch that he's going to react well to it. He weighs 1,100 pounds and you weigh 100. [As a jockey,] you can't make him do anything."

Rapid Rise Of Booster Collectives

Continued from Page One funds to athletes who are now able to profit from their name, image and likeness under new rules that went into place last year.

The rapid rise of collectives is among the forces that have reshaped college sports in the past year and wrestled control away from the National Collegiate Athletic Association since a Supreme Court ruling last year constrained the association's ability to set national standards without running afoul of antitrust law.

On April 26, NCAA president Mark Emmert announced that he was stepping down by "mutual agreement" no later than June 2023, a sign the association is seeking a new vision as it rethinks its structure and role. Emmert's contract had been extended just a year ago.

College athletes have spent the past 10 months in a frenzy to make money from their names. The rise of alumni-funded collectives is now creating an organized, deep-pocketed approach to athlete compensation.

Some collectives operate via a subscription model that solicits monthly dues from members, while others function as nonprofits. Some even claim 501(c)3 status



Kansas players celebrate after winning the NCAA men's basketball title.

to make donors' contributions tax deductible.

"There is a wide spectrum of structure and legitimacy," said Blake Lawrence, chief executive of Opendorse, a platform that connects brands with athletes. "The worst thing that could happen in the NIL collective space is that those with great intentions cause great harm to the student athletes and to the school by not knowing or following the rules."

Interactions between boosters and recruits is verboten in college sports, but some collectives are skirting this by dangling lucrative endorsement deals to prospective athletes. Administrators are now rushing to stop this activity, which looks discomfitingly like "pay for play." A task force reviewing NCAA rules in this space could issue new

guidelines as soon as next week.

Collectives are becoming a key part of the arms race that once saw universities build lavish athletic facilities and inflate coaching salaries.

There's a growing fear that the best recruits will go wherever the money is highest—and that, without a collective, a university will miss out on that talent.

"What you're seeing is short-term thinking by a lot of separate universities that are trying to throw donor money in buying players," said Phillip Stutts, a political marketing executive who is working as a senior adviser to High Tide Traditions, a collective associated with the University of Alabama.

The national landscape is disjointed. Data compiled by the Busi-

ness of College Sports shows that 37 of the 65 schools in the five richest athletic conferences have at least one collective. Ten more have similar deal-facilitating entities.

Current NCAA rules prohibit name, image and likeness deals from functioning as overt inducements to attend a university. Coaches can't promise specific deals. Yet nothing is stopping them from boasting to recruits about the school's collective's pot of money or citing six-figure deals star players have struck.

Policing this aspect of the NCAA guidelines is close to impossible. In April, Kansas State point guard Nijel Pack, the top available player in the transfer portal, announced he was enrolling at the University of Miami. Pack said he picked the Hurricanes for their "NBA-style offense" and coach Jim Larranaga's history of ushering small-statured point guards into the NBA.

Hours after Pack committed, LifeWallet, an app that collates medical records and is owned by billionaire Miami athletics booster John Ruiz, signed Pack to a two-year deal worth \$800,000—and threw in a car for good measure. The deal wasn't associated with Miami's collective, Bring Back the U, but Ruiz might as well be a one-man version: thus far he's sponsored more than 100 Hurricanes athletes.

Miami last month also landed two of the most marketable female athletes in the country, twins Haley and Hanna Cavinder, basketball players at Fresno State with more

than 4 million followers on TikTok whose deal with Boost Mobile put their faces on a billboard in Times Square last summer. Their announcement came shortly after a meeting with Ruiz where the billionaire offered to sponsor them.

"They made a decision to move. I'm not saying it was entirely or even that NIL played a big part in that, but certainly it sits in the back of everyone's mind," said Darren Heitner, an adjunct professor at the University of Florida's law school who handles legal matters for the Cavinders.

Ryan Baty—a former Kansas baseball player who, with his brother, founded the collective putting on the Jayhawks' barnstorming tour—says that decades of prohibitions on paying college athletes has created pent-up demand among eager boosters. Their limited liability corporation, 6th Man Strategies, has set up half-dozen car deals, campaigns with local Wendy's and Applebees and in December added a 501(c)3 charitable arm, Reaching Champions Joining Hearts Foundation, Inc., that has since raised more than \$2 million. Baty expects to bring in about \$900,000 from its barnstorming tour.

The majority of that revenue will go to the Jayhawks basketball players, who will reap 70% of ticket sales and all profits from a series of silent auctions. The tour's first stop in Wichita on April 23 brought in about \$125,000 in revenue, selling 250 VIP tickets at \$75 each and more than 2,500 general admission tickets for \$30, and another \$30,000 from the auction.

OPINION

Nothing But Roe to Run On



POTOMAC WATCH
By Kimberley A. Strassel

Democrats this week seized on the leaked Supreme Court draft opinion on abortion as a new political lifeline for the midterm elections, looking to channel outrage into electoral success. Put another way, they are going down the same road that landed them here in the first place.

The liberal response to Justice Samuel Alito's draft opinion that would overturn *Roe v. Wade* was as predictable as it was substance-free. Forget any discussion about the legal reasoning in the case. Or any soul-searching as to how Democrats came to face a 6-3 conservative high-court majority.

Democrats blame their unpopularity on everything but their own failures.

Or any internal debate about how the party might craft an agenda that resonates with the public, so that it can maintain its hold on power and begin the process of reshaping the court.

Instead, Democrats proposed to burn every Washington institution down. Party leaders and activists openly attempted to intimidate the justices, hoping to change the outcome. Democrats renewed calls to kill the filibuster, so that they can impose with 51 votes a new abortion law and to expand the court's size and pack it with liberal jurists. Progressives are even cam-



Protesters in Los Angeles May 3

paing to impeach sitting justices on the ground that they "lied" to the Senate in confirmation hearings.

The Electoral College system is again in their sights, since they claim that it is at war with "democracy." They want the winner of the popular vote in presidential elections to take all. They want an end to the Senate, which they claim gives too much representation to red states.

All this is designed to whip up anger, to mobilize a lackluster Democratic base in the runup to the fall election. The party sees its chance to re-engage activist groups that are demoralized over President Biden's failure to pass a sweeping agenda. It's also a chance to move discussion away from the ugly topics that are otherwise dominating the political debate: inflation, falling real wages, gasoline prices, crime, the border, critical race theory.

Will it work? No question that abortion will now take a premier spot in races for the governorships and legislatures that could soon be recrafting state abortion laws. But it's a much bigger question whether

Democrats can move voters to place abortion at the top of their federal priority list, much less sustain outrage over the topic for another six months.

The bigger risk for the party is that a scorched-earth abortion campaign simply allows it to continue to ignore the real reason for its dismal polls (which also happens to be the reason it is now losing court cases): a failed progressive agenda.

Anyone remember the talk of the "permanent Democratic majority"? Had that materialized, Democrats wouldn't be facing draft opinions like the one of this week. Yet in the past three decades, the Democratic heyday consists of just a few short years, from 2006-09. That was the brief moment the party worked hard to attune itself to the national mood. Nancy Pelosi in 2006 proposed a modest agenda, with proposals like college tuition, clean energy, and stem-cell research. She recruited centrist candidates, and their victories reclaimed the House for Democrats for the first time since 1994. Barack Obama built on this in 2008, with a promise to unite

red and blue America.

It all imploded by the end of 2009, after an \$800 billion stimulus and the forced-march passage of ObamaCare. Mrs. Pelosi's Blue Dogs were picked off; Democrats hemorrhaged away a filibuster-proof Senate majority. Under the usual rules of politics, a party that fails to convince the public of its ideas goes back to the drawing board. It conducts "autopsies," turns to new leaders, modulates its agenda.

The left didn't bother. Instead it nominated Hillary Clinton, whose progressive platform (and 10-ton baggage) didn't sell. It was Democrats who handed the presidency to Donald Trump—who in turn appointed three Supreme Court justices. Even after the extraordinary loss in 2016, the Democrats didn't bother to recalibrate, instead spending four years throwing fuel on institutional bonfires. Democrats might have at least noted that Mr. Biden won his nomination by promising *not* to be Bernie Sanders. They might have noted that Mr. Biden (barely) won the presidency primarily by not being Mr. Trump, and on a narrow promise to do something about Covid. They instead took his victory as license to impose a Sanders-like agenda that now draws a straight line to the current economic mess and Democratic problems this fall.

Even if Democrats were willing to acknowledge these failings, they may feel it is now too late to do anything. Mr. Biden can't fix inflation and other big problems by November, so the party figures it may as well campaign against the high court. But sooner or later, Democrats are going to need to perform that autopsy. Or risk longer-term decline.

Write to kim@wsj.com.

About Those 'Dangerous' Mormons . . .

HOUSES OF WORSHIP
By Daryl Austin

Under the Banner of Heaven," a Hulu series based on a real-life double murder committed in Utah, has been getting plenty of good press since its debut last week. But members of the Church of Jesus Christ of Latter-day Saints aren't impressed. Rather than "foster a better understanding of my faith tradition," one LDS journalist recently lamented, the production is "yet one more mile marker in a decadeslong trail of angst."

Early on, the show takes a dark view of the faith. And it depicts Mormons as bizarre, one-dimensional puppets—conversing in dialogue as foreign to members of the faith as to outsiders. Ominous tones overshadow even something as innocent as a father presenting his young daughter with a Choose the Right ring, the Mormon equivalent of a What Would Jesus Do? bracelet.

An LDS historian who was invited to the premiere noted afterward that "none of the Mormon scholars I was sitting with—all of whom know full well how to apply an open, critical gaze to our own culture and tradition—recognized ourselves or our people in the show." I have yet to meet a fellow member of the LDS church, or even a friend, who sees the show's portrayal of us as believable. The show seemingly leans into every misguided stereotype and trope

the filmmakers could find. How does Hollywood and the broader culture get Mormons wrong so often and so easily? Just listen to the show's creator, Dustin Lance Black. Asked about the criticism, he accused his detractors of either not watching the series or simply defending murderous extremists.

He later expanded on this uncharitable reading in several interviews, describing Mormons as "having themselves to blame" for his portrayal of the faith. He has also said the church "encourages members not to dig into" its own history and suggested that LDS women "can't ask the leadership of the church a question." Both are categorically false, and the latter especially odd given many church leaders are women.

This is the manifestation of the common but misguided idea that the LDS community should simply turn the other cheek whenever our beliefs are maligned or misrepresented. And it's not a new idea for Mr. Black, who worked on the HBO show "Big Love" when it depicted a sacred LDS ceremony against the church's expressed wishes. Though the network later apologized, Mr. Black repeats a similar offense in his new series.

Mr. Black's disdain for this particular faith runs deep. Since spending some of his early years as a member of the LDS church, the filmmaker rarely misses an opportunity to make a dig against Mormons—whether in a news in-

terview or his 2009 Oscar acceptance speech. It's ironic considering how fervently he defends the LGBT community from stereotypical portrayals.

Yet Mr. Black says he sees himself as an ally of the LDS faith and claims he created the new show, based on journalist Jon Krakauer's 2003 nonfiction book of the same

The creator of a new Hulu series is clear on his disdain for the faith and its followers.

name, without personal prejudice. He adds that he has distinguished between mainstream and fundamentalist followers of the faith, but "many of the things they share in common are misogynistic, dangerous and potentially deadly."

Imagine the uproar if a major filmmaker warned that al Qaeda and mainstream Muslims were distinct but both deadly and misogynistic. Of course it would never happen, and therein lies the problem. Mr. Black can lump 16 million LDS believers into the same "dangerous" category as two murderous offshoot extremists from the 1980s solely because so many in the media and entertainment businesses see Mormons as "fair game."

Am I being oversensitive? Perhaps. But I've personally felt the damage done by these portrayals. As a "public Mor-

mon," I notice an uptick in snide remarks and personal attacks whenever something like "Under the Banner of Heaven" comes out, Mitt Romney is trending on Twitter, or the musical "The Book of Mormon" comes to town. I'm not surprised when people admit to me that, as a "normal" person, I'm not what they expected given my religious beliefs. LDS history shows how quickly this insensitive rhetoric can escalate.

Many Latter-day Saints spent much of the first three decades of the church's existence being forced from their homes and exiled from state after state. In 1838 the governor of Missouri signed an executive order stating that "Mormons must be treated as enemies and must be exterminated or driven from the state." An unfriendly newspaper editor derided Mormonism in 1844 with such fervor that he, along with others, stirred up a mob to murder Joseph Smith, the founder of the faith, and his brother Hyrum. Other church members—including innocent women and children—often met a similar fate.

Latter-day Saints of all people don't deserve to be called "dangerous" by Mr. Black or anyone else. "Dangerous" is painting millions of people with broad strokes or allowing bigotry to fester through art. "Dangerous" is standing idly by, saying nothing.

Mr. Austin is a journalist based in Utah.

My Mother's Kitchen Cooked Up Confidence

By Faith Bottum

My mother taught me to cook—with a patience that, as I look back now, seems nearly saintly. Maybe because of the let's-get-this-done mindset that led me to major in engineering, I have always valued efficiency. In cooking that means perfectly chopped vegetables in their respective bowls. Color-coordinated knives for different meats. The spices arranged in proper order before cooking begins. A precise scale for weighing ingredients just as the recipe says.

It turns out that's not how good cooking works. My mother isn't exactly carefree in the kitchen, but compared with my own anxiety about

precision, her intuition seems aggravatingly breezy and calm. She just knows when food is done. While I would stand watching the kitchen clock, she'd call out casually

She taught me to loosen up and trust my intuition.

from the living room that the bread was ready. And she was always right. How is an engineer supposed to learn that skill?

My mother taught me to sew as well. In the abstract, sewing is a better fit for people with an engineering slant of mind. Thread the bobbin,

following the sewing-machine instructions. Pin the thin manila paper on to the cloth, as the pattern's instructions say. And there you are.

What my mother does seems more instinctual. She showed me how to do things on the fly, looking at a pile of scraps and seeing how to combine them into something beautiful, quirky and fun. She taught me how to sew quickly and smartly, taking in a waist or hemming a pant leg with an easy confidence. She taught me that sewing, like cooking and much else worth doing in life, is more art than science.

Children learn their lessons imperfectly, and I'm still trying to apply all that my mother has taught me. Since I was a

toddler, she's aimed to make me independent, assured and competent—the conditions, she thought, of happiness. And only now do I see how wonderful that training was, and how much more I have to grasp of what she taught me when I was young.

But that's the condition of all of us, isn't it? The thing we're supposed to remember on Mother's Day? The lessons we learn in school often have finite application. We learn a particular fact or technique. But the lessons we can learn from our mothers are lifelong skills and the deep truths that get richer and more important as the years go by.

Ms. Bottum is the Journal's Joseph Rago Memorial Fellow.

BOOKSHELF | By Edward Kosner

My Dad The Dealmaker

The Adventures of Herbie Cohen

By Rich Cohen

(Farrar, Straus & Giroux, 227 pages, \$27)

Dutiful sons often revere their fathers for their instruction in the ways of the world—by direction and indirection, sterling example and train wreck. I cherish my father's simple credos: "People are funny" (they can be full of grace or something else), "You get nothing for nothing" (seek true value, not bargains), and "Put a smile on your face, boy!" (face the world with confidence).

The prolific author Rich Cohen's father, Herb, offered him far more—a lifetime seminar in how to outfox opponents in the great game of life by out-thinking, out-flanking, out-empathizing and thereby out-negotiating them. In his treat of a new book, "The Adventures of Herbie Cohen: World's Greatest Negotiator," proud son Rich portrays his dad as the Aristotle of hustle. Or, as the writer has it, a "Jewish Buddha."

Herb Cohen, born in 1931, was raised in Brooklyn in one of those lower-middle-class Jewish neighborhoods where some of the kids hanging out on the corner grew up to be marquee names known around much of the world. In the Bronx, it was Mosholu Parkway, where Ralph Lauren (né Lifshitz) and Calvin Klein came of age and dazzled their contemporaries with their sense of style. For Herb Cohen, it was Bensonhurst, where his pals called each other Inky,

Zeke the Creek, Moppo, Who Ha, Iron Lung, Gutter Rat and more. They marveled at Sandy's jump shot. Zeke the Creek was actually named Larry Zeiger, who eventually molted into Larry King, the radio and cable TV talk-show headliner. Sandy? You can find his plaque—Koufax—in the Baseball Hall of Fame.

As his son tells it, his dad's career was in its way even more dazzling than Koufax's. He dropped out of NYU during the Korean War and enlisted—to avoid being sent to the fight-

ing. Instead, he wound up at a base close to Communist East Germany—where his hard duty was coaching top Army basketball teams in European tournaments. He showed his nascent smarts by talking the brass out of mistakenly charging one of his buddies with treason. Mustered out, he returned to NYU, where he met his wife, Ellen, studied law at night, and went to work as a claims adjuster for Allstate Insurance.

Thus began his meteoric rise through the parent company, Sears. Soon the Cohens were in Chicago, where Herb trained people throughout the giant company—the Amazon of its day—in negotiating and other savvy business techniques. Then he went out on his own, crisscrossing the country lecturing and running seminars for top companies like Apple and Ford, giving newspaper, radio and TV interviews. He became so celebrated that he met with president-elect Ronald Reagan to advise him on the Iran hostage crisis—even predicting nearly to the minute when the hostages would be released. He also schmoozed with the first George Bush, who put him on the team negotiating the START nuclear-arms treaty, and with Bill Clinton. In 1980, after 18 rejection slips, he published "You Can Negotiate Anything: How to Get What You Want," which went through 19 printings.

Rich Cohen writes lovingly of his father's "love of bull—." But the accumulated wit and wisdom of Herb Cohen scattered through the book reveals instead a keen grasp of human frailty and a gift for aphorism no less valid for its glibness.

"Money talks, but it doesn't tell the truth," he liked to say. "Time heals all wounds, right up to the moment it kills you." "We see things not as they are but as we are." "The fish doesn't know it's in the water." "At a certain age, Italians and Jews become indistinguishable." "Most people are schmucks and will obey any type of authority."

The prolific Rich Cohen profiles his father, a streetwise kid from Brooklyn who built a unique career as the 'world's greatest negotiator.'

His credo in business was "care, but not that much." He counseled that playing dumb was often the best strategy, especially when dealing with an overbearing opponent. "The most powerful words in business," he taught, "are 'I don't understand. Help me.'" He told home buyers seeking a quick closing never to offer the asking price in cash in their first bid—because the seller will feel that he set his price too low and jack it up. And in a negotiation, "Always be willing to walk away—from the car, from the house, from the property."

As Herb Cohen might say, the trick to being a know-it-all is knowing that you don't know it all. Inevitably, he screwed up by not following his own precepts. After his negotiating book was published, two academics accused him of plagiarism and sued for huge damages. His son and others counseled him to treat the suit as a nuisance, settle with the plaintiffs and get on with his life. But the crack negotiator cared too much and the case went to trial. In the end, a witness was found with copies of Herb Cohen's old lecture notes, establishing that his material was indeed original. He prevailed, but paid in stress and spent more defending the case than he had earned from the book. Years later, after surviving a medical crisis, he had an affair with a hustling younger woman who shook him down and then told all to his wife. He had to tearfully confess to his three children and apologize. When Rich balked at graduate school, he surreptitiously applied him to 26 programs (all but one of which rejected him).

There's much more compelling family drama in the book, especially the death of Rich Cohen's mother, told so movingly that many will read the passage in tears. But it's essentially the saga of a remarkable man who's fond of saying "The meaning of life . . . is more life" and knows what he's talking about.

Mr. Kosner is the former editor of *Newsweek*, *New York*, *Esquire* and the *New York Daily News*.

Coming in BOOKS this weekend

Joseph Epstein on late life and last works • The roots of war • Anna Wintour: Always in Vogue • Motherhood and creativity • The altruistic urge • The search for the source of the Nile • Sam Sacks on fiction • & much more

OPINION

REVIEW & OUTLOOK

Did Supreme Nominees Lie to Congress?

One media narrative congealing after this week's Supreme Court leak is that President Trump's nominees lied to Congress by claiming they wouldn't overturn the abortion precedent of *Roe v. Wade*. So allow us to check the tape—and explain why respecting past decisions doesn't bind the Court to stand by serious constitutional errors.

Democratic leaders Nancy Pelosi and Chuck Schumer accused “several” of the “conservative Justices” of having “lied to the U.S. Senate, ripped up the Constitution and defiled both precedent and the Supreme Court's reputation,” among other modest claims in a statement after Politico published a draft opinion written by Justice Samuel Alito. The insinuation is that Justices Neil Gorsuch, Brett Kavanaugh and Amy Coney Barrett promised Congress they wouldn't touch *Roe*.

The truth is available to anyone willing to call up the C-Span archives. Justice Gorsuch said in his 2017 confirmation hearings that *Roe* “is a precedent of the U.S. Supreme Court. It was reaffirmed in *Casey* in 1992 and in several other cases. So a good judge will consider it as precedent of the U.S. Supreme Court worthy as treatment of precedent like any other.” In another exchange, Justice Gorsuch said he would have “walked out the door” if President Trump had asked him to commit to overturning *Roe*. That's “not what judges do.”

Justice Kavanaugh during the 2018 spectacle that passed as his confirmation hearings noted that *Roe* had been “reaffirmed many times.” He also declined to prejudice cases. “You have an open mind. You get the briefs and arguments. And some arguments are better than others. Precedent is critically important. It is the foundation of our system. But you listen to all arguments.”

Justice Barrett's 2020 hearings featured a

discussion about the academic concept of “super precedent,” essentially whether a matter is so settled no one challenges it. “I'm answering a lot of questions about *Roe*,” she said, “which I think indicates that *Roe* doesn't fall into that category.”

She declined to pre-commit to ruling one way or another on abortion, but she did say in deciding whether to overrule any precedent, she'd apply the legal framework of *stare decisis* (“to stand by things decided”).

As it happens, this is what Justice Alito's draft opinion does. He explains at length why *stare decisis* is essential, for instance, in restraining judicial hubris. But the Court has long recognized in other cases it is “not an inexorable command” and is “at its weakest when we interpret the Constitution.”

In other words, some mistakes are so egregious they require correction. A case in point is the “separate but equal” doctrine allowed in *Plessy v. Ferguson* (1896) that was finally overturned in 1954 in *Brown v. Board of Education*. It took 58 years, but the constitutional principles that animated Justice John Marshall Harlan's *Plessy* dissent were finally vindicated. The echoes of *Plessy* resonate in *Roe*.

Overruling precedent, Justice Alito writes, is “a serious matter.” But “*Roe* was on a collision course with the Constitution from the day it was decided, and *Casey* perpetuated its errors, and the errors do not concern some arcane corner of the law of little importance to the American people.”

Americans may disagree with this analysis, and many understandably dread the political brawl over abortion that would follow. But if some version of Justice Alito's opinion is adopted, the Justices who sign onto it will have done what they promised Congress: Decide cases on the legal and constitutional merits.

The Justices did not promise to uphold abortion precedents.

A Market Reality Check

Well, so much for optimistic assurances about inflation, interest rates and recession. Federal Reserve Chairman Jerome Powell's relatively sunny take on all three on Wednesday, after the latest Federal Open Market Committee meeting, had pleased investors. But they gave up all the market gains and then some on Thursday as the prospect of a rougher reality set in.

The Dow fell by more than 3%, and the S&P 500 by 3.56%, while the tech-heavy Nasdaq lost 5% in a single day. Shares could bounce back on Friday, but the sharp swing in prices over the last two days shows how uncertain investors are about the economy's prospects as the Fed finally tightens monetary policy after years of essentially free credit.

The volatility isn't surprising given the policy variables and risks. Investors are trying to judge how high the Fed will have to raise rates to break the highest inflation in 40 years. At the same time, the Fed is promising to shrink its bond portfolio, which means lifting its foot off the neck of long-bond prices. Markets are trying to

make sense of a policy environment that no one has seen in four decades.

The market decline does not mean the Fed is wrong to tighten. In our view it has no choice if it wants to avoid a return to the long-term inflation woes of the 1970s.

But the economic risks are significant, notwithstanding Mr. Powell's assurances on Wednesday that the economy is strong. Even normal monetary tightening cycles produce financial casualties as liquidity ebbs. This time around could be worse because the monetary excesses were so extreme in 2020 and 2021. The surprise will be if there are no nasty financial surprises—meaning credit failures—this year and next.

The best economic policy response would be for the White House to spur the supply side of the economy by dropping plans to raise taxes and punish business with new regulation and other harassment. It could also end the political war on fossil fuels.

But the Biden Administration seems unwilling to do any of this, so get ready for more financial and economic volatility ahead.

Prices are volatile as investors try to judge the risks of tighter money.

Shoplifting as Usual in Seattle

Lowe's employees came to recognize William Piccone by his skinny jeans, distinctive gait and posture—and his prolific shoplifting, police say. Over a 97-day spree last year, he allegedly stole from the same store 27 times, walking away with more than \$4,650 in merchandise. Welcome to Seattle, where impunity reigns.

That's what Ann Davison, Seattle's newly elected city attorney, is learning as she acts on a voter mandate to restore order. Her office ran the numbers and discovered that 118 individuals were responsible for more than 2,400 crimes in Seattle over the past five years. Her effort to crack down on the worst repeat offenders is facing progressive resistance.

At issue is Ms. Davison's proposal to exclude prolific criminals from Seattle's Community Court. In 2019 her predecessor signed an agreement with the Seattle Municipal Court and the Department of Public Defense. Some two dozen classes of misdemeanor cases now go straight to the Community Court, which releases the accused after referring them to support services and sometimes assigning them a life-skills class or community service.

Theft of up to \$750 in a single incident in Seattle is a misdemeanor. Other crimes that go express to Community Court include residential trespassing, possession of tools for burglary or auto theft, and property destruction.

The 2019 agreement includes no eligibility restrictions, so those with serious criminal histories qualify. Seattle criminals get four tries in the Community Court before they flunk out. Each can encompass multiple charges. Repeat offenders see the lack of consequences as an invitation to commit more crimes.

Since 2017 Mr. Piccone has been charged in some 60 criminal cases across Washington, and police have referred him for prosecution to the Seattle city attorney 46 times, Ms. Davison's office says. Twenty-two of his most recent cases were referred to the Seattle Community Court, where he was turned loose, the city attorney's office says.

Progressives oppose an effort to prosecute the most prolific thieves.

The King County Prosecuting Attorney, which handles Seattle felonies, has three current cases against Mr. Piccone for organized retail theft and burglary. On a judge's order Mr. Piccone was released into a halfway house after receiving detox treatment. On April 28, Mr. Piccone missed a hearing after he was arrested on multiple municipal warrants earlier that day.

Mr. Piccone has pleaded not guilty to a second-degree burglary charge and didn't respond to a message left at a phone number listed for him in police records. His public defender didn't respond to our inquiry by deadline.

“With regard to Mr. Piccone, court documents show significant mainstream criminal court involvement predating the creation of community court,” said Anita Khandelwal, the director of Department of Public Defense, in a written response to our inquiry.

She continued: “That involvement resulted, at times, in multiple months of incarceration, but it neither ended his involvement with the system nor addressed his unmet needs. Those same documents suggest that Mr. Piccone is experiencing housing instability. Providing him housing is much more likely to promote safety than continued court involvement.”

* * *

As Ms. Davison seeks to renegotiate the 2019 agreement, she sits across the table from Ms. Khandelwal and Judge Damon Shadid, a progressive who oversees the Seattle Community Court. On April 27, Ms. Davison told the Seattle Municipal Court that negotiations had reached an impasse. Is it any wonder?

Ms. Davison has now asked the Seattle Municipal Court to intervene. The court said in a statement that it was considering her proposal and would work “to identify how to move forward together and create a prioritized plan for people whose needs and issues are not being addressed, and have not been addressed historically, by our criminal justice system.”

Here's hoping the court means the victims of crime, not the criminals.

LETTERS TO THE EDITOR

The Hostile Ideological Takeover of Medicine

The recent letters by leaders of Brigham and Women's Hospital (May 3) and the Association of American Medical Colleges (April 29) leave out key details. Responding to my op-ed on how antiracist ideology is corrupting healthcare (“Keep Politics Out of the Doctor's Office,” April 19), their denials show how deep the rot goes.

Brigham and Women's Sunil Eapen and Mallika Mendu write, “We are not moving toward preferential care for any group.” Yet last year their hospital announced a pilot initiative cast in exactly those terms: a “preferential admission option for Black and Latinx heart failure patients.” It's a sign of things to come. Race-based care is a fundamental demand of the activist set.

As for the AAMC, David Skorton and Henri Ford should have discussed their organization's forthcoming competencies on diversity, equity and inclusion. The latest version calls for physicians to be trained in identifying “a patient's multiple identities and how each identity may present varied and multiple forms of oppression or privilege.” It wants medical educators to be “role models” who teach “how systems of power, privilege, and oppression” inform healthcare. Another section focuses on “colonization” and “white supremacy.” This is not edu-

cating medical students about “environmental, social and economic factors that affect a patient's health.” It is indoctrination.

These letters prove that a radical, divisive and discriminatory ideology has captured the commanding heights of the medical profession. But Americans don't want this in healthcare anymore than they do in public safety or education, and physicians will suffer if they are force-fed such extremism. Let's call this what it is: dangerous and un-American.

STANLEY GOLDFARB, M.D.
Chairman, Do No Harm
Bryn Mawr, Pa.

I assume the medical colleges' goal of recruiting in “a holistic fashion” means it wants every medical-school class to have a certain proportion of black and Latino students, even if that means denying admission to more qualified applicants. But the public expects something different. The AAMC should protect the public by assuring that the very best applicants enter the medical profession. I don't care how culturally responsive my physician is and I have no interest in his politics, but I care that he knows how to diagnose and treat my illness.

DWIGHT OXLEY, M.D.
Wichita, Kan.

When the Lord's Prayer Left the Public School

D.G. Hart's review of Mark A. Noll's book “America's Book: The Rise and Decline of a Bible Civilization, 1794-1911” (Bookshelf, April 27) reminds me of a related religious practice prevalent in America's public schools from the early to mid-20th century. In the early 1960s, as a sixth-grade public-school teacher, I always began my class with the Pledge of Allegiance, followed by the Lord's Prayer and ending with the singing of a patriotic song. This daily routine proceeded without a protest from any person or group.

Then, one day in 1962, after the U.S. Supreme Court ruling that banned prayer in public schools, I had

to announce to the class that we would no longer be able to say the Lord's Prayer. Instead, we would have a moment of silence during which, if they wished, pupils could say their own private prayers. After several days of following this new practice, a young boy quietly came to my desk and asked if I could lengthen the moment of silence. When I asked him why, he said, “I'm having trouble getting all my prayers in.”

I never forgot the sincerity of this child, and I think it says a lot about the influence of prayer in the public schools back in the day.

ROSEMARY ROBERTS
Waterbury, Conn.

Equipment Leasing and ‘Hell or High Water’

Equipment-leasing and finance companies have taken extraordinary steps to help customers throughout the pandemic. Ninety-six percent of equipment-finance companies offered their customers payment deferrals in 2020, including extensions, modifications or restructuring (“You Lease, You Owe, ‘Hell or High Water,’” Page One, April 15).

In discussing the “hell or high water” contract provision, the article notes correctly that support of leased equipment is driven by the equipment vendor. This is similar to acquiring a car with third-party financing. If the car breaks down or the driver is otherwise dissatisfied with the product, he or she would still expect to make car payments to the bank or finance company, and would take up the car problem with their dealer or manufacturer, not the bank or finance company.

Follow the Title IX Evidence

I don't mind that Kay Hymowitz criticizes my book “37 Words: Title IX and Fifty Years of Fighting Sex Discrimination” (Bookshelf, May 3). But she claims that most colleges used the “clear and convincing” evidence standard when considering sexual-assault complaints under Title IX until the Office for Civil Rights in 2011 changed the standard to “a preponderance of evidence.” That isn't what my book says, and I present plenty of evidence refuting this myth that too many Title IX opponents present as fact.

SHERRY BOSCHERT
Lebanon, N.H.

Qatar Has Not Always Been Such a Helpful U.S. Ally

I searched in vain for any mention of Qatar's support for the Muslim Brotherhood in Egypt and Hamas in Gaza, when Lt. Gens. Ben Hodges and Sam Mundy write their extensive praise (“The West Has a Crucial Ally in Qatar,” op-ed, May 2). It is true that the U.S. has a huge and valuable air base in Qatar, but placing Qatar in the category of reliable allies such as Australia, Japan and Israel goes much too far.

All freedom lovers prefer sources of energy other than Iran and Russia, and Qatar may be useful in that regard, but alienating Saudi Arabia and others in the process makes it less than a zero-sum game.

SAMUEL M. SALAMON
Cleveland

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

Defaults make up a very small fraction of business in the \$1 trillion equipment-finance industry. Equipment leasing benefits businesses of all sizes, from startups and small businesses that have trouble getting traditional bank loans to more established companies looking to invest working capital in other areas. There's a reason nearly 8 in 10 U.S. companies lease or finance their equipment: It works for them.

RALPH PETTA
Equipment Leasing & Finance Assn.
Washington

Our firm leased a copier some years ago. Shortly before the lease was up, our office manager notified the business holding the contract that we wouldn't renew. It responded that the notice was “too early” per the lease language and rejected it. Later, she again wrote that we wouldn't renew. It responded that the notice was “too late” and rejected it, automatically renewing our lease. After much negotiation, we ended up paying around \$4,000 to get out of the lease and donated the copier to a church. We surely won't do business like that again.

JAMES W. RUSHFORD
Sacramento, Calif.

A Better Way to Fight Lies

It is hard to imagine a government office more likely to fail than the disinformation board (“Disinformation for Dummies,” Review & Outlook, May 2). But we could all benefit—even journalists—from stiffer libel laws. Surely, Congress can craft a statute that protects our freedom of speech without also protecting the most egregious liars.

JOHN BARCHILON
Estero, Fla.

Pepper ... And Salt

THE WALL STREET JOURNAL



“We've almost decided on a logo for the baby.”

OPINION

Persona Non Grata at a Holocaust Memorial

By Elliott Abrams
And Eric Cohen

A remarkable Jewish renaissance is under way in Florida. Jewish schools and synagogues are rapidly expanding. Jews from the Northeast and Midwest, as well as Latin America and Israel, are migrating to the Sunshine State in significant numbers, making the Jewish communities there lively and varied. Florida's booming and low-tax economy is no doubt one of the attractions to young Jews seeking to build a prosperous future for themselves and their families. So is Florida's educational system, which provides tax credits that assist many parents in sending their children to Jewish day schools.

New York's Museum of Jewish Heritage bans Gov. Ron DeSantis to promote 'its message of inclusivity.'

A few years ago, we helped launch the Jewish Leadership Conference, an annual gathering to consider the challenges facing the Jewish people and Israel. It is hosted by Tikvah, a 20-year old Jewish educational and cultural institution whose main activity in America is teaching young Jews about Jewish history and civilization. We thought it would be interesting to invite Gov. Ron DeSantis to discuss how the "Florida model" has contributed to the growth and vitality of Jewish life in his state. The event was to be

held at the Museum of Jewish Heritage in New York City. Until, as the saying goes, we got canceled.

Over the years, Tikvah has hosted numerous conferences at the museum, always including prominent Jewish, Israeli and American thinkers and leaders of various political and religious points of view. We were working closely with the museum on the details for the June 12 event—until, out of the blue, we were told by the museum staff that Mr. DeSantis didn't "align with the museum's values and its message of inclusivity." Either we disinvite the governor, they said, or our event was unwelcome.

Throughout the modern age, Jews have suffered the consequences of this kind of intolerance. We see it all the time on college campuses, where anti-Semitism and anti-Zionism have become a tolerated (and even celebrated) form of discrimination. We see it in the boycott, divest and sanctions movement, which advocates treating Israel as a pariah. We see it in the U.N., with its odious anti-Israel Human Rights Council and with Amnesty International's "apartheid state" calumny.

But we know things are bad when a Jewish institution—in this case, a museum whose purpose is to keep Jewish heritage alive by remembering the Holocaust—turns on its own and tries to make a virtue of its own intolerance.

What drives our elite institutions—museums, universities, large corporations, the media—to shut down speakers and ideas that question progressive orthodoxy? In many cases, the explanation is sheer cowardice. A lot of people dislike Mr. DeSantis, and the museum staff must have asked: What if there are



Gov. Ron DeSantis at a bill signing in Surfside, Fla., June 14, 2021.

protests? What if our progressive donors complain? In the current environment, protecting free speech requires moral and political courage. Many administrators, corporate CEOs and college presidents have weak spines. Preserving a free society requires at least some ability to respect other viewpoints and other people. The new czars of cancel culture seem to have little such moral imagination or civic tolerance.

The new thought police don't see themselves as acting solely or primarily out of fear. They believe they are defending the good: inclusion against hate, equality against discrimination, victimized minorities against white privilege. Yet the pseudo-gospel of inclusion breaks down quickly. In the name of inclusivity, a Jewish museum sent us a clear message: Some people are to be excluded. In the name of fighting hate, the museum decided that the millions of Floridians who support

Gov. DeSantis—including many Jews—are so hateful that they don't even merit a voice in the great American conversation. A museum of tolerance has become intolerant.

When pressed for a further explanation of why our event was canceled, the museum's CEO adopted a common form of doublespeak: We don't do politics, he told us, whether left or right. Not surprisingly, this was false. In August 2018, Alexandria Ocasio-Cortez, then a Democratic candidate for Congress, was a featured speaker at an event at the museum, sponsored by the Immigrant Arts Coalition. Her speech was widely covered in the news—both before and after the event—including public criticism of the museum for giving such a vociferous critic of Israel a prominent platform at a Jewish institution. Yet the event went on as planned.

The museum has hosted other politicians, including then-Gov. Andrew

Cuomo and then-Mayor Bill de Blasio. In April the museum hosted a conversation with Senate Majority Leader Chuck Schumer and Linda Thomas-Greenfield, the U.S. ambassador to the United Nations, who recently described America as a society plagued by white supremacy and lauded America's re-entry into the anti-Israel Human Rights Commission.

When we launched the Jewish Leadership Conference a few years ago, we gave our inaugural Herzl Prize for Jewish Leadership to the great freedom fighter Natan Sharansky, who endured nearly a decade in a Soviet prison in his fight to rejoin his people in Israel. In his memoir, "Fear No Evil," he tells how the Soviet thought police suffocated liberty "not by tanks and missiles, or even camps and prisons," but by turning free citizens into frightened supplicants, afraid to speak their minds.

The preservation of Jewish heritage depends not only on remembering the lost Jews of the past. It depends also on channeling those sacred memories toward a vibrant Jewish future—the kind of Jewish renaissance we are seeing today in Florida.

The Jewish Leadership Conference won't be canceled, and the governor of the state with America's third-largest Jewish population will speak. We will hold our event as planned, at a different, secular venue. But it is sad to see that the misguided leadership of a Jewish museum won't allow alternative ideas a seat at the Jewish table.

Mr. Abrams is chairman and Mr. Cohen is CEO of Tikvah. They are co-chairmen of the Jewish Leadership Conference.

With Friends Like Putin, Xi May Lose Europe



POLITICAL ECONOMICS
By Joseph C. Sternberg

What was Olaf Scholz doing in Tokyo last week? The visit will be clanging alarm bells in Beijing as China anxiously tracks the fallout from Vladimir Putin's invasion of Ukraine. The newish German chancellor's trip to Japan to discuss economic and strategic cooperation is a sign of a major change under way in Berlin. The clue is the destination Mr. Scholz skipped: Beijing. Mr. Scholz's predecessor, Angela Merkel, visited China the way Chicagoans vote—early and often. Her first jaunt to Beijing came six months after she took office, and she visited China twice as often as Japan during her 16 years in office. That Mr. Scholz shows signs of bucking this trend is significant.

It's more fallout from the Ukraine war. Germany's shock at Vladimir Putin's invasion is both sincere and wrenching. The economic element is twofold. The old maxim of *Wandel durch Handel*—change through trade—which was almost by default Ms. Merkel's only foreign-policy

strategy, suddenly has fallen into bad repute. Cultivating closer economic ties with Mr. Putin's Russia didn't dissuade the autocrat from his imperialism. And now that *Wandel* has failed, the closely entwined business relationships created by all that *Handel* are proving devilishly hard to disentangle.

In this climate, thoughts have quickly turned to China, long Germany's other object of change through trade. Beijing has helped sharpen this negative focus, perhaps most notably with Xi Jinping's early-February pledge of "no limits" friendship with Mr. Putin. Europeans are frustrated with Mr. Xi's unwillingness or inability to broker a peace in Ukraine.

The autocratic invasion of Ukraine also raises worries about an autocratic invasion of Taiwan, a prospect Europe previously discounted. And Mr. Xi's economy-killing zero-Covid policies undermine the business case for foreign investors. Thanks to foolish policy errors in Beijing, the country will miss this year's annual economic-growth target by a wide margin.

The result is a new German skepticism of China that's playing itself out along three dimensions. Businesses are growing anxious.

This is not precisely new, after it became clear in recent years that Mr. Xi would not continue the reform-and-market-opening path of his predecessors. But of late the drumbeat of German businesses rethinking China has grown more insistent.

China should be worried that the war in Ukraine has Germany rethinking its conciliatory foreign policy.

A survey by the Munich-based Ifo Institute think tank conducted in February found that 45% of German manufacturers said they planned to reduce imports from China, and 55% of retailers. "Foreign companies are hitting the pause button," Joerg Wuttke of the EU Chamber of Commerce in China said in a recent interview, regarding business nerves about potential parallels between Ukraine and Taiwan. The comment hit a particular nerve in his native Germany.

Within the political and policy class, too, a China rethink is under way. Lawmakers in the national

parliament last week passed a resolution calling on Mr. Scholz to accelerate heavy-weapon deliveries to Kyiv. Somewhat surprisingly, China got a paragraph of its own, in which legislators demanded Mr. Scholz threaten to impose sanctions on Beijing if China obstructs Western sanctions on Russia or supplies Russia with weapons. The resolution was nonbinding, but Mr. Scholz said he interprets it as a mandate.

Foreign Minister Annalena Baerbock in March inaugurated a foreign-policy review. China featured prominently in her speech although not always by name: Europe must be aware that "vulnerability in the 21st century can also consist in authoritarian states investing billions of euros in European motorways, roads, power grids and ports," she warned in a barely veiled shot at Beijing.

A special mention here goes to Ms. Merkel's center-right Christian Democratic party, now in the opposition, which is quickly and not-so-discreetly running away from her *Wandel durch Handel* legacy. In a national-security outline released Monday, the CDU leadership calls for a "revision and reassessment" of Germany's economic approach. "Germany needs a new globalization

strategy that focuses more on growth opportunities in the European Union, the U.S. and Africa, and reassesses dependence on other countries," the party elders write, and no prize for guessing which "other countries" they have in mind.

The broader public debate is accelerating. "Could Germany afford to bid the China market farewell?" the business-minded newspaper *Frankfurter Allgemeine* asked in March. The answer, with a few caveats, was yes. This is part of a rapidly expanding genre in which commentators, reporters and assorted others pick over various aspects of the Germany-China economic relationship, whether the auto industry or imports of raw materials or any of a variety of other questions, searching for ways Germany can improve its economic security.

Whether Germany's new skepticism of China sticks will be a major political, economic and strategic question of the next decade. A likely outcome is not a total divorce, but rather the adoption in Berlin of a less enthusiastic, more hard-nosed attitude toward China. That will still be a far cry from what Mr. Xi probably thought he'd get when he signed his friendship pact with Mr. Putin three months ago.

The Job of Rebuilding Ukraine—and Russia—After Putin

By Mikhail Khodorkovsky

I had a head start in understanding the need to stand up to Vladimir Putin. Russian special forces stormed my plane in Novosibirsk, Siberia, in 2003, some six months after I publicly told Mr. Putin that his government's corruption was hindering Russia's development. I was charged with stealing the oil my company produced and not paying corporate taxes on the supposedly stolen oil. I spent 10 years in prison.

Even after the invasion of Ukraine, some Western entrepreneurs and politicians publicly criticize the sanctions against the Putin regime. The West, they say, can't meet its energy needs without Russia, and refusing to buy Russian hydrocarbons only increases their price, benefiting Mr. Putin.

Those fears are rational, as demonstrated by Russia's recent

decision to cut off gas to Poland and Bulgaria. But they aren't sufficient reason to weaken the financial blockade against the Kremlin. Democracies will never achieve long-term economic stability if they are susceptible to energy blackmail from dictatorships.

About half of Russia's state revenues come from oil and gas sales according to 2021 reports by the country's Ministry of Finance. That money is being used to murder and terrorize people in Ukraine and produce weapons that threaten the entire West. The Kremlin has long deployed energy as a weapon of political coercion and control. It now uses it as a military tactic.

Mr. Putin's war has exposed Western countries' energy vulnerability, which is exacerbated by Europe's slow development of the liquefied natural gas market and some countries' initiatives to phase out nuclear power. Western

democracies also blundered by believing that the authoritarian regimes they rely on for energy would never exploit that dependency. Countries whose politicians owe their power to the well-being of voters forgot that their supplier has no regard for human lives.

For years, businesses and politicians in the U.S. and many Western European countries indulged dictators, rationalizing that they provided political and economic stability. With Mr. Putin on the rampage in Ukraine, however, this isn't what stability looks like and never will be.

It is ludicrous that Germany, the most industrialized European country, has proved incapable of swiftly ramping up weapons production. To meet its long-term economic and strategic security needs, the West must once again become self-sufficient in producing key industrial and military goods.

Of course, there will be costs involved as countries wean themselves off dictators' gas and oil. But the world of hydrocarbons is gradually coming to an end. Oil and gas will continue to exist in our lives for decades, just as coal and horses still

The war is the impetus to accelerate the move away from dependence on dictators' gas and oil.

do, but nobody should ever again be able to use force and be shielded from retaliation by threatening to cut off the energy supply.

Ukraine is the impetus to accelerate the move away from fossil fuels. This will require significant investment and time, perhaps 10 years. Electricity prices could rise

above pre-invasion levels but in return there will be security and jobs. American industrialists in the 20th century were able to provide their workers with decent housing. Imagine the social benefits, such as health insurance, training and pensions, that entrepreneurs could offer today.

Ukraine needs our help to secure victory. In Mr. Putin's mind, he is at war not only with Ukraine, but also the U.S. and the North Atlantic Treaty Organization. He must be defeated there lest he need to be defeated on NATO territory in due course. Defeat for Ukraine would prolong the Putin regime, increasing the risks for the world.

But the job doesn't end with a Ukrainian victory. It includes rebuilding Ukraine—a task worthy of revived European and American industries. Russia also will need a revival, and we must start thinking of what comes after Mr. Putin. Russian history teaches us that defeat in war brings overwhelming problems for a regime within two years. A stable Russia will come about not by replacing one autocratic ruler with another but by establishing a federal parliamentary republic that coordinates the interests of Russia's regions and doesn't hijack their resources to wage war.

Mr. Putin's invasion has exposed the threat posed by authoritarian regimes. The West must be ready to respond. Eliminating its hydrocarbon dependency, helping Ukraine to victory and revival, and planning for a de-Putinized Russia must be part of the response.

Mr. Khodorkovsky is founder of the Open Russia movement and a former CEO of Yukos Oil.

Notable & Quotable: Courts

From "The case against the Supreme Court of the United States" by Ian Millhiser for *Vox.com*, May 3:

There are several structural reasons courts are a stronger ally for conservative movements than they are for progressive ones. For starters, in most constitutional cases courts only have the power to strike down a law—that is, to destroy an edifice that the legislature has built. The Supreme Court could repeal Obamacare, but it couldn't have created the Affordable Care Act's complex array of government-run marketplaces, subsidies, and mandates.

Litigation, in other words, is a far more potent tool in the hands of an anti-governmental movement than it is in the hands of one seeking to build a more robust regulatory and welfare state. It's hard to cure poverty when your only tool is a bomb. . . .

Of course I do not believe that we should literally light the Supreme Court of the United States on fire, but I do believe that diminished public trust in the Court is a good thing. This institution has not served the American people well, and it's time to start treating it that way.

THE WALL STREET JOURNAL.

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THE WALL STREET JOURNAL.

Friday, May 6, 2022 | B1

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Boeing to Move Base to Virginia

Move brings senior executives closer to decision makers in U.S. government

By Andrew Tangel and Doug Cameron

Boeing Co. said it planned to move its global headquarters to Arlington, Va., from Chicago, a shift that would bring the aerospace giant's leadership closer to top federal officials after a challenging period.

The announcement comes as the future of many of Boeing's jetliner and military programs lies with regulators, Pentagon

officials and lawmakers following a tumultuous three years for the company.

Details of the move haven't been finalized. They are expected to be announced as soon as next week, according to some of these people.

Northern Virginia is already home to many of the largest U.S. military contractors, and the local property and labor market has been fueled further by Amazon.com Inc.'s decision to locate one of its secondary headquarters there.

Boeing has for months been in talks with the office of Virginia Gov. Glenn Youngkin, who has been working to woo the plane maker and other busi-

nesses to the commonwealth, according to a state official. While details of Boeing's agreement with the state aren't final, they aren't expected to involve significant financial enticements but may include work-force-related incentives, the official said.

The aerospace company also said Thursday that it would establish a research and technology hub in northern Virginia that would focus on areas including cybersecurity, autonomous operations and systems engineering.

Many of Boeing's senior executives have increasingly been working out of its Washington, D.C., area offices or remotely in

recent years. Boeing in 2017 said it would move its defense unit's headquarters to Arlington from St. Louis to be nearer to lawmakers and Pentagon procurement officials, with government-affairs and other staff also working from the office complex opened in 2014.

Boeing was attracted to northern Virginia in large part because of its engineering talent pool as well as the proximity to its biggest customer—the U.S. government—and various suppliers and business groups with presences in the nation's capital, according to a person familiar with the company's discussions.

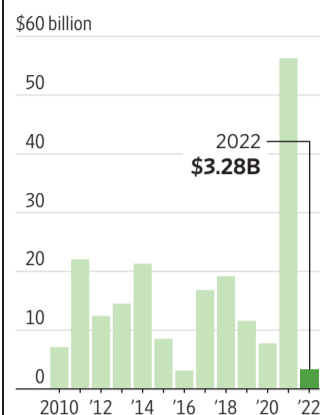
Sen. Mark Warner (D., Va.)

said he had been lobbying Boeing's senior leadership for over a year to move its headquarters to Virginia. He said the state's diverse pipeline of engineering talent has grown with major companies moving to Virginia and noted Boeing already has an outside presence in Washington. "This is not like a company that needs to move to the region to raise its visibility," Sen. Warner said.

Boeing's move closer to Washington, D.C., would follow years of sometimes strained relations with various federal agencies and elected officials.

The Federal Aviation Administration, based in Washington, Please turn to page B2

U.S. traditional IPO volume, as of May 4 of each year



Source: Dealogic

Bausch Prices IPO at Low End Of Target

By Corrie Driebusch

Bausch + Lomb Corp. priced its IPO at \$18 a share Thursday, falling short of expectations as it became the first big company in months to try going public into a turbulent stock market.

Bausch Health Cos., the parent company, raised \$630 million in the offering. It had been aiming to raise as much as \$840 million and sell the stock at \$21 to \$24 a share, according to a regulatory filing.

The debut of the eye-care company, a spinoff of Bausch Health Cos., is being watched closely as a bellwether for the IPO market, which has been virtually shut down since stocks started falling earlier this year.

It is the first big initial public offering since private-equity firm TPG Inc. went public in mid-January.

After a record year in 2021, traditional IPOs have raised less than \$3.3 billion in 2022, the slowest start since 2016, according to Dealogic.

Please turn to page B5

Online Ad Titans Fall Off Their Pandemic Highs

By Suzanne Vranica

The supercharged advertising growth that some of the world's largest technology companies reported during the pandemic is decelerating.

A round of tech earnings last week made it clear that the Covid-led surge in digital advertising has begun to ease. The slowdown was caused by inflation fears, supply-chain shortages, the war in Ukraine, a gradual return to normalcy two years into the pandemic, and the continued rise of TikTok and Apple Inc.'s recent privacy changes.

"We have not seen a collective set of headwinds for advertisers like this since the early 1980s," said Michael Nathanson, an analyst at Moffett-Nathanson.

The three largest digital-advertising players in the U.S.—Google parent Alphabet Inc., Facebook parent Meta Platforms Inc. and Amazon.com Inc.—last week said ad revenue in the first three months of 2022 grew by 22%, 6.1% and

23%, respectively, from a year earlier—down sharply from the 50%-plus increases they experienced at some point last year. Facebook's overall revenue growth was the slowest it ever posted since going public in 2012.

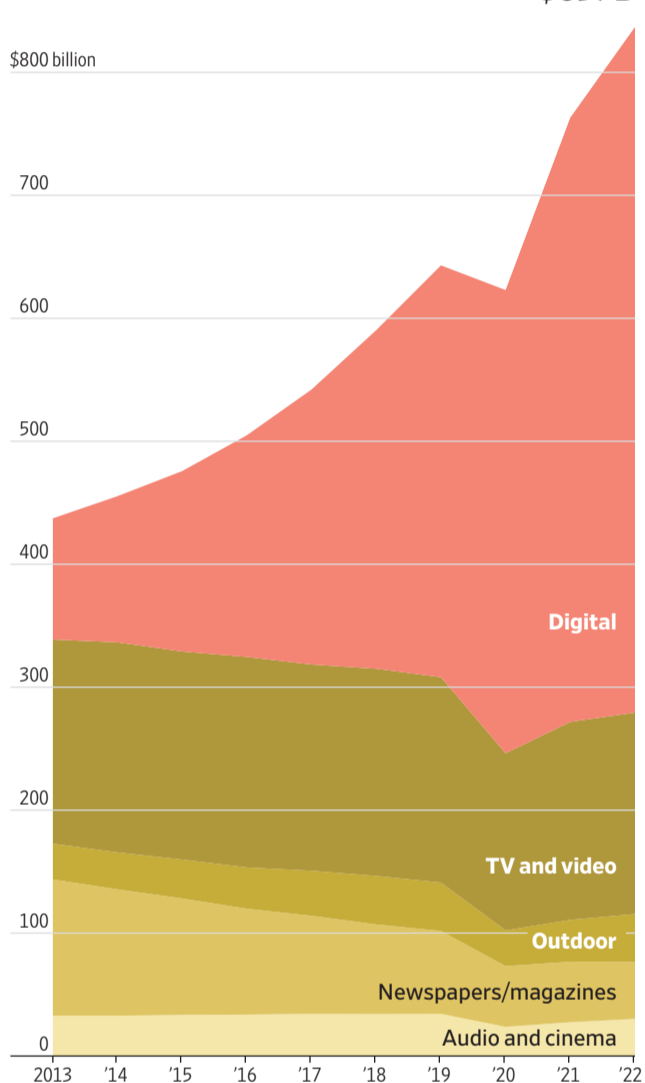
"Digital is holding on to its gains but is not growing as quickly as it grew during the pandemic," Mark Read, chief executive of the world's largest ad-holding company, WPP PLC, said.

The Big Three's rapid growth during the pandemic further cemented their dominance of the advertising market. The year 2020 marked the first time Google, Facebook and Amazon collected the majority of all ad spending in the U.S. Representatives for Google, Meta and Amazon had no comment.

In the early days of the pandemic, consumers spent more time on computer screens and did more shopping online, but their behaviors are returning to more

Please turn to page B4

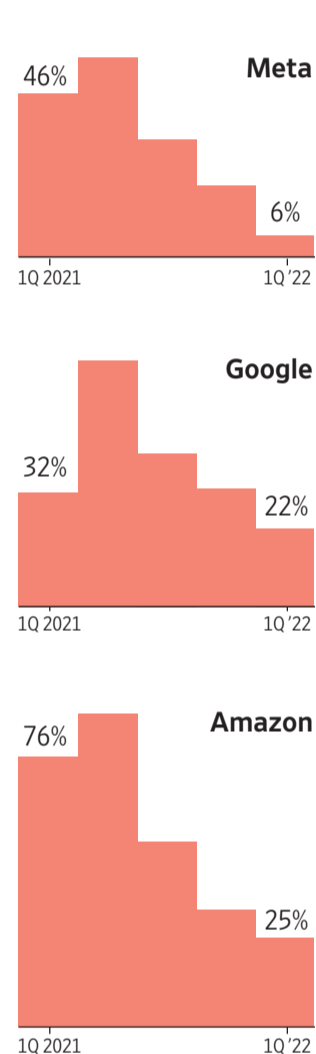
Estimated global ad spending by category*



*Excludes political ad spending

Sources: GroupM (ad spending); the companies (ad revenue)

Advertising revenue, change from a year earlier



Filing Throws Solar Market Into Chaos

By Phred Dvorak and Katherine Blunt

Auxin Solar Inc., a tiny, struggling maker of solar panels, has thrown the entire American renewable-energy industry into chaos.

A petition Auxin filed with the Commerce Department accusing Chinese companies of circumventing tariffs spurred a U.S. probe in March that has effectively halted most solar-panel imports, according to utilities and industry groups, delaying solar projects all over the country.

Utility chief executives and politicians including California Gov. Gavin Newsom have protested, warning that the investigation could set back U.S. efforts to transition to cleaner energy sources to combat climate change. A U.S. solar trade group estimates the turmoil could cost the industry billions of dollars.

On Wednesday, Indiana-based utility NiSource Inc. said delays of as long as 18 months in solar projects meant it would have to keep



Mamun Rashid says he is trying to stop unfair trade practices that have hurt U.S. manufacturers.

coal-fired power plants that are slated for retirement running longer than expected.

The disruption has fueled speculation in the industry about what is motivating Auxin, where it is getting its funding for its regulatory fight

and whether it even produces panels.

Auxin CEO Mamun Rashid said that the company is funding the petition itself, seeking to stop unfair trade practices that have hurt American manufacturers. A recent tour of his

factory showed roughly 30 workers making panels.

As a result of the dispute, he said, his employees have been hassled, his computer servers have been hacked and strange cars have been circling

Please turn to page B2

Investors Find Safety In Overlooked Stocks That Pay Dividends

By Akane Otani

Investors seeking shelter from volatility are turning to a part of the markets that had largely been overlooked last year: dividend-paying stocks.

Shares of companies paying big dividends to investors have trounced practically everything else this year.

They took a hit Thursday as the broader market tumbled but have held on to their lead for 2022. The iShares Core High Dividend exchange-traded fund, which tracks 75 such stocks, is up 3.9% this year. That puts the fund far ahead of the S&P 500, which is down 13% in 2022.

The fund includes stocks like Exxon Mobil Corp., which has a dividend yield of 3.9%; Johnson & Johnson, which

has a yield of 2.6% and Coca-Cola Co. with a yield of 2.7%. All three are beating the market for the year.

What's unusual about this year's rally in dividend-paying stocks is that it is the opposite of what market convention says happens when interest rates rise. Usually, investors say, dividend-paying stocks do poorly in a rising-rate environment because rates typically go up when the economy is growing. In boom times, investors tend to forgo the steady cash payments of bondlike stocks in favor of companies that have the potential to deliver bigger profits later.

This time, a different dynamic is at play. Interest rates have risen swiftly, not because investors are betting on an

Please turn to page B11

Peloton Looks to Sell Sizable Minority Stake

By Cara Lombardo and Dana Cimilluca

Peloton Interactive Inc. is exploring a sale of a sizable minority stake to shore up its business as the once-hot bike maker's stock continues to sink.

The fitness company is targeting potential investors including industry players and private-equity firms that could

take a stake of around 15% to 20%, according to people familiar with the matter. Discussions are at an early stage and there are no guarantees the New York-based company will find a taker or agree to a deal.

New capital could bolster Peloton as it attempts a major turnaround. It could also serve as a vote of confidence if it comes from an established private-equity firm or technology

giant such as Amazon.com Inc., which is among the suitors that have explored a full purchase of Peloton, The Wall Street Journal has reported.

Peloton enjoyed high times as a pandemic darling, with homebound customers ordering its exercise equipment and streaming its virtual classes. Its valuation soared. The company's fortunes sagged as lockdowns eased and gyms

started to fill up again.

Peloton's value has fallen from a high of around \$50 billion early last year to around \$5.6 billion this week. The shares lost around 9% Thursday amid a broader market rout.

The company in early February replaced its chief executive and unveiled plans to cut 2,800 jobs to boost its valuation.

Please turn to page B2

INSIDE



AVIATION
The FAA and airlines take steps toward easing congestion over Florida. **B3**



BUSINESS NEWS
Anheuser-Busch InBev posts strong sales, buoyed by the higher price of beer. **B6**

INDEX TO BUSINESSES

These indexes cite notable references to most parent companies and businesspeople in today's edition. Articles on regional page inserts aren't cited in these indexes.

A	F	Netflix.....A2
Advanced Micro Devices.....A2	Fidelity Investments..A4	News Corp.....A11,B6
Alphabet.....A11,B1	Ford Motor.....B2	Nvidia.....A2
Amazon.com.....A1,B1,B4,B12	Frontier.....B3	NXP Semiconductors.....A2
Anheuser-Busch InBev.....B6,B12	G	P
Apollo Global Management.....B6	General Motors.....B2	Peloton Interactive.....B1
Apple.....A2	Grubhub.....B4	Pernod Ricard.....B12
AstraZeneca.....A3	H	Pfizer.....A3
Athene.....B6	Heineken.....B6	Procter & Gamble.....B6
Auxin Solar.....B1	HSBC.....B12	R
B	I	REA.....B6
Bausch Health.....B1	Intel.....B5	Rény Cointreau.....B12
Binance.com.....A1	JetBlue Airways.....B3	Rivian Automotive.....B6
BioNTech.....A3	Johnson & Johnson.....A3,B1	S
Boeing.....B1	K	Shell.....B3,B12
BP.....B3,B12	Kellogg.....B6,B11	Shopify.....A2,B4,B12
C	L	Spirit Airlines.....B3
Carlsberg.....B6	Lowe's.....B5	Stellantis.....B2
Coca-Cola.....B1	Lucid.....B6	T
D - E	M - N	Tesla.....A1,B2,B6
Deliverr.....B4	Meta Platforms.....A2,A11,B1	Tupperware Brands.....B5
Diageo.....B12	Moderna.....A3	Twitter.....A1,A2
DoorDash.....B4	Molson Coors Beverage.....B6	U
Ebay.....A2	Nestlé.....B6	Uber Technologies.....B4
Etsy.....A2		W
Exxon Mobil.....B1		Walmart.....B4,B5
		Wayfair.....A2,B5

INDEX TO PEOPLE

A	Geraghty, Joanna.....B3	Rashid, Mamun.....B1
Ablin, Jack.....B11	Gulliver, Kate.....B5	Rowan, Marc.....B6
Adarkar, Prabir.....B4	Hogan, Art.....B11	S
B	Horneman, Megan....B11	Shah, Niraj.....B5
Bajaj, Mohit.....B11	Jassy, Andy.....B12	Shapero, Amy.....B4
Barra, Mary.....B2	K	Sink, Brandon.....B5
Brown, Aaron.....B4	Kleinman, Scott.....B6	T
C	M	Tavares, Carlos.....B2
Cahillane, Steve.....B6	Matute, Mariela.....B5	Thomson, Robert.....B6
Chiavarone, Steve.....B11	McCarthy, Barry.....B2	V
D	Misra, Priya.....B11	van Beurden, Ben.....B3,B12
Dorsey, Jack.....A4	Musk, Elon.....A1	W
Doukeris, Michel.....B6	N - R	Wieser, Brian.....B4
F - J	Nathanson, Michael..B1	Z
Farley, Jim.....B2	Palmer, Richard.....B2	Zell, Jeff.....B5
Fleisher, Michael.....B5	Radke, Tyler.....B12	Zuckerberg, Mark.....B4
Foley, John.....B2	Read, Mark.....B1	
	Rainey, John.....B5	

Solar Market In Turmoil

Continued from page B1

his factory. "Somebody called me a couple days ago and said our name is very toxic in the industry," said Mr. Rashid, a former Silicon Valley microchip engineer who said in past years he has sold a treasured Porsche and drained his 401(k) to keep the solar company afloat.

"The last thing I would want to do is take an action that hurts" the renewables industry, he added, saying that meeting the climate challenge is important to him. "But are we going to look the other way on not abiding by U.S. law?"

The furor over the petition by Auxin, a privately held company based in San Jose, Calif., highlights how dependent the American solar industry is on foreign supplies, most of which are controlled by Chinese companies that can produce large volumes at low prices. Chinese manufacturers make around 63% of the polysilicon used in most solar panels globally and more than two-thirds of the wafers that are the next step in the manufacturing process, according to energy consulting firm Wood Mackenzie.

For the past decade, the U.S. has tried to keep some solar manufacturing at home by levying tariffs on the solar cells and panels that are the final stages of production, including steep duties on Chinese makers. Production instead shifted to Southeast Asian countries such as Malaysia, Thailand, Vietnam and Cambodia, which last year manufactured nearly half of the cells and 80% of the panels that U.S. solar companies de-

pend on for their projects.

Last year, a group of U.S. solar manufacturers filed an anonymous petition to the Commerce Department, saying Chinese manufacturers were evading U.S. tariffs by routing their operations through those Southeast Asian countries.

After that petition was rejected because its proponents wouldn't say who they were, Auxin, which had been a member of the group, decided to try again on its own and in the open, according to a person familiar with the matter.

Mr. Rashid said Auxin had less than \$10 million in revenue last year and managed to make a slight profit. Auxin can produce 150 megawatts of panels a year, less than what a single, large-scale utility project would typically require. Mr. Rashid said it is running at 30% of that capacity.

During a recent visit to Auxin's factory, located in a San Jose industrial park, some workers were assembling panels. Some monitored machines stringing together solar cells while others soldered parts by hand. Workers passed completed panels through large lamination machines and let them cool before transferring them to stacks of panels in a dark corner.

Since the Commerce Department agreed to investigate, the complaint has halted panel shipments from Southeast Asia to the U.S., according to utilities and trade groups, because makers overseas worry that they could be hit retroactively with extra duties.

A group of 22 U.S. senators sent a letter to President Biden on Sunday, saying the probe is causing "massive disruption in the solar industry" and asking for the case to be speedily closed.

Commerce Secretary Gina Raimondo told a Senate panel last week that her "hands are very tied" on probing the complaint's allegations, but she said the department would move as fast as possible.

Peloton Seeks to Sell Stake

Continued from page B1

tion, which at the time was around \$8 billion. Its shares have continued falling since then amid a slump in technology stocks that hasn't spared even highly profitable companies like Facebook parent Meta Platforms Inc.

Peloton co-founder John Foley, who had led the company for its 10-year existence, was succeeded as CEO by Barry McCarthy, the former chief financial officer of Spotify Technology SA and Netflix Inc. The company also said at the time that it was canceling plans for a \$400 million fac-

tory in Ohio, lowering its full fiscal-year guidance and making changes to its board.

The changes came a few weeks after an activist investor, Blackwells Capital LLC, had called on Peloton to fire Mr. Foley and explore a sale.

Mr. McCarthy has said he plans to cut costs and create a company more focused on a digital presence and less reliant on sales of exercise equipment. Subscription-based business models tend to generate higher valuations on Wall Street than manufacturers do, and Mr. McCarthy has said he thinks he can apply strategies that worked at Netflix and Spotify to Peloton.

Watch a Video



Scan this code for a video on Peloton's wild ride after its pandemic surge.



A Jeep Wrangler Rubicon 4xe from Stellantis drove on a test track at the 2022 New York International Auto Show last month.

Stellantis Won't Spin Off EV Arm

By RYAN FELTON

The chief financial officer of auto-making giant Stellantis NV said he doesn't see a need to separate out the company's electric-vehicle business, adding that there are benefits to sticking with a unified operation.

In a call with analysts Thursday, Stellantis CFO Richard Palmer said the company isn't anticipating any big structural changes as it boosts investment in EVs, in part because the cash flow generated by its gas-engine vehicles is critical for funding the technological transition.

His comments came in response to a question about whether Stellantis, the owner of Jeep, Ram and more than a dozen other automotive brands, would consider a reorganization similar to the one revealed by Ford Motor Co. this year.

Ford plans to create two separate internal divisions: one specific to gas-powered vehicles and another focused on electric vehicles. Ford Chief

Executive Jim Farley said he believes the company's legacy gas-engine business was holding it back and it needs to change.

"I don't honestly see huge benefits to doing that," Mr. Palmer said. "I think we need to manage the company and the assets we have through this transition."

He added that the company, formed through the merger last year of Fiat Chrysler Automobiles NV and France's PSA Group, needs to take into account all its stakeholders, including employees, and is open to looking for other ways to foster speed and entrepreneurial behavior within the corporate structure.

His boss, Stellantis Chief Executive Carlos Tavares, said in March that Ford's move was a play to benefit investors, not consumers, and could generate internal strife among staff working for the company's legacy gas-engine business.

Auto makers are investing billions of dollars trying to catch up with Tesla Inc., the

market leader in selling EVs, and prove to Wall Street that they can make the technological shift while keeping their core profit-generating business of selling gasoline vehicles healthy through the transition. The challenge is spawning different approaches.

General Motors Co. Chief Executive Mary Barra also has said she views the business as stronger for keeping the two operations together, even as she continues to get questions from analysts and investors about whether a separation would help unlock more value for investors.

Stellantis has committed to ramping up production of battery-powered vehicles, setting a goal of EVs representing half of its U.S. sales annually by 2030. It also comes as traditional auto makers have tried to capture the interest of investors, who are driving up the valuations of auto startups focused solely on making EVs.

Stellantis also on Thursday reported a 12% increase in

global revenue in the first quarter over the prior-year period, despite a drop in vehicle shipments because of the continuing computer-chip shortage. Mr. Palmer attributed the boost in revenue to the company getting stronger prices for its vehicles, a rise he said is helping offset the higher costs of raw materials being driven by inflationary pressures.

"I think we're very confident that we can continue to offset the raw-material inflation headwinds with pricing," Mr. Palmer said.

The newly formed Stellantis is reporting stronger earnings and other improvements since the tie-up, but the stock price remains a concern, Mr. Palmer said.

Stellantis shares fell 4.9% Thursday and are off 31% so far this year. Mr. Palmer said the company's financials alone merited more attention from investors.

"There's clearly a disparity between our share price and our performance," he said.

Boeing To Move To Virginia

Continued from page B1

has increased scrutiny of Boeing since two of the company's 737 MAX jets crashed in 2018 and 2019. The air-safety regulator prevented the company from returning the MAX jets to service for nearly two years. More recently, the FAA has withheld approvals needed to resume 787 Dreamliner deliveries that have been halted because of production problems.

Boeing has also dealt with problems tied to various defense and space programs in recent years. Military contracts accounted for more than half of Boeing's \$62.3 billion in sales last year.

Boeing shares closed down 4.1% at \$150.47 on Thursday and have fallen sharply this year. The stock is up around 23% over the past two years, compared with a 58% rise in the industrial components of the S&P 500 index.

Lawmakers and unions have criticized Boeing for the remoteness of its Chicago base from its jetliner operations in the Seattle area.

"This will further distance the company from its engineering and manufacturing workforce," said a spokesman for the Society of Professional Engineering Employees in Aerospace, the union representing Boeing engineers.

Illinois's two Democratic senators also criticized the move. "Boeing's decision to leave Illinois is incredibly disappointing—every level of government in our state has worked to make Chicago and Illinois the perfect home for Boeing's headquarters for the past 20 years," said Sens. Dick Durbin and Tammy Duckworth in a joint statement.

The company's decision to move its corporate headquarters to Chicago from Seattle in 2001 was symbolic of its desire to be seen as more than just a maker of commercial jets. Boeing acquired rival McDonnell Douglas in 1997, adding military jets and other military equipment to its portfolio.

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BUSINESS NEWS

Shell Takes \$3.9 Billion Russia Charge

By JENNY STRASBURG

LONDON—Shell PLC said it took a \$3.9 billion posttax charge related to its decision to exit Russia, only slightly denting an otherwise strong quarter bolstered by soaring commodity prices.

The charge was expected and came alongside robust oil and gas trading profit during a period of extreme volatility. Shell's first-quarter profit on a net current-cost-of-supplies basis—a figure similar to the net income that U.S. oil companies report—was \$5 billion, compared with \$4.3 billion a year

earlier when performance rebounded from low pandemic energy demands.

Soaring oil and gas prices have showered the biggest producers with cash, which they are largely using to reduce debt, accelerate share buybacks and otherwise reward investors, rather than increase exploration and other capital spending.

Shell said Thursday it had completed \$4 billion of \$8.5 billion in share buybacks it plans through the first half of this year. Its adjusted earnings stripping out certain commodity-price adjustments and one-time charges beat analysts' consensus forecast for the quarter. Its shares rose more than 3%.

The company is the latest energy giant to document a financial hit from exiting Russia following its invasion of Ukraine. Earlier this week, London-based rival BP PLC took a \$25.5 billion pretax accounting charge related to its decision to exit its Russia holdings, including its stake in government-controlled Rosneft. The charge—the biggest tallied by Western companies pulling out of Russia—dragged BP into a \$20.4 billion headline loss for the first quarter. Aside from the charge, BP's first-quarter earnings beat analyst expecta-



Shell's first-quarter profit was boosted by higher commodity prices.

tions.

Shell in early April said it planned to take accounting charges of between \$4 billion and \$5 billion as a result of exiting Russia, including terminating joint ventures with energy giant Gazprom PJSC. That followed the company's February announcement that it would end collaborations, including financing the halted Nord Stream 2 natural-gas pipeline project between Russia and Germany.

Shell also said at the time it would exit its 27.5% stake in a major offshore-gas project in Russia's Far East that is 50% owned by Gazprom and sup-

plies around 4% of the world's liquefied-natural-gas market.

In early March, Shell Chief Executive Ben van Beurden apologized for the company's purchase of a cargo of Russian crude at a bargain price, saying the energy giant would phase out Russian oil purchases but couldn't do so overnight.

Shell said Thursday it has stopped all spot purchases of Russian crude but is "still legally obliged to take delivery of crude bought under contracts that were signed before the invasion." It said most of its long-term contracts to buy Russian crude will end this year, but added that it still has

OPEC, Allies Stick To Production Plan

OPEC and its allies stuck to a small, planned increase in oil production on Thursday, as windfall revenue from high crude prices boosts the economies of Saudi Arabia and other producers while providing a buffer to Russia against Western sanctions.

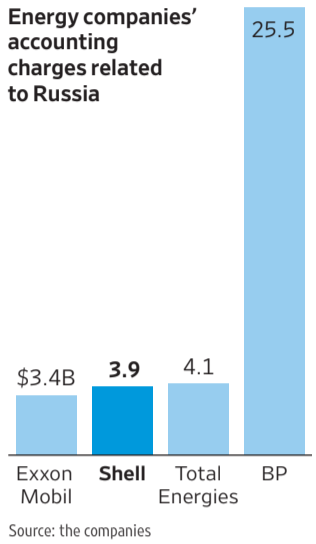
In its third meeting since Russia invaded Ukraine, sending oil prices above \$100 a barrel for the first time in eight years, the Organization of the Petroleum Exporting Countries and a coalition of Moscow-led oil producers said they agreed to continue raising their collective production

by 432,000 barrels a day. The incremental boost for June is in line with what the cartel, called OPEC+, agreed to last year as part of a plan to raise output to pre-pandemic levels.

It comes despite repeated calls in recent months from the U.S. as well as from other major oil-consuming nations for Saudi Arabia and other OPEC+ members to tap into the group's millions of barrels of remaining capacity to pump more oil to help tame prices.

Brent crude, the international benchmark, for July delivery gained 76 cents a barrel, or 0.69% to \$110.90 Thursday.

—Benoit Faucon and Summer Said



"long-term contractual commitments" for Russian liquefied natural gas.

The company's hurdles in phasing out Russian energy purchases reflect the complexities of Europe's attempts to sever its reliance on the country's resources.

Shell's results reflect a broader comeback from lagging energy consumption earlier in the Covid-19 pandemic that led major oil companies,

including Shell, to slash dividends. Last year, Shell reconfigured its operations, consolidating its dual British-Dutch structure, moving its headquarters to London from The Hague and dropping "Royal Dutch" from its name amid a focus on lower-carbon businesses as part of the energy transition.

◆ Heard on the Street: Outlook fails to sway politicians.... B12

FAA, Airlines Move to Ease Congestion Over Florida

By MICAH MAIDENBERG AND ALISON SIDER

The Federal Aviation Administration said it is working with airlines to ease mounting air-traffic problems in Florida, where bad weather and staffing shortages have snarled flights as demand for air travel in the state surges.

The FAA said it would increase air-traffic-control staffing and tweak flight practices to address the strains, after meeting with about a dozen

airlines, small-plane operators and aviation groups.

More frequent thunderstorms in Florida, which has a large population and popular vacation spots, have disrupted flights in recent months, and some airlines have said they are sharing airspace with more launches from Kennedy Space Center, located along the Atlantic in central Florida.

Airlines including Spirit Airlines Inc., Frontier Group Holdings Inc. and JetBlue Airways Corp. have said they have

trimmed schedules after problems in Florida's airspace jammed up flights, resulting in disruptions that rippled through their networks. Carriers have cited short staffing at an air-traffic facility near Jacksonville, which controls the airspace over a swath of the state.

"This has had an outsized impact on our operations given our large concentration in Florida," Spirit Chief Executive Ted Christie said in the airline's quarterly report Wednesday, referring to air-traffic-control

staffing issues and other factors in the state. "As a result, in mid-April, we made the decision to decrease some flying in Florida and increase the buffers in our schedule."

JetBlue President Joanna Geraghty said last month that the carrier experienced 115 hours of air-traffic delays in Florida in April, compared with 22 hours in 2019.

The FAA said it would immediately increase staff levels at the Jacksonville air-traffic facility and consider

adding staff at other facilities in the state.

The agency also plans to share information more frequently about activity that could change operations in Florida's airspace and create a playbook meant to help keep planes moving safely when flights face constraints.

Airlines are willing to change how pilots handle certain flights, such as flying at lower altitudes to avoid difficult weather patterns, according to a person familiar with

the matter. Florida has been one of the most popular travel destinations throughout the pandemic, and airlines have been piling into the state with new flights.

The number of flights at major airports there has recently exceeded prepandemic levels, and the FAA said participants in its meetings expected demand for Florida travel will continue to increase past 2019 levels. Private-jet flights to the state have also been on the rise.

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Shopify Makes Deal To Buy Fulfillment Company Deliverr

By ADRIANO MARCHESI

Shopify Inc. has agreed to buy U.S. fulfillment specialist Deliverr Inc. for \$2.1 billion in a cash-and-stock deal, as the e-commerce platform moves to build out its order-fulfillment operations for online retailers looking to compete with Amazon.com Inc.

The Canadian company said Thursday that it plans to merge Deliverr with its existing fulfillment network—anchored by the 6 River Systems business it acquired in 2019 for \$450 million—to form a broader logistics unit headed by newly appointed chief executive of logistics, Aaron Brown.

Deliverr's proprietary network of order-management software, software developers and fulfillment specialists will join Shopify, giving the e-commerce platform greater visibility and control over movements along the supply chain.

The acquisition will help Shopify "accelerate its road map by assembling an end-to-end logistics platform that manages inventory from port to porch and across all sales channels," Shopify Chief Financial Officer Amy Shapero said.

San Francisco-based Deliverr was founded in 2017, joining a growing ecosystem of logistics providers for e-commerce retailers, and has been expanding its quick-shipping services across major sales channels and marketplaces.

In November, Deliverr picked up \$240 million in venture-capital funding led by Tiger Global Management, with other backing from 8VC, Activant Capital, GLP, Brookfield Technology Partners and Coatue Management. That founding round brought the company's valuation to \$2 billion, more than double the level at the previous round.

Deliverr's technology integrates third-party sellers—often

merchants who sell \$1 million or more of merchandise—with major e-commerce sites including Amazon.com, eBay Inc. and Walmart Inc. and helps them move their products to consumers in one to two days.

While companies like Amazon and Walmart fulfill their orders from their giant warehouses, Deliverr's main customers ship their orders through a range of sites that may include Fulfillment by Amazon, their own warehouses or even garages in some cases.

Under the terms of the agreement, Shopify will acquire all of Deliverr's shares outstanding, with 80% of the \$2.1 billion in cash and the remainder through the issue of Shopify Class A subordinate voting shares.

Shopify has cast its e-commerce tools, which sellers can integrate into their online sales sites, as a solution for merchants to reach customers outside Amazon third-party marketplace and its vast logistics network.

The deal comes amid warnings by Shopify of slowing growth trends in the industry. Since early 2021, the company said surging demand that had sent profits and sales soaring during the pandemic would slow as governments withdrew stimulus and eased lockdowns.

Amazon last week reported that sales growth in its flagship digital-sales operation had stalled, and recent government measures show the share of retail sales that occur online have been receding.

In step with other tech companies, Shopify has seen its share price crumble in recent months. Shares have lost more than 70% of their value since January, trading as low as \$395.86 Thursday before settling at around \$400.

◆ Heard on the Street: Pain comes before Gain B12

DoorDash Posts Strong Sales Rise

By PREETIKA RANA

DoorDash Inc.'s revenue rose last quarter, showing that consumers stuck to getting food and household essentials delivered even as more restaurants and stores reopened.

Revenue for the three months ended March grew 35% to \$1.46 billion from a year earlier, when fresh Covid-19 concerns caused people to hunker down. Analysts surveyed by FactSet on average had predicted \$1.38 billion in revenue.

The rate of growth for the quarter marked a sharp slowdown. The company's revenue nearly tripled year-over-year in the corresponding quarters in 2021 and 2020.

"These are very large numbers you are talking about, so the growth rate alone belies the size of the platform," Chief Financial Officer Prabir Adarkar said in an interview, adding that DoorDash now earns more in a quarter than it did throughout 2019.

A lot of businesses took off during the health crisis but "not everyone held on to customers and created habits," he said.

DoorDash shares rose more than 7% in after-hours trading following the release of the first-quarter results.

Rival **Uber Technologies**



The value of orders on the platform grew 25%, beating forecasts, even as more restaurants reopened.

Inc.'s Uber Eats, which trails DoorDash in the U.S. food-delivery market, is also experiencing a slowdown. Uber Eats' revenue growth slowed to 12% in the first quarter from nearly tripling in the same period a year earlier. Order volume grew at DoorDash and Uber Eats but orders placed on America's third-largest food-delivery app, Grubhub, fell during the first quarter. Grubhub is up for sale.

DoorDash has been one of the biggest winners of the pandemic. The app's share in

the food-delivery market in the U.S. jumped to 57% in March from 44% two years ago, according to market research firm YipitData.

Analysts say the company outflanked its rivals thanks to a strong delivery network in the suburbs, a wide selection of restaurants and greater efficiency in delivering the food itself. DoorDash expanded its options during the health crisis to include grocers and convenience stores, pinging consumers as they paid for food to ask them if they also

wanted household items from a nearby store.

The value of orders placed on its platform grew 25% to \$12.35 billion during the quarter, beating analysts' forecast of \$11.7 billion. Order value more than tripled in the same period a year ago. The rise stems in part from price increases, Mr. Adarkar said.

DoorDash said it expects order value in the current June quarter of between \$12.1 billion and \$12.5 billion, compared with Wall Street's expectation of \$12.1 billion.

Online Ad Giants See Dropoff

Continued from page B1 normal patterns as Covid-19 fears wane.

"After the start of Covid, the acceleration of e-commerce led to outsized revenue growth, but we're now seeing that trend back off," Meta CEO Mark Zuckerberg said during a call with analysts last week to discuss first-quarter results.

Global digital ad spending

is expected to grow by 13% this year, excluding political ad dollars, a significant slowdown from the 30% leap it took last year, according to WPP unit GroupM, one of the world's largest ad buyers. Digital advertising has been growing at a much faster pace than advertising on other platforms—from TV to newspapers—and is expected to account for 67% of total global ad spending this year, GroupM said.

"Once you are two-thirds of the industry, it's really hard to grow," said Brian Wieser, GroupM's global president of business intelligence.

Both Meta and Alphabet cited the war in Ukraine as

one of the contributors to the revenue slowdown. The war had "an outside impact on YouTube ads relative to the rest of Google," Alphabet Chief Financial Officer Ruth Porat said during the company's earnings call last week. The company said it saw a related reduction in spending primarily by brand advertisers in Europe. Meta said the war caused a reduction in ad demand, both within Europe and outside the region.

On Wednesday, Meta announced a sharp slowdown in hiring.

The slower growth comes at a particularly vulnerable moment for the digital-ad business, which is trying to

cope with the fallout from mobile ad-tracking changes that Apple introduced last year that make it harder for advertisers to target consumers and measure the efficacy of ads.

The change has hobbled the digital-advertising model and continues to be a pain point, causing many small and e-commerce companies to diversify their spending across a larger swath of players. Last quarter, Meta warned that the changes would cost the company some \$10 billion in 2022.

Players in digital advertising are also facing increased competition from TikTok, the wildly popular app best known for short viral videos that is owned by China's ByteDance.

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BUSINESS NEWS

Bausch
Prices at
Low End

Continued from page B1

Bausch is a fitting test case for the IPO market, which provides a crucial spigot of cash and visibility to startups and Wall Street alike. The company is profitable and a well-established name.

"It's a real critical week for the IPO market," said Jeff Zell, senior research analyst at IPO Boutique.

With so few IPOs so far this year, "it's extremely important that this one not only gets out on the right foot but trades steady in the aftermarket," he said.

Among those who will be watching closely are others on the IPO runway.

Fund managers say they have met this year with executives at companies including Intel Corp.'s \$50 billion-or-more self-driving car unit Mobileye and Steinway Musical Instruments Holdings Inc., which have said they are pursuing IPOs.

Other companies considering listings this year include ServiceTitan Inc. and Quick Quack Car Wash Holdings LLC, according to people familiar with the matter.

It doesn't help that markets have whipsawed lately, with the technology-stock-heavy

Nasdaq Composite up more than 3% Wednesday and down 5% Thursday.

The index has moved at least 1% in either direction in 11 of the past 13 trading sessions.

Traditionally, volatility has been considered the most crucial indicator for the IPO market.

When a company launches its IPO, the management team and its advisers spend several days on a roadshow, meeting with fund managers to entice them to buy the stock. A volatile market, with little visibility into the next day let alone week, makes that tricky.

There has been another, less well-appreciated factor gumming up the gears of the new-issue market, bankers say.

Correlation between individual stocks in the S&P 500 has risen dramatically in recent months as fears that rising interest rates could spark a recession lead to across-the-board selling.

That makes it harder for stock pickers and makes IPOs less attractive, some analysts say.

Fund managers expect out-performance from IPOs, and if stocks are nearly all moving in unison, the odds of achieving that become longer.

Over the three months before technology stocks started falling in December on inflation and interest-rate fears, the average stock moved in the same direction as the S&P 500 39% of the time, according to Ned Davis Research. Since then, that has jumped to 61%.



Wayfair on Thursday became the latest retailer to name a new CFO as the pandemic sales boom slows. A company warehouse.

New Finance Chiefs Emerge
To Take On Inflation Squeeze

By KRISTIN BROUGHTON
AND CHARITY L. SCOTT

Major U.S. retailers are swapping out finance chiefs as they confront high inflation and early signs of a more sustained pullback in consumer spending.

E-commerce retailer Wayfair Inc. on Thursday named Kate Gulliver as its new chief financial officer to succeed Michael Fleisher, who has been in the role since 2013 and helped prepare the company's initial public offering in 2014. The announcement follows recent CFO changes at other retailers, including Walmart Inc.

The turnover comes as the boom in retail sales during the pandemic—particularly for e-commerce companies—shows signs of slowing. Higher prices for groceries, gas and other items are squeezing U.S. consumers, who are facing inflation at a four-decade high. Household spending has slowed

in recent months and retailers selling big-ticket items, such as beds and appliances, have reported lower demand.

"I do think this is a complicated time. That is part of the reason why we're announcing my planned retirement now," Wayfair's Mr. Fleisher said, referring to economic challenges facing companies.

The home-goods retailer on Thursday reported a third consecutive quarterly loss and said revenue fell nearly 14% in the first quarter from a year earlier to \$3 billion. Wayfair posted a loss of \$319 million, or \$3.04 per share on a diluted basis. Active customers, who placed an order in the past 12 months, fell to 25.4 million in the quarter, down 23.4% from a year earlier.

Chief Executive Niraj Shah told investors rising prices are leading customers to be more careful with their spending. "While the typical seasonal pattern of gradually building demand that we expected for

the year is, in fact, playing out, it's happening in a more muted fashion than our normal seasonal curve," he said.

Other retailers are also installing new finance leaders. Storage-container maker Tupperware Brands Corp., which sells through an independent sales force, on Wednesday withdrew its guidance for the year after it reported falling sales, and said it recruited Mariela Matute as its new CFO from avocado distributor Calavo Growers Inc.

Last month, retail giant Walmart hired PayPal Holdings Inc. CFO John Rainey, while home-improvement chain Lowe's Cos. promoted Brandon Sink, its senior vice president of retail finance, to CFO.

Retailers, especially those operating online, are facing difficult comparisons with prior-year results boosted by strong consumer spending, said Tom Forte, a managing director at financial-services

firm D.A. Davidson Cos.

Now, many e-commerce retailers, including Amazon.com Inc. and Wayfair, are turning to physical stores in search of growth. Wayfair announced late last year it would open two stores under its AllModern brand and one location under its Joss & Main brand.

"The consumer environment is such that it looks like it could get a lot more challenging over the coming months and that could be a very prolonged type of situation," said Steven Shemesh, an analyst at investment bank RBC Capital Markets.

Changing economic conditions might require new finance leadership, according to Cathy Logue, head of the CFO and financial practice group at recruiting firm Stanton Chase. "The CFO who took them through an IPO to where they are today may not be the best leader to take them through their next phase of growth," Ms. Logue said, referring to Wayfair.



The Bausch + Lomb IPO was seen as a bellwether for the health of the new-listings market, which has stalled lately.

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BUSINESS NEWS

News Corp Revenue Rises 7% On Realty, Dow Jones

BY ALEXANDRA BRUELL

News Corp said revenue and segment earnings rose in the March quarter, driven by gains in its Dow Jones and digital real-estate units.

The New York-based media company, which owns The Wall Street Journal, HarperCollins Publishers and news organizations in the U.K. and Australia, reported revenue of \$2.5 billion, up 7% from the year-earlier period.

Segment earnings, which exclude interest, taxes, depreciation, amortization, impairment and restructuring charges, among other items, rose 20%.

News Corp posted net profit of \$82 million, or 14 cents a share, for the quarter, compared with \$79 million, or 13 cents a share, a year earlier.

Dow Jones, the publisher of the Journal, Barron's and MarketWatch, posted 16% revenue growth, boosted by circulation and subscription gains as well as higher ad sales.

Excluding the acquisitions of Investor's Business Daily and the Oil Price Information Service business, currency fluctuations and other items, revenue grew by 9%.

3.7M

Total subscriptions for The Wall Street Journal

Digital advertising revenue jumped 21% at Dow Jones, driven by improvement in the financial-services and technology categories, while print advertising sales increased 18%, thanks to a rebound from pandemic-related weakness last year.

Overall, ad revenue increased 20%.

"While the conflict in Ukraine had a short-term impact on advertising, given that certain advertisers did not want juxtaposition with war coverage, overall trends remain favorable," News Corp Chief Executive Robert Thomson said on an earnings call.

The Journal averaged more than three million digital subscriptions in the quarter, up from over 2.9 million in the previous quarter.

Including the print edition, the Journal averaged 3.7 million subscriptions in the period.

Total average subscriptions to Dow Jones consumer products reached over 4.8 million, the company said.

News Corp's other news publications, which include the New York Post, the Sun and the Times in the U.K. and many papers in Australia, reported a 5% increase in revenue.

The company's book-publishing unit, HarperCollins Publishers, posted a 5% revenue increase, helped by the acquisition of Houghton Mifflin Harcourt's Books and Media segment and strong performance by titles such as "Red Handed" by Peter Schweizer and "The Paris Apartment" by Lucy Foley. Segment earnings decreased 16%, due in part to higher manufacturing and freight costs, as well as the impact from continuing supply-chain and inflationary pressures.

The company's digital real-estate services division reported a 19% gain in revenue. Segment earnings increased 17%. News Corp has a majority stake in REA Group Ltd., a publicly traded digital real-estate company, as well as an 80% stake in Move Inc., an online real-estate business based in Santa Clara, Calif., that primarily operates the website Realtor.com.

News Corp's subscription-video-services unit, which includes Foxtel, an Australian pay-TV provider, posted a 6% decrease in revenue and a 13% drop in segment earnings. The unit's performance was weighed down by the loss of residential broadcast subscribers and by foreign currency fluctuations.

Bud Brewer Buoyed by Pricier Beer

AB InBev says volumes rose across much of the world outside U.S. and China

BY SAABIRA CHAUDHURI

Beer drinkers are so far stomaching higher prices for their brews.

Budweiser owner Anheuser-Busch InBev SA said Thursday it sold more beer at higher prices in the first quarter, helping the world's biggest brewer report better-than-expected earnings.

How much companies can raise prices without losing customers has become a key question across the consumer-goods industry this year as makers of everything from beer to shampoo seek to offset soaring input costs. AB InBev's results are the latest indication that drinkers have been willing to pay up. Rivals Heineken NV, Carlsberg A/S and Molson Coors Beverage Co. all recently reported higher first-quarter prices and volumes, helped in part by the reopening of bars and restaurants across the U.S. and much of the world.

Other consumer-goods companies like Nestlé SA and Procter & Gamble Co. have also reported similar growth in volumes and prices, showing that consumers so far have been willing to pay up for a range of everyday items.

Several executives, however, have warned that as prices continue to rise, consumers are likely to trade down to cheaper products.

AB InBev Chief Executive Michel Doukeris said consumers in the U.S. have emerged from the pandemic flush with cash, and that with unemployment

◆ Heard on the Street: Beer flexes pricing muscle..... B12



The company said volumes rose 2.8%, helping the brewer log a rise in sales to \$13.24 billion, from \$12.29 billion a year earlier.

low, there is no reason to expect them to trade down. In some developing markets that are net commodity exporters, surging commodity prices are also buoying the economy and employment, he added.

Mr. Doukeris said it was too early to say how consumers will react to a continued rise in prices. However, he noted that increases in beer prices are lower than the rate of inflation and that the beverage tends to perform well even as incomes come under strain, since trading up to a pricier beer costs significantly less than with other feel-good products like cars or clothes. "When inflation goes up and demand gets constrained, usually beer trades up not down," he said.

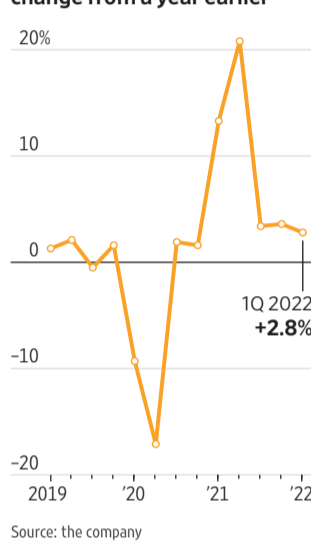
AB InBev reported a 7.8% jump in revenue per hectoliter in the first three months of the year from a year earlier. Despite this, the company said volumes rose 2.8%, helping the brewer log a rise in sales to \$13.24 billion, from \$12.29 billion a year earlier. Strong top-line growth allowed AB InBev to offset rising costs from commodity inflation and its supply chain to report a profit on an underlying basis—which strips out currency and one-time impacts—of \$1.2 billion, up from \$1.1 billion a year earlier. On a reported basis, profit fell to \$95 million from \$595 million as the company took a \$1.14 billion impairment charge tied to its decision to exit Russia.

In North America—where

drinkers have for years been moving away from AB InBev's two blockbuster brands Bud and Bud Light—the brewer said volumes declined 4.2%. The company has been working to diversify away from these brands in the U.S., investing in Michelob Ultra and spirits-based canned cocktails, which it said performed well.

Volumes also declined in China, with demand hit by Covid-19 lockdowns. Across the rest of the Americas and in Europe, volumes grew. "As long as employment is good and the overall economy performs well and inflation doesn't get totally out of control we should not see a dramatic trade down or slowdown in consumption," said Mr. Doukeris.

AB InBev's sales by volume, change from a year earlier



Lucid's Losses Narrowed in Quarter

BY NORA ECKERT

Electric car maker Lucid Group Inc. reported narrower losses in the first quarter of 2022, and said it would increase vehicle prices starting in June, citing a changing environment from when it first set pricing in September 2020.

Lucid said on Thursday that it recorded a net loss of \$81.3 million in the January-to-March period, compared with a \$2.9 billion loss in the same year-ago period. The company stuck with its production outlook of 12,000 to 14,000 vehicles in 2022, a forecast it reduced this year, citing supply-chain disruptions and trouble getting parts such as glass and carpet. Lucid said it continues to face logistics challenges, citing factory shutdowns in China related to Covid-19.

The company reported quarterly revenue of \$577 million, up from \$313,000 in the first three months of 2021.

Lucid said it plans to in-

crease prices starting in early June for its first model, the Air sedan, which it began selling last year. It plans to honor pricing for buyers who reserved models before that date. Depending on the configuration, prices for the all-electric sedan are expected to increase between 11% and 13% at the beginning of June, the company said.

Lucid reported \$5.4 billion in cash on hand, down from \$6.3 billion in the previous period ending in December.

The company's price increases come as EV producers such as Rivian Automotive Inc. and Tesla Inc. have also raised prices on some of their models.

Startups such as Lucid won over investors last year and raised billions of dollars in capital amid a broader euphoria on Wall Street for electric vehicles. While the first models produced by these newcomers have been generally well received, the companies are running into problems ramping up

Share and index performance, year to date



their factories to fulfill initial orders, challenges that have weighed on their stock prices.

Lucid shares are down about 51% since Jan. 1 and closed down 7% on Thursday. The stock was flat in aftermarket trading following the earnings release.

The company's vehicle deliveries increased to 360 in the first quarter, up from the 125 vehicles shipped in the last quarter of 2021.

The auto maker recently struck a deal with Saudi Arabia for the purchase of up to 100,000 vehicles over a 10-year period. The Saudi government initially agreed to a 50,000-vehicle purchase, but may expand up to double that amount during the period, Lucid said.

With an eye on increasing production, Lucid has said it signed an agreement with the Saudi government to build an assembly plant in the country. This plant will have the capacity to produce 150,000 cars annually, the company has said.

The auto maker rolled out the Lucid Air in the fall of 2021. The fully electric car won the MotorTrend magazine award for 2021 Car of the Year, and boasts a 520-mile range, the top in the industry.

Apollo Posts Loss, But Funds Stand Out

BY MARIA ARMENTAL AND CHRIS CUMMING

Apollo Global Management swung to a loss in the March quarter, but its private-equity portfolio outperformed the market.

The New York firm, which this year bought the rest of annuity manager and insurer Athene Holding Ltd. that it didn't already own, reported a first-quarter loss of \$870 million, or \$1.50 a share, compared with a profit of \$679 million, or \$2.81 a share, a year earlier. The deficit, Apollo said, stemmed largely from unrealized losses on reinsurance assets in its retirement-services business as a result of rising interest rates.

Apollo's private-equity portfolio appreciated by nearly 8% in the quarter, including 15% from Fund IX, the firm said. That compares with a 4.9% decline for the S&P 500. Adjusted net income, which Apollo earlier called distributable earnings, rose to \$915 million, or \$1.52 a share.

Apollo bills itself as having an investment strategy designed to thrive in times of turbulence. On a Thursday call with analysts, Chief Executive Marc Rowan said the economy had again entered a period of disturbance that would play to Apollo's strengths.

"The trends we're seeing in the marketplace—specifically, rates up and volatility—historically have been very good for our business," Mr. Rowan said. Co-president Scott Kleinman said the strong performance by Apollo's private-equity portfolio, in a quarter when public markets declined, showed that the firm's approach should be back in vogue during the current turbulence.

The strategy "hasn't been sexy over the last decade," as cheap money inflated asset prices across the board, he said. "But as we enter this new economic regime change where you can't just rely on declining or 0% rates to allow you to exit at ever-increasing multiples, this is exactly the type of performance I would expect to be seeing," Mr. Kleinman said.

Kellogg Expects Prices to Increase

BY ANNIE GASPARRO AND DEAN SEAL

Kellogg Co.'s chief executive hinted that additional price increases are inevitable this year amid worsening cost inflation from lingering supply-chain disruptions and the war in Ukraine.

"Ultimately, in an environment like this, which clearly we haven't seen in 40 years, we aren't going to be able to just not pass prices through to consumers," said CEO Steve Cahillane. "Productivity just simply can't cover this type of inflation."

The maker of Frosted Flakes, Eggos and Cheez-Its, Kellogg on Thursday posted a 15% rise in first-quarter earnings, thanks to price increases and steady sales growth for its snack brands.

Kellogg now expects its comparable sales to rise 4% this year, up from a prior view of 3%. The measure strips out effects from currency, acquisitions and divestitures.

Kellogg's shares rose 3.5% on Thursday, closing at \$70.23. The stock is up more than 11% over the past 12 months.

So far, U.S. consumers have mostly withstood food makers' higher price tags. But Kellogg and other industry giants say



The maker of Raisin Bran expects comparable sales to rise 4% this year, up from a prior view of 3%.

that could change later in the year. For Kellogg, price sensitivity is starting to show through in frozen meals and cereal now, Mr. Cahillane said. Snacks, such as its Pringles, are more resilient.

That isn't surprising given the level of price increases in the grocery store and everywhere, Mr. Cahillane said. Food-at-home prices were up 10% in March, from a year earlier, according to the Consumer Price Index. Overall inflation surged

to a four-decade high of 8.5%.

But the reaction among consumers—switching to cheaper brands or buying less food—is less stark than in previous periods of inflation, Kellogg executives said.

Kellogg's optimism for the year comes despite challenges with Kellogg's U.S. cereal businesses, which suffered from a factory worker strike and a plant fire last year. In the first quarter, its U.S. cereal sales fell 10% from a year earlier, and its

brands lost market share and shelf space.

"We aren't at all complacent, and we aren't underestimating the challenge of rebuilding our business," Mr. Cahillane said.

For the period ended April 2, Kellogg reported profit of \$424 million, or \$1.23 a share, versus \$371 million, or \$1.07, a year earlier. Analysts polled by FactSet recently forecast earnings of 92 cents. Sales rose 2.4% to \$3.67 billion, beating analyst estimates of \$3.59 billion.

COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Metal & Petroleum Futures						
	Open	High	Low	Settle	Chg	Open interest
Copper-High (CMX) -25,000 lbs; \$ per lb.						
May	4.3985	4.4200	4.2785	4.2850	-0.0435	4,512
July	4.3670	4.4400	4.2765	4.2915	-0.0465	113,209
Gold (CMX) -100 troy oz; \$ per troy oz.						
May	1897.00	1904.30	1875.40	1874.00	7.00	918
June	1884.10	1910.70	1872.30	1875.70	6.90	420,192
July	1898.40	1910.20	1878.70	1879.00	6.90	141
Aug	1891.30	1917.60	1879.60	1883.00	6.80	96,526
Oct	1910.00	1924.80	1888.80	1890.70	6.60	13,023
Dec	1907.50	1933.50	1896.50	1899.50	6.50	30,870
Palladium (NYM) -50 troy oz; \$ per troy oz.						
May	2175.30	-58.00			1	
June	2241.50	2277.00	2159.50	2177.40	-58.60	5,637
Platinum (NYM) -50 troy oz; \$ per troy oz.						
May	979.50	979.50	979.50	971.80	-6.40	43
July	983.00	993.10	962.80	973.40	-6.20	55,778
Silver (CMX) -5,000 troy oz; \$ per troy oz.						
May	23.120	23.245	22.730	22.400	0.038	2,884
July	23.040	23.345	22.325	22.443	0.041	113,245
Crude Oil, Light Sweet (NYM) -1,000 bbls; \$ per bbl.						
June	107.58	111.37	106.97	108.26	0.45	240,833
July	106.07	109.77	105.45	106.74	0.52	177,297
Sept	102.32	105.62	101.58	102.84	0.35	107,172
Dec	96.77	99.66	96.20	97.31	0.27	248,398
June'23	88.85	91.10	88.49	89.41	0.28	122,639
Dec	83.70	85.56	83.22	84.24	0.26	130,822
NY Harbor ULS (NYM) -42,000 gal; \$ per gal.						
June	4.2098	4.2455	4.0200	4.0413	-1.557	63,205
July	3.8877	3.9282	3.7914	3.8204	-0.618	47,794
Gasoline-NY RBOB (NYM) -42,000 gal; \$ per gal.						
June	3.6624	3.7222	3.6069	3.6587	-0.064	107,755
July	3.5729	3.6390	3.5290	3.5800	-0.125	64,378

	Open	High	Low	Settle	Chg	Open interest
Natural Gas (NYM) -10,000 MMBtu; \$ per MMBtu.						
June	8.355	8.913	▲	8.117	8.783	368
July	8.457	8.965	▲	8.178	8.841	369
Sept	8.372	8.890	▲	8.132	8.773	361
Oct	8.356	8.880	▲	8.114	8.767	360
Jan'23	8.655	9.142	▲	8.418	9.053	350
May	4.760	4.890	▲	4.748	4.872	0.76
Corn (CBT) -5,000 bu; cents per bu.						
May	799.75	804.75				
July	794.25	802.00		791.00	797.50	3.25
Oats (CBT) -5,000 bu; cents per bu.						
May	676.25	678.75				
July	676.25	678.75		648.75	659.50	-19.25
May	1682.50	1699.50			1678.50	8.75
July	1643.00	1667.00		1640.00	1647.00	6.50
Soybean Meal (CBT) -100 tons; \$ per ton.						
May	431.40	425.10			426.90	-1.40
July	418.40	436.40		418.40	419.90	1.70
Soybean Oil (CBT) -60,000 lbs; cents per lb.						
May	86.50	-58			86.50	-58
July	82.37	83.78		81.17	81.85	-58
Rough Rice (CBT) -2,000 cwt; \$ per cwt.						
May	16.73	16.73			16.70	-0.2
July	17.13	17.36		16.78	17.08	-0.2
Wheat (CBT) -5,000 bu; cents per bu.						
May	1079.00	1121.75			1096.00	30.00
July	1079.00	1121.75		1077.25	1106.50	30.00
Wheat (KC) -5,000 bu; cents per bu.						
May	1123.25	1180.00			1123.25	53.75
July	1123.25	1180.00		1123.25	1177.00	53.75
Cattle-Feeder (CME) -50,000 lbs; cents per lb.						
May	162.000	162.000			160.325	-1.925

Agriculture Futures						
	Open	High	Low	Settle	Chg	Open interest
Ultra Treasury Bonds (CBT) -\$100,000; pts 32nds of 100%						
June	157-110	158-080		152-190	153-190	-4-27.0
Sept				152-250		-4-27.0
Treasury Bonds (CBT) -\$100,000; pts 32nds of 100%						
June	139-190	140-030		136-190	137-090	-2-28.0
Sept				136-110		-2-27.0
Treasury Notes (CBT) -\$100,000; pts 32nds of 100%						
June	118-295	119-095		117-260	118-020	-1-03.0
Sept	118-190	118-255		117-070	117-145	-1-05.0
5 Yr. Treasury Notes (CBT) -\$100,000; pts 32nds of 100%						
June	112-245	112-305		112-037	112-085	-19.2
Sept				111-257		-20.2
2 Yr. Treasury Notes (CBT) -\$200,000; pts 32nds of 100%						
June	105-170	105-187		105-107	105-118	-6.9
Sept				104-301		-6.9
30 Day Federal Funds (CBT) -\$5,000,000; 100 - daily avg.						
May	99.2300	99.2325			99.2300	.0000
July	98.5650	98.5700		98.5500	98.5550	-0.0150
10 Yr. Del. Int. Rate Swaps (CBT) -\$100,000; pts 32nds of 100%						
June				85-150	-1-04.0	13,397
Three-Month SOFR (CME) -\$1,000,000; 100 - daily avg.						
March	99.4875	99.4900		99.4850	99.4875	-0.025

Bonds | wsj.com/market-data/bonds/benchmarks

Tracking Bond Benchmarks

Return on investment and spreads over Treasuries and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Total return close	YTD total return (%)	Index	Yield (%) Latest	Yield (%) High	Total return close	YTD total return (%)	Index	Yield (%) Latest	Yield (%) High
Broad Market Bloomberg Fixed Income Indices									
2016.24	-10.1	U.S. Aggregate	3.540	1.340	3.570				
U.S. Corporate Indexes Bloomberg Fixed Income Indices									
2951.62	-13.4	U.S. Corporate	4.400	1.910	4.410				
2820.65	-8.2	Intermediate	4.100	1.260	4.140				
4013.69	-21.4	Long term	4.930	2.900	4.930				
580.03	-14.1	Double-A-rated	3.870	1.650	3.870				
780.52	-13.7	Triple-B-rated	4.690	2.110	4.700				
High Yield Bonds ICE BofA									
477.60	-8.5	High Yield Constrained	7.161	3.796	7.233				
460.72	-8.5	Triple-C-rated	11.931	6.304	11.931				
3176.43	-8.6	High Yield 100	6.696	3.162	7.438				
418.14	-9.1	Global High Yield Constrained	7.191	3.968	7.193				
320.05	-8.3	Europe High Yield Constrained	5.420	2.304	5.420				
U.S. Agency Bloomberg Fixed Income Indices									
1725.46	-6.0	U.S. Agency	3.010	0.640	3.030				
1521.34	-5.0	10-20 years	2.950	0.520	2.980				
3482.62	-16.9	20-plus years	3.780	1.890	3.780				
2590.19	-10.2	Yankee	4.000	1.510	4.030				

Global Government J.P. Morgan														
Coupon (%)	Maturity, in years	Country/ Latest(▲)▼	Yield (%) -1	0	1	2	3	4	Previous	Month ago	Year ago	Spread Under/Over U.S. Treasuries, in basis points Latest	Prev	Year ago
2.500	2	U.S.	2.722	▲					2.614	2.502	0.157			
1.875	10		3.066	▲					2.914	2.554	1.584			
2.750	2	Australia	2.726	▼					2.912	1.968	0.096	0.6	15.6	-6.1
1.000	10		3.393	▼					3.545	2.859	1.692	48.0	58.3	11.6
0.000	2	France	0.281	▲					0.258	0.035	-0.656	-244.1	-249.8	-81.3
0.000	10		1.568	▲					1.509	1.132	0.136	-134.4	-145.4	-144.0
0.000	2	Germany	0.291	▲					0.274	-0.020	-0.691	-242.9	-248.2	-84.8
0.000	10		1.048	▲					0.973	0.619	-0.225	-186.5	-199.0	-180.0
0.000	2	Italy	0.969	▲					0.958	0.407	-0.285	-175.1	-179.9	-44.1
0.950	10		3.024	▲					2.960	2.242	0.902	11.1	-0.2	-67.4
0.005	2	Japan	-0.047						-0.047	-0.041	-0.124	-276.7	-280.3	-28.1
0.200	10		0.230						0.230	0.211	0.095	-268.3	-273.3	-148.1
0.000	2	Spain	0.670	▲					0.667	0.259	-0.516	-205.0	-208.9	-67.2
0.700	10		2.112	▲					2.076	1.599	0.446	-80.1	-88.6	-113.0
0.125	2	U.K.	1.544	▼					1.624	1.455	0.061	117	-113.2	-9.5
4.250	10		1.967	▼					1.970	1.657	0.821	-94.6	-99.3	-75.5

*Constrained indexes limit individual issuer concentrations to 2%; the High Yield 100 are the 100 largest bonds. †In local currency. ‡Euro-zone bonds. **EMBI Global Index. Sources: ICE Data Services; Bloomberg Fixed Income Indices; J.P. Morgan

Global Government Bonds: Mapping Yields

Yields and spreads over or under U.S. Treasuries on benchmark two-year and 10-year government bonds in selected other countries; arrows indicate whether the yield rose (▲) or fell (▼) in the latest session

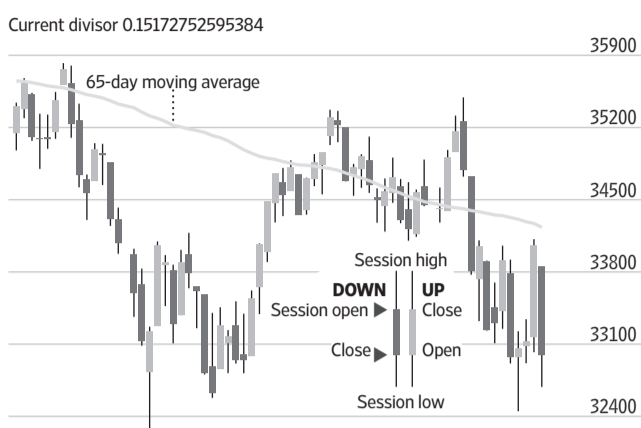
Global Government J.P. Morgan														
Coupon (%)	Maturity, in years	Country/ Latest(▲)▼	Yield (%) -1	0	1	2	3	4	Previous	Month ago	Year ago	Spread Under/Over U.S. Treasuries, in basis points Latest	Prev	Year ago
2.500	2	U.S.	2.722	▲					2.614	2.502	0.157			
1.875	10		3.066	▲					2.914	2.554	1.584			
2.750	2	Australia	2.726	▼					2.912	1.968	0.096	0.6	15.6	-6.1
1.000	10		3.393	▼					3.545	2.859	1.692	48.0	58.3	11.6
0.000	2	France	0.281	▲					0.258	0.035	-0.656	-244.1	-249.8	-81.3
0.000	10		1.568	▲					1.509	1.132	0.136	-134.4	-145.4	-144.0
0.000	2	Germany	0.291	▲					0.274	-0.020	-0.691	-242.9	-248.2	-84.8
0.000	10		1.048	▲					0.973	0.619	-0.225	-186.5	-199.0	-180.0
0.000	2	Italy	0.969	▲					0.958	0.407	-0.285	-175.1	-179.9	-44.1
0.950	10		3.024	▲					2.960	2.242	0.902	11.1	-0.2	-67.4
0.005	2	Japan	-0.047						-0.047	-0.041	-			

MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

32997.97 ▼1063.09, or 3.12%
 High, low, open and close for each trading day of the past three months.

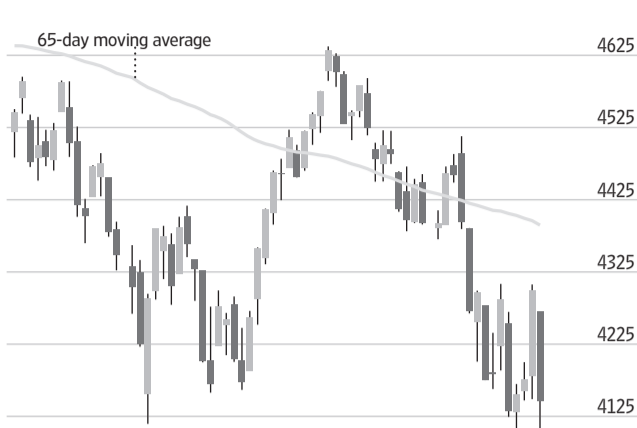


Current divisor 0.15172752595384
 Bars measure the point change from session's open

*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; †Based on Nasdaq-100 Index

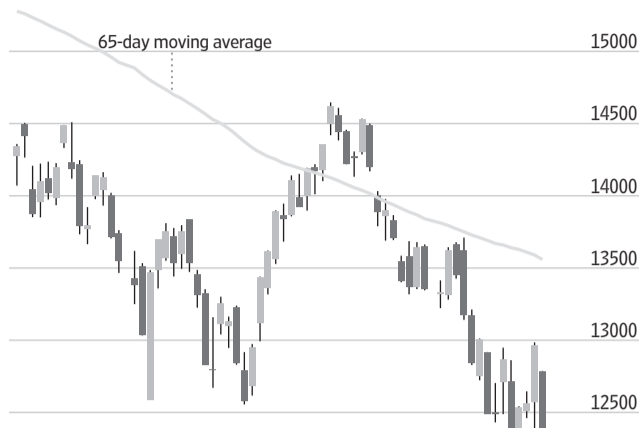
S&P 500 Index

4146.87 ▼153.30, or 3.57%
 High, low, open and close for each trading day of the past three months.



Nasdaq Composite Index

12317.69 ▼ 647.16, or 4.99%
 High, low, open and close for each trading day of the past three months.



Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg YTD	% chg 3-yr. ann.
Dow Jones									
Industrial Average	33854.17	32685.10	32997.97	-1063.09	-3.12	36799.65	32632.64	-4.5	-9.2
Transportation Avg	15457.48	14940.14	15084.10	-449.28	-2.89	17039.38	14000.78	-4.1	-8.5
Utility Average	1011.98	989.93	998.27	-13.03	-1.29	1071.75	869.74	9.8	1.8
Total Stock Market	42966.13	41357.80	41776.56	-1609.30	-3.71	48929.18	41679.16	-4.3	-14.1
Barron's 400	996.59	951.30	961.81	-34.78	-3.49	1127.20	943.84	-4.6	-13.1

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg YTD	% chg 3-yr. ann.
Nasdaq Stock Market									
Nasdaq Composite	12787.52	12183.56	12317.69	-647.16	-4.99	16057.44	12317.69	-9.6	-21.3
Nasdaq-100	13344.79	12710.59	12850.55	-685.16	-5.06	16573.34	12850.55	-5.6	-21.3

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg YTD	% chg 3-yr. ann.
S&P									
500 Index	4270.43	4106.01	4146.87	-153.30	-3.57	4796.56	4063.04	-1.3	-13.0
MidCap 400	2592.15	2490.00	2514.75	-95.31	-3.65	2910.70	2500.26	-8.2	-11.5
SmallCap 600	1259.20	1207.46	1221.76	-45.45	-3.59	1466.02	1214.72	-10.3	-12.8

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg YTD	% chg 3-yr. ann.
Other Indexes									
Russell 2000	1935.64	1849.45	1871.15	-78.77	-4.04	2442.74	1864.10	-16.5	-16.7
NYSE Composite	16119.61	15515.98	15652.61	-467.00	-2.90	17353.76	15609.28	-4.9	-8.8
Value Line	608.74	580.53	586.18	-22.56	-3.71	696.40	584.68	-12.0	-12.8
NYSE Arca Biotech	4844.21	4613.77	4665.55	-178.66	-3.69	6022.37	4631.80	-14.8	-15.5
NYSE Arca Pharma	836.37	815.54	823.04	-13.33	-1.59	887.27	714.12	14.8	-0.5
KBW Bank	115.47	111.70	113.70	-3.20	-2.74	147.56	110.06	-14.0	-14.0
PHLX ^S Gold/Silver	147.23	138.50	140.48	-5.51	-3.77	167.76	117.06	-8.7	6.1
PHLX ^S Oil Service	80.84	75.06	77.62	-2.54	-3.17	87.06	48.31	-32.2	47.2
PHLX ^S Semiconductor	3105.50	2965.73	3005.53	-158.25	-5.00	4039.51	2851.15	-2.0	-23.8
Cboe Volatility	33.20	25.78	31.20	5.78	22.74	36.45	15.01	69.7	81.2

§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
SPDR S&P 500	SPY	10,569.6	414.26	0.45	0.11	429.22	411.91
Invesco QQQ Trust I	QQQ	10,369.9	313.90	0.90	0.29	314.88	311.75
iShares MSCI Emg Markets	EEM	5,147.1	41.50	...	unch.	41.60	41.50
Xtrkr EM Carbon Reduction	EMCR	4,000.0	27.68	-0.26	-0.93	27.68	27.68
Block	SQ	3,861.1	103.72	8.17	8.55	108.45	91.00
Coty CI A	COTY	3,776.1	7.40	-0.02	-0.27	7.43	7.39
Vanguard Total World Stk	VT	3,458.4	93.50	0.64	0.69	94.00	92.10
Apple	AAPL	2,825.7	157.63	0.86	0.55	166.63	156.77

Percentage gainers...

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
iRhythm Technologies	IRTC	81.5	152.07	33.95	28.74	154.01	117.95
Funko CI A	FNKO	263.2	21.22	4.50	26.91	25.99	16.72
ChemoCentryx	CCXI	288.0	18.40	2.76	17.65	18.90	15.64
Opendoor Technologies	OPEN	2,451.9	8.27	1.12	15.66	8.38	7.13
Gritstone bio	GRTS	291.4	2.87	0.29	11.24	2.93	2.58

...And losers

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
Bill.com Holdings	BILL	885.4	124.90	-27.34	-17.96	158.00	115.76
Cloudflare	NET	1,490.6	65.01	-12.80	-16.45	79.99	62.51
Zillow Group CI A	ZG	236.3	35.30	-3.75	-9.60	41.59	34.00
Zillow Group CI C	Z	511.7	36.20	-3.58	-9.00	42.15	34.88
fuboTV	FUBO	1,558.0	3.75	-0.37	-8.98	4.23	3.70

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	1,079,438,554	15,849,132
Adv. volume*	56,538,480	940,328
Decl. volume*	1,007,330,471	14,817,384
Issues traded	3,436	287
Advances	395	48
Declines	2,933	229
Unchanged	108	10
New highs	53	2
New lows	379	32
Closing Arms [†]	1.95	1.83
Block trades*	4,830	157

	Nasdaq	NYSE Arca
Total volume*	5,237,002,898	501,008,737
Adv. volume*	899,069,586	65,759,546
Decl. volume*	4,312,040,803	434,813,112
Issues traded	4,939	1,721
Advances	780	144
Declines	3,934	1,569
Unchanged	225	8
New highs	21	35
New lows	640	385
Closing Arms [†]	0.95	0.45
Block trades*	24,993	1,575

*Primary market NYSE, NYSE American, NYSE Arca only. †(TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
World	MSCI ACWI	650.08	-17.00	-2.55	-13.9
	MSCI ACWI ex-USA	297.14	-2.05	-0.68	-13.7
	MSCI World	2784.12	-80.31	-2.80	-13.9
	MSCI Emerging Markets	1058.72	-5.12	-0.48	-14.1
Americas	MSCI AC Americas	1584.17	-59.21	-3.60	-13.3
Canada	S&P/TSX Comp	20696.17	-488.78	-2.31	-2.5
Latin Amer.	MSCI EM Latin America	2255.55	-57.79	-2.50	5.9
Brazil	BOVESPA	105304.19	-3039.55	-2.81	0.5
Chile	S&P IPSA	3060.69	-21.30	-0.69	9.1
Mexico	S&P/BMV IPC	50529.95	-902.68	-1.76	-5.1
EMEA	STOXX Europe 600	438.26	-3.11	-0.70	-10.2
Eurozone	Euro STOXX	414.87	-3.30	-0.79	-13.4
Belgium	Bel-20	4097.20	31.86	0.78	-4.9
Denmark	OMX Copenhagen 20	1743.10	1.67	0.10	-6.5
France	CAC 40	6368.40	-27.28	-0.43	-11.0
Germany	DAX	13902.52	-68.30	-0.49	-12.5
Israel	Tel Aviv	1936.56	...	Closed	-2.1
Italy	FTSE MIB	23759.71	-142.35	-0.60	-13.1
Netherlands	AEX	696.19	-2.49	-0.36	-12.8
Russia	RTS Index	1119.92	5.79	0.52	-29.8
South Africa	FTSE/JSE All-Share	69682.65	-674.93	-0.96	-5.5
Spain	IBEX 35	8434.70	-65.80	-0.77	-3.2
Sweden	OMX Stockholm	808.21	-9.84	-1.20	-22.1
Switzerland	Swiss Market	11877.27	-2.97	-0.02	-7.8
Turkey	BIST 100	2466.26	35.71	1.47	32.8
U.K.	FTSE 100	7503.27	9.82	0.13	1.6
U.K.	FTSE 250	20089.96	-129.52	-0.64	-14.4
Asia-Pacific	MSCI AC Asia Pacific	167.11	-0.24	-0.14	-13.5
Australia	S&P/ASX 200	7364.70	60.02	0.82	-1.1
China	Shanghai Composite	3067.76	20.70	0.68	-15.7
Hong Kong	Hang Seng	20793.40	-76.12	-0.36	-11.1
India	S&P BSE Sensex	55702.23	33.20	0.06	-4.4
Japan	NIKKEI 225	26818.53	...	Closed	-6.9
Singapore	Straits Times	3343.57	-5.70	-0.17	7.0
South Korea	KOSPI	2677.57	...	Closed	-10.1
Taiwan	TAIEX	16696.12	130.29	0.79	-8.4
Thailand	SET	1643.30	-8.99	-0.54	-0.9

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Close	Net chg	% chg	High	Low	% chg
Hudson Technologies	HDSN	9.06	1.92	26.89	9.22	1.83	306.3
JE Cleantech Holdings	JCSE	7.24	1.44	24.83	23.99	3.61	...
Intercept Pharmaceuticals	ICPT	19.59	3.40	21.00	22.36	11.60	15.2
Nuvectis Pharma	NVCT	13.98	2.38	20.52	14.39	3.08	...
Direxion Dly DJ Bear 3X	WEBS	37.92	6.24	19.70	38.92	13.12	68.0
Elevation Oncology	ELEV	3.65	0.60	19.67	16.22	2.28	...
MicroSect FANG+ -3X Invr	FNGD	66.47	10.47	18.70	84.80	32.50	-4.2
Axogen	AXGN	9.77	1.51	18.28	23.94	6.87	-55.8
Direxion S&P Biotech Bear	LABD	55.46	8.51	18.13	59.94	16.67	117.4
Cyngn	CYN	3.74	0.57	17.98	9.91	1.08	...
CPI Card Group	PMTS	13.75	2.07	17.72	38.92	10.18	-17.9
Silicon Motion Tech ADR	SIMO	95.16	13.96	17.19	98.65	58.86	47.0
MicroSectors FANG-3X Inv	BERZ	32.77	4.79	17.12	38.6		

MARKETS

Bitcoin And Other Digital Money Fall

By PAUL VIGNA

Cryptocurrency prices slid Thursday along with major stock-market indexes.

Bitcoin fell to \$36,431.57 at 5 p.m. ET, down 8.4% from Wednesday, according to Dow Jones Market Data. Ethereum fell 6.4% to \$2,754.37.

Of the top 30 cryptocurrencies listed by CoinDesk, 29 were down on the day. Apart from a brief selloff in January, bitcoin's price hasn't been this low since last July, when it traded as low as \$29,000. The largest cryptocurrency is now down about 47% from its November record high of \$68,991.

Investors have been unwinding their most speculative bets as the Federal Reserve has moved to end its ultralow-interest-rate policies. On Wednesday, the central bank announced a half-point rate increase. Fed Chairman Jerome Powell said there may be half-point rate increases in the summer months, but that officials aren't considering a three-fourths of a percentage point increase. That drove stocks higher on Wednesday, but they gave back those gains on Thursday, with the Nasdaq Composite down 5%.

Over the past two years, more professional traders have found their way into crypto markets. The effect has been that crypto assets have traded more in line with other risk assets, like growth and tech stocks.

The tech-heavy Nasdaq Composite Index has fallen more than 21% this year, while bitcoin is also down 21%. Thursday's selloff comes on top of what was a bad April for crypto prices as well. Bitcoin's market value fell 17% to \$716 billion, according to research firm CryptoCompare. With Thursday's selloff, bitcoin's total market value has fallen to about \$690 billion, according to CoinDesk.

The unwinding of risk assets has hit the cryptos particularly hard, driving down everything from bitcoin to NFTs. It started to have an effect on companies in the industry. Crypto companies were surging early in the year. But the momentum has faded sharply since then.

Treasury Bond Selloff Intensifies

Yield on benchmark 10-year note settles at 3.066%, highest close since November 2018

By SAM GOLDFARB

A new burst of selling in bonds pushed the 10-year Treasury yield well above 3% Thursday, a day after Federal Reserve Chairman Jerome Powell had seemed to calm markets by playing down the chances of a supersize interest-rate increase in the coming months.

Treasury yields, which rise when bond prices fall, started climbing early in the U.S. trading session and then kept on going—taking on their own momentum and contributing to a sharp decline in stocks, which had rallied earlier in the week.

The move marked the latest leg of a monthslong slide that has dragged down a swath of other assets, from relatively safe corporate bonds to specu-

lative investments such as cryptocurrencies and shares of unprofitable tech companies.

Rising Treasury yields, which are largely influenced by expectations for future Fed policies, push up borrowing costs across the economy. They also can hurt demand for riskier stocks by reducing the value that investors place on their future earnings.

On Wednesday, investors got a rare reprieve when Mr. Powell helped lift both stock and bond prices by saying officials weren't giving serious consideration to a rate increase of three-quarters of a percentage point, after the central bank had just lifted rates a half point.

On Thursday, though, some investors and analysts emphasized that despite Mr. Powell's comments, inflation is still running extremely hot and the Fed is still expected to raise its benchmark federal-funds rate by half a percentage point at each of its next two policy

10-year U.S. Treasury yield



Source: Dow Jones Market Data

meetings. A few said investors are now even more worried that the central bank wouldn't do enough in the near term to control inflation and would have to raise rates even higher over the longer term.

Investors "are calling the Fed's bluff," said Priya Misra, head of global rates strategy at TD Securities in New York. Essentially, she said, they are "saying inflation is a problem so [the] Fed will need to hike more and kill the economy," though she added she wasn't sure why the selling was so concentrated on Thursday.

It already has been a very hard 2022 for bond investors. The Bloomberg U.S. Aggregate bond index—largely U.S. Treasuries, highly rated corporate bonds and mortgage-backed securities—had returned minus 9.4% this year as of Wednesday.

On Thursday, the yield on the benchmark 10-year U.S. Treasury note settled at 3.066%, its highest close since November 2018, up from 2.914% Wednesday. The yield on the 30-year bond climbed even further, logging its biggest one-day increase in more than two years to 3.159%.

As the bond rout deepened, Mohit Bajaj, director of ETF

trading solutions at Wallach Beth Capital, said he was seeing money rush out of long-term corporate bonds and junk bonds and into less-risky forms of debt. The SPDR Portfolio Long Term Corporate Bond ETF slid 2.7%, its worst one-day decline since the pandemic-fueled market selloff on March 19, 2020. The iShares High Yield Bond Factor ETF shed 1.9%, its worst one-day decline since June 11, 2020.

Some investors cautioned against reading too much into Thursday's yield jump. Early in the day, several analysts said the increase in Treasury yields could at least partially be ascribed to a lbatch of new corporate-bond sales that were announced in the morning. Large, sudden moves in bond prices also are often exacerbated by technical factors including hedge funds being forced to close out bets as yields cross certain thresholds. —Akane Otani contributed to this article.

Dividends Draw Investors

Continued from page B1

economic surge but because accelerating inflation is forcing the Federal Reserve to act quickly to rein in price pressures. Some investors worry the Fed's increases could cause a recession.

That has drawn investors into shares of big dividend payers, which promise to deliver a steady stream of cash in the near term.

A bonus? Many dividend payers are in industries like utilities, telecommunications and consumer staples, which consumers tend to rely on year round, regardless of the economic environment.

That has made them especially attractive to investors who are worried the Fed won't be able to combat inflation without significantly raising unemployment.

"I don't want high risk. I want a cereal company with a dividend that I know is coming," said Steve Chiavarone, senior portfolio manager and head of multiasset solutions at Federated Hermes.

Froot Loops maker Kellogg Co., which has a dividend yield of 3.3%, is up 9% this year.

Mr. Chiavarone said Federated Hermes has been recommending that clients take an overweight position in dividend-paying stocks.

It is the call in which they have the highest conviction this year, he added.

In recent weeks, analysts at Bank of America Corp. and Goldman Sachs Group Inc. have also issued recommendations for clients to invest in dividend-paying stocks.

The rise in dividend-paying stocks comes as nearly every other part of the market has



ANDREW HARRER/BLOOMBERG NEWS

The rise in stock prices of energy companies has given a lift to the dividend-paying sector.

fallen this year. For years, investors had piled into shares of fast-growing companies, wagering the premium they paid for them would be justified by their better-than-average earnings.

That was especially true in an environment where interest rates had fallen to historic lows, making bonds look less attractive.

Investors have largely shied away from growth stocks this year. The S&P 500 technology sector is down 19%. The communication-services sector,

which includes technology-driven companies like Netflix Inc., Alphabet Inc. and Facebook parent Meta Platforms Inc., is down 24%.

"Part of the popularity of

the high-dividend players has been the 'nowhere to hide' narrative in the markets this year," said Art Hogan, chief market strategist at National Securities Corp.

Performance this year



Source: FactSet

AUCTION RESULTS

Here are the results of Thursday'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.

Table with 2 columns: Description and Amount. Includes 'FOUR-WEEK BILLS' with applications of \$110,658,600,700 and accepted bids of \$38,479,722,700.

Table with 2 columns: Description and Amount. Includes 'EIGHT-WEEK BILLS' with applications of \$109,633,698,900 and accepted bids of \$32,983,057,900.

New Highs and Lows

Large table listing various stocks with columns for Stock, Sym, 52-Wk % Hi/Lo, and % Chg. Includes entries like Oyl/Rock, OXCC, and various tech and healthcare stocks.

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HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

HSBC Split Won't Fix Political Woes

Two HSBCs with different constituencies might find life easier, but political land mines would remain

HSBC, Europe's most valuable bank, makes most of its money in Asia but is headquartered in the U.K. Now its largest shareholder, China's **Ping An Insurance**, is pushing for strong measures to rectify this unwieldy arrangement—including a potential spinoff of the Asian business.

HSBC is involved in a major restructuring effort to tilt its business further toward Asia, which accounted for 65% of pretax profits in 2021. Slow progress toward this goal—and a share price that remains mired below prepandemic levels, in contrast to some sizable Asian rivals like Singapore's **DBS**, might be one factor spurring demands for more radical action from Ping An, which owns about 8% of the company.

Lurking in the background, though, is geopolitics: As relations between China and Western democracies have deteriorated, HSBC increasingly has found itself in the crossfire. When the bank has acted

to appease Hong Kong or mainland Chinese authorities, for example by expressing support for Hong Kong's draconian national security law in 2020, it has run afoul of Western politicians. When it cooperated with the U.S. investigation of Huawei for sanctions-busting, Chinese state media went on the attack.

An arrangement less firmly in the no-man's-land between West and East—or with different, separate positions on opposite sides of the trenches—thus has a certain logic. But if the goal is to insulate a Hong Kong-headquartered Asian HSBC from Western political risk, a split would be a partial solution at best and would do little to protect the new company from the thorniest issues involving current and possible future U.S. sanctions.

A split, if it does eventually materialize, might help with some of the more prosaic or small-scale regulatory issues the bank's contorted East-West structure creates. Ping An

was especially irked, according to a Financial Times report citing anonymous sources, by the dividend cut forced on HSBC during the pandemic by British regulators. A separate Asia-focused business headquartered in Hong Kong might have taken a different tack, given the pandemic's less-devastating toll on most large East Asian economies and their different political constituencies.

Regarding the largest, hairiest elephant in the room, though—U.S. and European sanctions enforcement—a separate Asian business wouldn't provide much cover. HSBC's massive trade-finance business and other cross-border operations remain heavily dependent on access to the global dollar system. Western governments have responded to Russia's invasion of Ukraine by imposing tough restrictions on trade, including on high-technology exports and imports of Russian oil. Any financial institu-

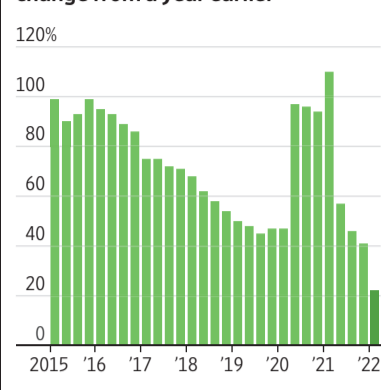
tions breaching such sanctions—or, potentially, future sanctions on China in the event of an invasion of Taiwan—would risk being cut off from the dollar-payments system by U.S. regulators.

And while some recent events might chip away at the dollar's dominance—i.e. Western moves to freeze Russian reserve assets—others could help cement it further. Weaker demand growth for yuan-denominated assets over the next several years seems likely as U.S. bond yields soar, Chinese growth faces rising cyclical and structural headwinds and China's central bank acts to support its economy.

Two different HSBCs, both more directly beholden to different political constituencies, might find it easier to please some shareholders and defuse public-relations disasters of the more moderate variety. The biggest political risks, however, would remain.

—Nathaniel Taplin

Shopify's quarterly revenue, change from a year earlier



Source: the company

Shopify's Pain Comes Long Before Any Gain

Firm invests heavily in an e-commerce slump

Shopify picked a tough time to go into investment mode.

The Canadian e-commerce upstart unveiled a plan this year to build up its own logistics network to help its merchant partners better compete against Amazon.com. That plan involved a massive boost to its annual capital expenditures. The next step was unveiled Thursday as part of Shopify's first-quarter results—the \$2.1 billion acquisition of fulfillment technology provider Deliverr. Shopify's largest prior acquisition was the \$450 million pickup of 6 River Systems in 2019.

Shopify's ambitions are running head-first into a marketwide e-commerce slump. Inflation, supply-chain challenges, soaring gas prices and customers walking back into stores following two years of pandemic have combined to make things tough for online sellers. Amazon.com is feeling the pain; the company last week reported its slowest growth in 12 years for the first quarter, along with a sharp drop in operating earnings.

For Shopify, that slump has led first-quarter revenue growth to slow to 22% year over year to \$1.2 billion. That was about 3% shy of Wall Street's forecasts and its slowest growth on record. Gross merchandise volume—a measure of the total value of orders on the company's platform—also came in at a record low growth rate of 16% year-over-year and below analysts' targets. Heavy spending also took its toll—Shopify's adjusted operating income slid 85% from a year earlier to about \$32 million, and adjusted per-share earnings of 20 cents was less than a third of the 64 cents projected by Wall Street.

Shopify's share price thus slid more than 17% Thursday morning following the results, and ended down more than 14%—a notable drop for a stock already down 65% for the year. Like other companies whose business exploded early in the pandemic, Shopify's past few quarters have faced challenging growth comparisons. But Shopify also has a unique challenge trying to help its merchant partners compete against Amazon's logistics might with a fraction of the resources. So the company's plan to build up a warehouse network to enable delivery to more than 90% of the U.S. population in two days or less made some sense, even given the costs.

But Amazon now offers same-day delivery in many major markets. And the tech giant just went through a massive expansion of its already massive operation; Chief Executive Andy Jassy said in Amazon's annual shareholder letter last month that the company doubled the size of its fulfillment network in the past 24 months. That expansion, along with the current e-commerce slump, has left Amazon with excess capacity of its own that it is racing to fully use.

That won't make things any easier for Shopify. The company doesn't give precise revenue forecasts, but Tyler Radke of Citigroup noted Shopify's latest report projected new merchants joining its platform this year to be “at a level comparable to that in 2021”—a change from its prediction three months ago for a faster rate of new merchant growth this year. The e-commerce market is unlikely to get better soon. Amazon last week projected its third consecutive quarter of single-digit sales growth in the June quarter, which would be its first such run ever. Shopify needs to get a lot more clicks when there are fewer to be had.

—Dan Gallagher

Shell's Outlook Fails to Sway Politicians

Shell's messaging that the energy industry faces highly uncertain times seems aimed at politicians and consumers. But it is getting through more clearly to investors.

High commodity prices and war-linked volatility helped the company generate record net profit and \$14.8 billion in cash flow from operations in the first quarter. Shell paid down debt, raised dividends and increased expectations for shareholder returns later this year. The stock rose 3.8% in European trading.

The possibility of a U.K. windfall tax looms. In Thursday's call with reporters, Shell emphasized its role in ensuring energy security and plans to invest up to £25 billion, equivalent to about \$32 billion, in the U.K. over the next decade, mostly in low-carbon energy. Chief Executive Ben van Beurden also sought to dampen expectations about the company's future performance.

“It is actually probably the hardest quarter to call what is going to happen next [for prices]. The only thing I can say with some high degree of confidence is that it will be a rocky ride,” he said.

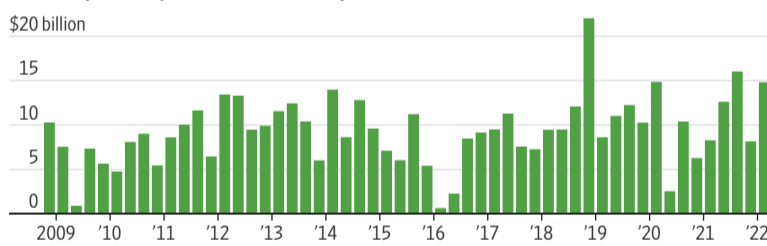
Despite the warning and spending promises, record profits for both Shell and BP have increased public pressure on the British government to hit up the industry, as local households struggle with soaring home energy bills, high prices at the pump and broader cost inflation. So far, Boris Johnson's Conservative government has resisted calls from opposition parties for a one-off levy, but the British prime minister is given to pleasing crowds and there are precedents for this type of tax in the U.K.

Mr. van Beurden is right that the outlook is foggy. The war in Ukraine has prompted escalating sanctions on Russia, most recently including a possible EU ban on its oil. There is the prospect of retaliation from Moscow. Whatever happens, global supply lines for oil

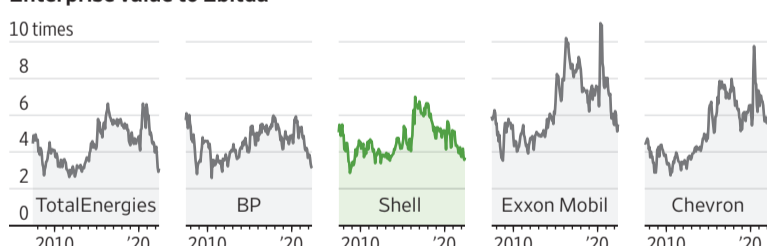


High commodity prices and war-linked volatility helped the company generate record profit in the first quarter.

Shell's quarterly cash flow from operations



Enterprise value to Ebitda*



*Earnings before interest, tax, depreciation and amortization
Sources: S&P Capital IQ (cash flow); FactSet (value to Ebitda)

and gas are shifting as Europe scrambles to wean itself off Russian fuels. Energy security has shot up the public agenda, causing some to rethink the pace of the energy transition. There are also

two wild cards: Covid-related lockdowns in China, which can greatly affect demand, and the outside chance that OPEC increases supply.

That is a great deal of uncer-

tainty, but most factors are tailwinds for oil and gas prices, lockdowns and OPEC being the exceptions. The green transition isn't likely to shift near-term demand and the reactions will probably be mixed: Europe seems to be speeding up, while nations with oil and gas reserves may slow down.

A crucial factor is that publicly listed producers continue to show serious capital discipline, prioritizing buybacks and deleveraging despite soaring prices and calls from politicians to drill more. It all adds up to an uncertain and volatile outlook, but on balance one skewed toward tight markets and relatively high prices.

That should be good news for the sector, but investors aren't bullish. Shell shares trade at an enterprise value of 3.7 times earnings before interest, tax, depreciation and amortization—at the bottom end of the historic range. Investors seem to agree with Mr. van Beurden that current profit levels are unsustainable. If only he could get the message out to the public.

—Rochelle Toplensky

Beer Flexes Pricing Muscle Despite Underdog Status

Beer's pricing muscles may not be as big as liquor's but they are limber.

Budweiser's owner **Anheuser-Busch InBev** is the latest beer company to report better-than-expected results for the first three months of 2022, after strong sales from Heineken and Carlsberg.

Brewers' pricing power has been good considering consumers are being pinched on all sides by inflation. AB InBev, the world's biggest beer company, raised prices almost 8% in the three months through March compared with the same period last year, and still managed to sell 2.8% more beer, the company reported Thursday. No. 2 player Heineken squeezed 18% more revenue from each liter of beer it sold over the same period by charging more and promoting its premium brands.

Investors have shown a clear preference for liquor stocks since the beginning of the pandemic. As a multiple of projected earnings,

shares in global distillers **Diageo**, **Campari**, **Pernod Ricard** and **Rémy Cointreau** today trade at a 60% premium on average to big brewers, up from 30% just before the Covid-19 crisis began.

A booming at-home cocktail trend in the U.S. during lockdowns swayed shareholders' tastes early in the crisis, but pricing power is increasingly important as inflation takes hold. In theory, the expensive liquor brands preferred by wealthy consumers should be able to charge more without hurting demand.

Brewers may turn out to be better at raising prices little and often, however. As beer volumes have for years been weak in mature markets, pricing has long been an important component of beer brands' growth. Data from Bernstein shows that between 2010 and 2019, brewers raised prices by 1.7% annually in the U.S., almost double the rate of liquor companies. Beer businesses have

also done a slightly better job of increasing the “mix” component of their growth as they focused on selling more of their premium brands.

Liquor companies in the U.S. have been taking market share from beer and wine for years, so have got by just fine selling in higher volumes. The result is that even though liquor companies probably do have a lot of untapped pricing power, distributors and retailers are less used to taking consistent increases from them, especially for more commoditized, non-aged spirits like gin or vodka.

The beer industry is more concentrated world-wide—a potential advantage in negotiations with retailers. The top five players in the beer business control 54% market share globally, compared with 25% for the five biggest liquor businesses, Euromonitor data shows. The U.S. beer business is so consolidated that the U.S. Treasury in February recommended that the

Justice Department examine how acquisitions of craft beers by major brewers have affected prices and innovation in the U.S. beer market.

Granted, brewers may not always be in such a strong position as in the first quarter. The European on-trade roared back to life as the pandemic receded and drinkers returned to bars and restaurants.

Consumers' willingness to pay more for drinks consumed outside the home helps all alcohol companies, especially those like Heineken that have large exposure to the region's nightlife venues.

Brewers have high fixed costs so need to increase what they charge to protect their profit margins from input cost inflation. So far, the signs are positive. Beer may be less fashionable than cocktails among investors, but price increases are going down fine with drinkers.

—Carol Ryan



\$170 Million
A 3-acre compound on La Gorce Island in Miami lists. **M2**

MANSION

\$13.06 Million
Richard Neutra-designed house in Palm Springs sets record. **M3**



HOMES | MARKETS | PEOPLE | REDOS | SALES

THE WALL STREET JOURNAL.

Friday, May 6, 2022 | **M1**



\$615,000
Price paid in 2013

\$1.63*
MILLION
Estimated value today

*According to Zillow

Welcome to Hollywoodland. Please Go Away.

Below the Hollywood sign, a once 'private, secret' L.A. enclave has become a home-buying hotspot and overrun by tourists. Some residents fight back.

By NANCY KEATES

It's 9 a.m. on an April Sunday, and Eric Smith is drinking tea, looking out over Los Angeles from the balcony of his two-level, midcentury modern in a tree-filled, mountainous neighborhood called Hollywoodland—just a few hundred feet below the iconic Hollywood sign. The only moving object on the street is a coyote, skulking around the corner.

But he knows the peace won't last.

Soon, hordes of tourists following GPS to the sign will start clogging the windy, narrow thoroughfares. At the bottom of the hill, there's already a line, largely composed of teenage girls, snaking down the sidewalk outside the Beachwood Café, made famous by its mention in the Harry Styles song "Falling."

The cliff-like, and seemingly unbuildable, small lot next to Mr. Smith's house was purchased for \$305,000 by a developer from China. He worries there will soon be a big spec house there—something the neighborhood's homeowner's association can do little to stop.

9 homes have sold with a median price of \$2.15 million in 2022

"This place has been a refuge. There's still a sense of community, and I feel fortunate to live here, but the genie is out of the bottle," says the 50-year-old documentary director and photographer. He bought his 1,527-square-foot, two-bedroom house—where Peter Tork of the Monkees lived in the 1960s, in 2003 for \$615,000 because it was an oasis of nature, yet still close to all the Hollywood studios.

Hollywoodland began as a 1920s real-estate development, famously advertised with an enormous, lit-up HOLLYWOODLAND sign in the hills above it. (In 1949, "Land" was dropped.) It was touted as a place where buyers could escape the stress and "dangerous corners" of the city below without forfeiting easy access to work. Prices for lots ranged from \$2,500 to \$55,000 (\$42,000 to \$924,000 in today's dollars.)

Restrictions stipulated that homes be designed with a European influence: only French Normandy, Tudor English, Mediterranean and Spanish allowed. Like many developments at the time, Please turn to page M8



Eric Smith, a documentary director and photographer, on his home's balcony in the Hollywoodland neighborhood. He bought the 1,527-square-foot house because it was an oasis of nature, yet still close to all the Hollywood studios.



ADAM AMENIGUAL FOR THE WALL STREET JOURNAL (6); DAN SOLOMON (PALM SPRINGS)



A Little Bit of the Future Comes to Texas

They set out to build a simpler family home, but ended up creating a property inspired by the movie 'TRON: Legacy'

By HANNAH SELINGER

MICHAEL SHAUN JACKSON found inspiration in a somewhat unlikely place: the 2010 film "TRON: Legacy," a dystopian film set almost 30 years in the future.

The futuristic film's design captivated Mr. Jackson, 49, who works in the construction industry. "I was fascinated by the geometric shapes, clean lines, LED-lighting accents," he says.

Mr. Jackson and his wife, Andrea Ganesh Jackson, 33, a software engineer, purchased a 1,500-square-foot teardown home on 0.18 acre in the Greenway Parks neighborhood of Dallas in 2018 for \$286,000 and started what would become an ambitious, futuristic new build.

The resulting home, designed by Mr. Jackson, was a departure from



Michael Shaun Jackson in front of his Greenway Parks home.

the original plan, which was to build a more modest, albeit futuristic home within a smaller budget of

\$800,000. The Jacksons' home, completed in the fall of 2020,

Please turn to page M4



The living room and Ferrari

JUSTIN CLEMONS FOR THE WALL STREET JOURNAL (2); WALT DISNEY CO./EVERETT COLLECTION (TRON LEGACY)

PRIVATE PROPERTIES

A Miami Beach Compound Lists

A waterfront compound in Miami Beach is coming on the market for \$170 million. If it sells for that amount, the property will be the most expensive ever sold in Florida.

The property is located on La Gorce Island, a guard-gated community connected by bridge to Miami Beach. Set on nearly 3 acres, the gated estate comprises four parcels and has approximately 600 feet of water frontage on Biscayne Bay, according to listing agents Jill Eber and Jill Hertzberg of Goldwell Banker Realty. There are houses on three of the four parcels, each with its own dock. The fourth parcel has a private park with a marble gazebo.

The properties were purchased in the 1980s by the late M. Lee Pearce, a doctor, entrepreneur and philanthropist who died in 2017.

FOR SALE
\$170 MILLION
600 ft. of waterfront,
4 houses



JILLS ZEDER GROUP/1 OAK STUDIOS (2)



Total cost of the four properties in the 1980s: \$3.1 million



Dr. Pearce built and owned hospitals and medical facilities, as well as banks, according to Chuck Douglas, president of the Dr. M. Lee Pearce Foundation and the trustee of the entity that owns the property.

In all, Dr. Pearce spent roughly \$3.1 million for the four contiguous properties. He purchased the first one for \$550,000 in 1983, records show. He lived there for decades, in a two-bedroom house with a separate guesthouse. He

turned a free-standing garage on the property into a 5,000-bottle wine storage area, Mr. Douglas said.

In 1986, Dr. Pearce purchased three additional lots. He tore down an existing home on one lot to create the private park, but he kept two homes on the other parcels. He used one for entertaining and staff. Around 2010, he renovated the other existing house and lived there for several years.

—E.B. Solomont

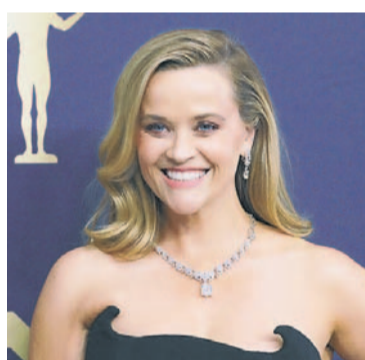
Actress Reese Witherspoon Flips a Home in Los Angeles

Actress and producer Reese Witherspoon has sold a Los Angeles home for \$21.5 million, according to a person familiar with the deal.

The sale represents a significant uptick in the value of the gated Brentwood estate: a trust tied to Ms. Witherspoon paid \$15.895 million for the property in 2020, records show.

The house, a traditional English country-style estate in the lower Mandeville Canyon area, came on the market for \$25 million in early March and found a buyer in less than a month, according to the listings website Zillow. Ms. Witherspoon renovated the circa 1990s house after buying it. She didn't respond to requests for comment.

The roughly 3-acre property has a private driveway surrounded by heavy landscaping, according to the listing. The house has clas-



sic stonework and Tudor detailing. A formal two-story entry foyer has black-and-white marble and limestone flooring. The house also has a white-oak staircase and a family room with a four-seat bar, according to the listing. The second floor includes an "owner's wing," where the primary suite has two bathrooms and two walk-in closets. French doors open to

the garden, which includes a bar, a pool and spa area and a limestone barbecue, the listing says.

Graham J. Larson of Sotheby's International Realty had the listing, while Danny Brown of Compass represented the buyer.

SOLD
\$21.5 MILLION
3 acres,
swimming pool
and spa

Ms. Witherspoon, who rose to fame with starring roles in movies like "Election," "Sweet Home Alabama" and "Legally Blonde," has more recently developed a reputation as a Hollywood producer through the company she founded, Hello Sunshine, which has produced shows like "Big Little Lies," "Little Fires Everywhere" and "The Morning Show."

—Katherine Clarke



JEFF KRANTZ/FILMMAGIC/GETTY IMAGES (WITHERSPOON); SIMON BERLIV/STOCKBY/INTERNATIONAL REALTY (2)



2020 purchase price: \$15.895 million

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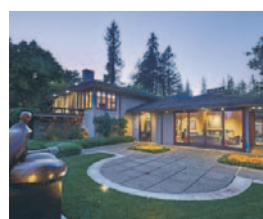
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PRIVATE PROPERTIES



SLIM AARONS/GETTY IMAGES (1970); DAN SOLOMON (2)

The Modernist ‘Poolside Gossip’ House Sells for a Record Price in Palm Springs

The Modernist Palm Springs home that appeared in “Poolside Gossip,” a popular 1970 photograph by Slim Aarons, has sold off-market for \$13.06 million, according to listing agent Gerard Bisignano of Vista Sotheby’s International Realty.

The deal sets a record for Palm Springs, Mr. Bisignano said. Designed by architect Richard Neutra, the house most recently asked \$16.95 million after first listing for \$25 million in October 2020, said Mr. Bisignano, who also represented the buyer. He declined to identify the buyer but said he is a European businessman who has a “deep and rich appreciation of Modernist architecture.”

The seller was Brent R. Harris, former managing director at California-based money manager Pacific Investment Management Co., who purchased the property in the 1990s. The property has also been owned by “Copacabana” singer Barry Manilow and the late Eugene Klein, the onetime owner of the San Di-



The original asking price was \$25 million.



SOLD
\$13.06
MILLION
5 bedrooms,
3,200 sq. ft.

ego Chargers. When Mr. Aarons photographed the house, it was owned by the socialite Nelda Linsk, who also appeared in the photo.

The five-bedroom, roughly 3,200-square-foot home was built in 1946 for American department store entrepreneur Edgar J. Kaufmann Sr., who was also the original owner of Falling-

water, the circa-1935 Frank Lloyd Wright-designed house in Pennsylvania.

Mr. Harris gave the Palm Springs house a five-year restoration when he first purchased it, removing alterations to reveal original materials, and replacing sections of the house using the original manufacturers and craftsmen, said Mr. Bisignano. Mr. Harris also completed a recent renovation, Mr. Bisignano said.

The home has guest, service and main-bedroom wings branching off from a central living and dining room, he said. The roughly 3-acre property has a pool, pool pavilion and tennis court.

Mr. Harris sold because he felt like it was time to pass the property on to someone else, said Mr. Bisignano.

The previous record in Palm Springs was held by the former home of comedian Bob Hope,

which sold for \$13 million in 2016, said Mr. Bisignano. Luxury single-family homes in the greater Palm Springs area sold twice as quickly in March as they did the same time last year, for 22% more a square foot, according to the Institute for Luxury Home Marketing.

—Sarah Paynter

Jenna Bush Hager lists NYC condo for \$5.375 million. **M12**

SUNSHINE
350
DAYS
YEAR

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MANSION

Bringing the Future Home

Continued from page M1

ended up costing \$1.35 million.

“The cost shifted dramatically, because I had access to 3-D design programs that a friend of mine was experimenting with,” Mr. Jackson says. “I kept brainstorming, and coming up with fun ideas to test in the program, and they tested so well that I had to implement them into the actual build.”

The home has three-bedrooms and 3½ bathrooms, and totals 4,120 square feet.

In the primary bath, the centerpiece—a floating tub underlit by LED and titanium fire glass—was inspired by an image that Mr. Jackson saw in a design magazine. The light colors can change and pulsate, in case, Mr. Jackson says, “we want to have a disco bath party.”

Three objects dominate the living room space: a motorized 75-inch Sony television built into the living room floor that can be retracted when not in use; a serpentine custom couch—one of the many furniture pieces that Mr. Jackson designed specifically for the house; and a white 2021 Ferrari F8 Tributo Spider with red leather interior.

“Ferrari is an Italian masterpiece of engineering and design,” says Mr. Jackson, “and I love to look at them, drive them, and race them.” The car, he says, technically resides in the three-car garage, which can be viewed through a large picture window that acts as one of the living room walls.

Above the fireplace hang slabs of bookmatched porcelain. Throughout the home’s main floor, massive 32-by-32-inch porcelain floor tiles offer an ice-cool look that treads the line between mausoleum and space capsule.

The kitchen has quartzite countertops and more Italian porcelain, continued in the flooring, as well as Miele appliances. Its design took notes more directly from the film, borrowing from an aerial security transport spaceship known as the Recognizer; a satin-black diamond-panel exhaust system was designed to resemble the spaceship itself.

A dining space has crystal chairs and an alligator-embossed table, both from Fendi Casa, and is lighted from above by an Italian Murano glass chandelier, meant to look like it is melting. “You can see these chairs from most vantage points of the home,” Mr. Jackson says. “They are instrumental in contributing to the overall futuristic look and feel.”



\$1.35 MILLION
Cost to build

Bookmatched porcelain wall: \$25,000

Ferrari: \$375,000

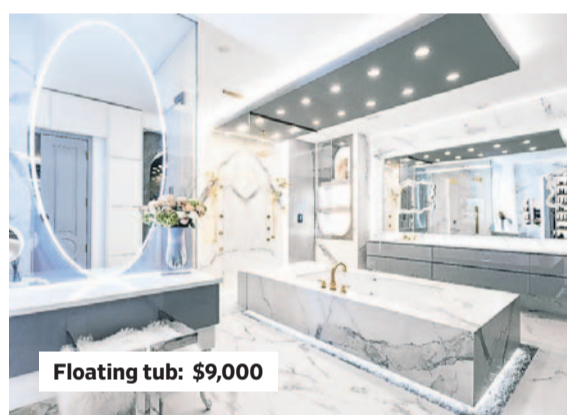
Italian porcelain flooring: \$12,000

Custom sofa: \$26,000

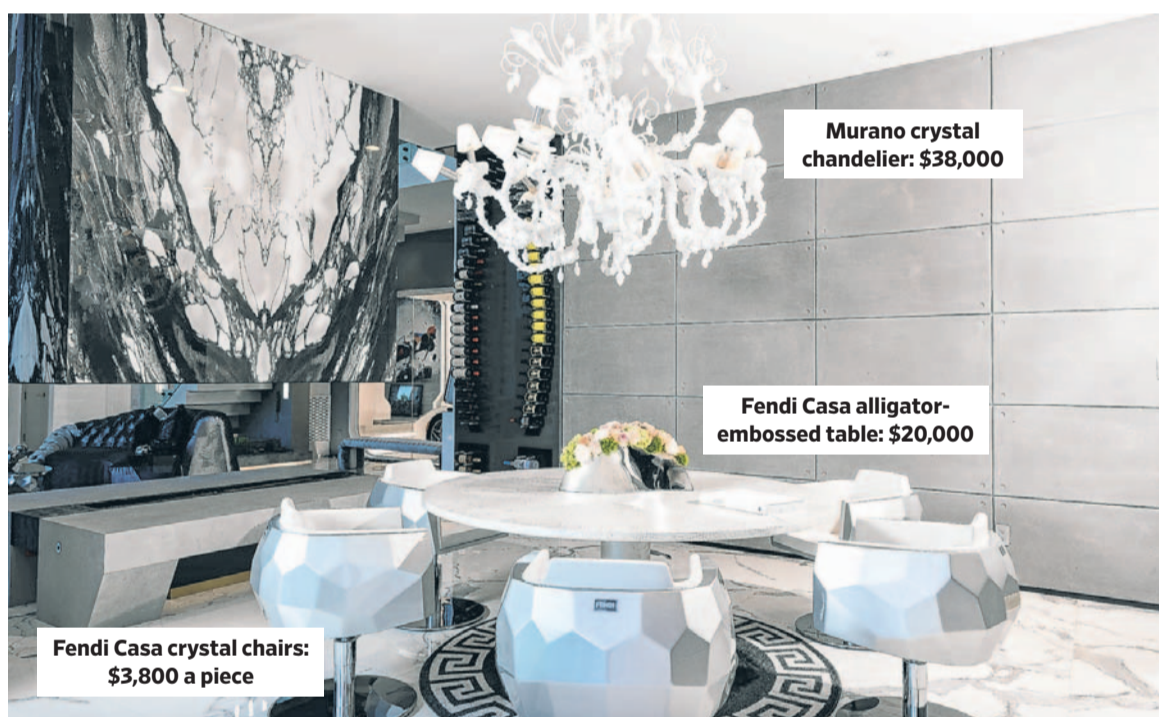


Quartzite countertops: \$12,000
Miele appliances \$38,000

A still from the 2010 film ‘TRON: Legacy,’ below, which captured Mr. Jackson’s imagination and inspired his designs for the home. The kitchen, left, is designed to resemble the Recognizer, a spaceship from the movie.



Floating tub: \$9,000



Murano crystal chandelier: \$38,000

Fendi Casa alligator-embossed table: \$20,000

Fendi Casa crystal chairs: \$3,800 a piece

A game room features custom tufted turquoise walls and floors carpeted in a zebra print. It is here that Mr. Jackson displays his AC/DC, Kiss and Iron Maiden pinball machines, as well as a Gibson Custom Flying V Guitar.

The Jacksons have a sense of humor about the home. “I know

humor about the home. “I know
Please turn to page M5

The home is designed so that the dining room chairs and chandelier, which appears to be melting down over the table, can be seen from many other points throughout the house, says Mr. Jackson.

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MANSION



Custom tufted walls: \$10,000

how over-the-top it is," Mr. Jackson says.

"On the weekends, when I'm home, I just kind of walk around the house and check it out." Mr. Jackson recognizes that his Tron-esque build may not be for everyone. "I'm an eccentric guy," he says.

Mr. Jackson says that friends and family also enjoy the home's spirited feel, as well as what the couple refers to as its "conversation pit," a sunken fire pit and water feature in the home's backyard that serves as a gathering space.

Although many homes in Dallas have pools, the Jacksons made the decision not to add one.

"Everybody's always just standing around, drinking cocktails and socializing, and nobody really gets in the pool," Mr. Jackson says. "We put the fireplace in there, we put pillows out there and stuff. People use it."

The choices they made in the home, they say, are easier to live in than others may assume. "It's comfortable, believe it or not," Mr. Jackson says. "It has a really good energy to it. It's very bright. Lots of windows. We really enjoy living here."

Although the dream of stepping into the future was initially Mr. Jackson's, Mrs. Jackson says that she, too, shares his aesthetic.

"We both have similar likes and tastes in architecture and design

The game room, above, includes pinball machines and custom-made furniture. The bedroom, below, has mirrored walls.



Outdoor dining space



Andrea and Michael Shaun Jackson, above. Their initial plans for a smaller home kept growing as Mr. Jackson added more Tron-like elements.



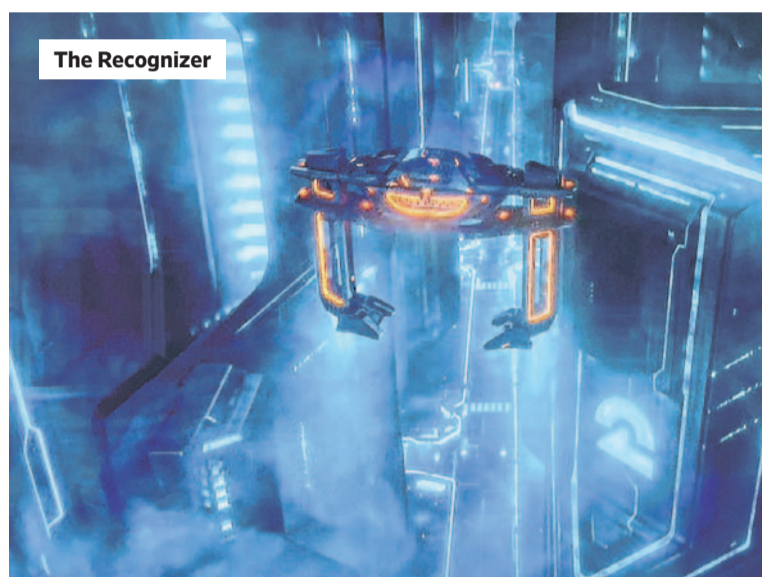
Conversation pit

Fire pit with water feature: \$50,000

and fashion," she says. "So everything he designed, I loved."

She says, however, that she could use a little more closet space.

"I really wasn't planning on getting this out of control and this ambitious in a design," Mr. Jackson says. "If I had known I was going to end up spending this kind of money building a house this big and then doing all these design features, I would've bought a bigger lot."



The Recognizer

JUSTIN CLEMENS FOR THE WALL STREET JOURNAL (5); NO CREDIT (TRON LEGACY)

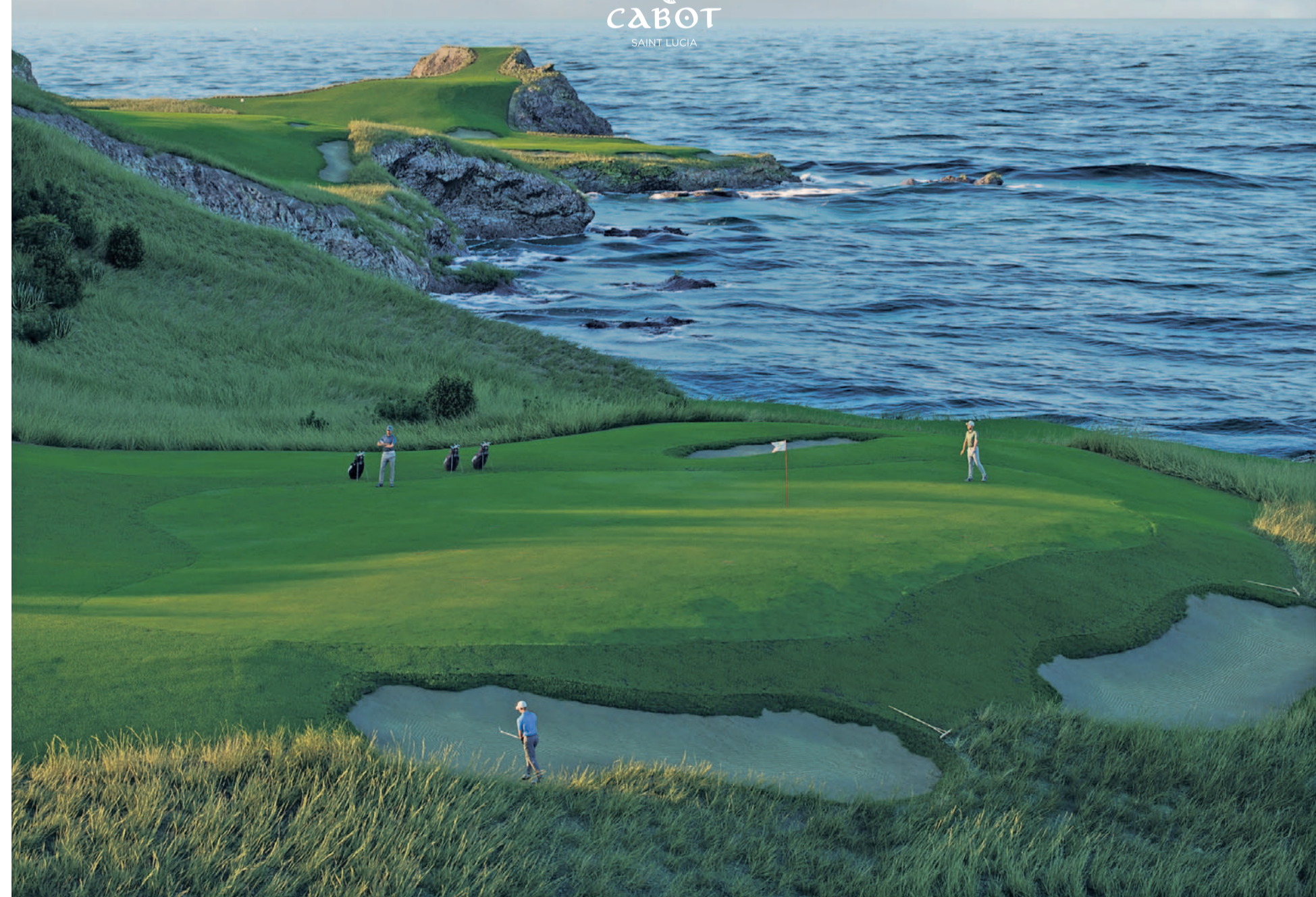
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MANSION



CONSTRUCTION COSTS

\$4.7 MILLION

LOT, IN 2013

\$3.8 MILLION

INSIDE STORY

Now These Are Water Views!

Retired architect Min Xia Wang built a 10,700-square-foot mansion in West Vancouver with stunning vistas of Howe Sound

By J.S. MARCUS

Long on inspiration and short on maintenance are the calling cards of a Canadian mansion built for retired architect Min Xia Wang.

The 10,700-square-foot home, perched on a cliff overlooking the mouth of British Columbia's Howe Sound, has a Swiss-made facade of fiber and cement that can hold its own in the area's rainy climate. The design also features a wrap-around reflecting pond and two art studios.

Ms. Wang, 52, who is also known as Helen Wang, built her home on a two-thirds-acre lot in West Vancouver, a mountainous municipality connected by bridge to the heart of the city. Now one of Canada's wealthiest communities, West Vancouver was once a vacation getaway for locals.

When Ms. Wang bought her lot in 2013 for 4 million Canadian dollars, or about \$3.8 million then, it came with a dilapidated 1950s cabin-style bungalow that she tore down. She then spent \$4.7 million to build her mansion, working with Vancouver's McLeod Bovell, a design studio specializing in upscale residential projects.

Ms. Wang occasionally shares the eight-bedroom home with her 24-year-old daughter, Xin Yue Wang, who now resides in New York City, where she is training to be an architect. The heart of the angular, two-story structure is the

large, open-plan lower floor with an expanse of southwest-facing glass doors and windows, at a cost of \$622,000. Incorporating two sitting areas, a dining area, two kitchens and a wet bar, the open-plan level leads to a deck and the reflecting pond, providing striking views of the sunsets over the bay.

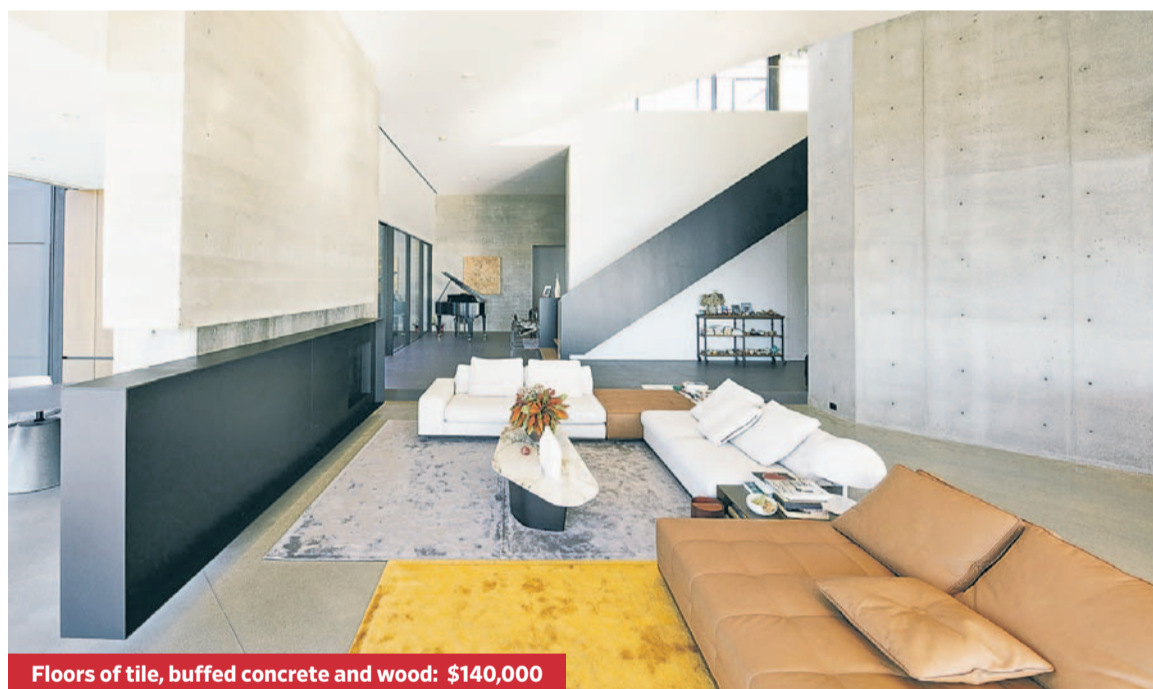
The home's two primary bedrooms are upstairs, with three guest bedrooms spread over both levels. A separate two-bedroom wing has its own entrance and can be used for guests, staff, or as a source of rental income. The house has eight full bathrooms and a powder room.

Ms. Wang settled into the finished house in late 2019, four years after breaking ground on the project, and has often had the mansion to herself. "Before I moved in, I was scared that it was too huge, but now I feel calm and very comfortable here," she says.

Ms. Wang, who is from Hangzhou, China, and moved to Vancouver in 2011, may have retired from her own architectural practice, but she is embarking on a new career as an artist. She has equipped the house with a subterranean ceramics studio and a kiln.

She can otherwise fire up her imagination in a separate painting studio, a bamboo courtyard and a Zen-inspired tea room that projects out over the reflecting pond.

In designing the tea room, which cost about \$21,000, the goal of McLeod Bovell was to give the space a connection to nature



Floors of tile, buffed concrete and wood: \$140,000

and a sense of privacy, says Lisa Bovell, a studio principal.

The reflecting pond just outside "allows you to feel like you're floating," she adds. And the direct views over the sound, which leads down to the Strait of Georgia and the long coast of Vancouver Island, gives frequent glimpses of whales, seals and cruising eagles.

The tea room is also where Ms. Wang plays the guqin, the traditional lyre-like Chinese instrument. The room opens to the pond, which the Wangs also use as a swimming pool in warm weather. Ms. Wang spent \$218,000 on the pond and an adjacent sunken hot tub.

Greater Vancouver is located in a coastal rainforest zone that, despite mild temperatures, can wreak havoc on housing stock. Ms. Bovell and her design partner Matthew McLeod addressed the challenging conditions by using the tinted fiber-cement cladding, which cost nearly \$260,000. The price was significantly more than the local softwoods typically used to clad homes here, says Mr. McLeod, but the Swiss import is "much more durable, and largely maintenance free."

For a sunken outdoor seating area and other external spots, such as the garage doors, the designers chose high-performance modified wood imported from the Netherlands, which is suitable for lining canals.

Back inside the house, the design duo used feng shui principles to plan the entryway, carefully positioning the staircase out of view of the main door, which the Chinese system views as more harmonious.

They created two separate kitchens—a wide-open Western kitchen with Gaggenau appliances that the Wangs use for baking, and a rear Chinese kitchen with



Reflecting pool/hot tub: \$217,800

Ms. Wang put Italian designer furniture in the main sitting area, above. Left, the reflecting pond is also for swimming. Below, one of two kitchens. The other one has five wok stations.



The open, Western-style kitchen: \$148,000

five wok stations and enhanced ventilation. Ms. Wang spent \$148,000 on the Western kitchen, which includes a breakfast bar and decorative oak paneling, and \$58,400 on the closed-off cooking space, which has a stove imported from China.

When it came time to furnish her mansion, Ms. Wang looked to Italy, creating the main sitting area out of a suite of furniture from Minotti.

Ms. Wang searched closer to home to decorate a dramatic dou-

ble-height space near the entrance, where she hung a custom light fixture from Bocci, a high-end company based in Vancouver. Made up of some 30 pendulous light sources, the piece cost \$15,600. Poured board-form concrete and rough-hewn concrete panels decorate numerous areas in the house, both upstairs and down.

"Like most architects," says the younger Ms. Wang, of both herself and her mother, "We just love concrete."



Swiss composite cladding: \$295,600

Retired China-born architect Min Xia Wang, 52, moved to Vancouver in 2011. She built her eight-bedroom home on a cliff that overlooks the mouth of British Columbia's Howe Sound.



Special Advertising Feature

Beyond NYC



Goodbye NYC,
Hello New Life!



PHOTO BY DAVID GRUOL



PHOTO BY CARMEN NATALE

A vista of the Catskills, plus 50 acres and lots of space for home offices, this Dutchess County dream home is for sale through Houlihan Lawrence (top). An elegant country lifestyle not far from New York awaits the family who purchases this \$3.9 million house in Mendham, New Jersey, listed by Turpin Realtors (bottom left). This estate in Far Hills, New Jersey, has over 10 acres and a history that stretches back to the 19th century. It's been restored to its previous grandeur and is for sale by Turpin Realtors (bottom right).

Crowded apartments and makeshift offices are sending Millennials into houses

by Julie Bennett

The real estate markets outside New York may be still reeling from the high prices and low inventories caused by pandemic buying, but one thing has returned to normal — the profile of today's buyer.

John Turpin, president and broker of record for Turpin Realtors in Far Hills, New Jersey, explains, "For much of the 20th century, there was a metaphorical conveyor belt moving buyers from the east, in Manhattan, toward the west into New Jersey." First, to a commuter suburb, then further west into rural areas with more land and bigger homes. These moves generally coincided with the buyers' stages in life.

COVID-19 interrupted that cycle, with buyers of all ages fleeing cities and heading straight for suburban and rural areas. Usually we see approximately 29% of the buyers in Larchmont, New York, coming from Manhattan, observes Debbie Doern, the senior vice president of sales for Houlihan Lawrence. During the peak of the pandemic, that number jumped to 50%; it's now beginning to revert to normal range.

TOO CLOSE FOR COMFORT

And new buyers, again, tend to be couples at the stage in life when a city apartment

no longer works for them. Patrick Kirwan and his wife, Andi Henke, had moved into a two-bedroom apartment on the Upper East Side and planned to stay there for three to five years. "But in September 2020, we had a baby and having a newborn in an apartment when you're working from home is a bit of an adventure," Kirwan laughs.

Henke says they were "casually touring through northern New Jersey when we found Chatham and fell in love with the town. Coincidentally, some of Pat's college friends had already moved there." Still feeling casual, they asked a realtor from Turpin to show them some houses. "We walked into a Cape Cod-style home," Kirwan relates, "and everything was a good fit, so we impulsively made an offer that night."

They moved in late last winter. "We love the house," Henke exclaims. "We bought it when everything was frozen over, and had no clue about our beautifully landscaped backyard until later."

Continued on M6F

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Special Advertising Feature

Beyond NYC



PHOTO BY RHONDA CYR, COURTESY OF WILLIAM PITT/JULIE B. FEE SOTHEBY'S

If you love culture, quaint towns and great restaurants, plus quiet views of lakes and mountains, a vacation home in the Berkshires may be perfect for your family.

Vacation Near Concerts or Climbing Walls

Finding a second home that fits your passions

by Julie Bennett

Is your idea of a vacation climbing rock walls, hiking trails, shooting clay pigeons, riding horses and cruising in a luxury Bentley SUV over boulders and logs, all in one day? Then a weekend getaway at The Preserve Sporting Club and Residences in Richmond, Rhode Island, may be perfect for you.

Lucas Cowan, The Preserve's real estate and membership sales executive, reports, "Our members come from a wide demographic, from age 25 to their 80s, including people from around the globe who have heard about our shooting facilities."

Founder and chairman Paul Mihailides pictured this more than 3,500-acre resort, with its indoor and outdoor shooting ranges, plus upland and tower hunting, fly-fishing ponds, swimming pool and par-three golf course, well before the pandemic, Cowan says. "But when COVID-19 struck, we had only six residences finished. We now have 60 units completed and only a handful are still for sale."

Residences include "Tiny Homes," four-story townhouses, large family homes and luxury suites in the Hilltop Lodge, with prices ranging from \$1 million to over \$10 million.

VISITORS WELCOME

Unlike other resort-style communities, all Preserve residences are sold only when they are completed and fully furnished, Cowan reports. When homeowners are not on site, they may choose to place their units into the resort's rental pool, where they are rented out to visitors from around the world who want to try out the resort's activities. The Preserve Sporting Club currently offers Play & Stay Packages that include meals and resort activities for two and start at \$1,475 a night.

To become a real estate owner at The Preserve's Sporting Club & Residences, you must first apply for membership, Cowan says. Some guests choose to have a property tour during their stay to find out more about membership and real estate. Often they begin the application process before they check out.

"Our goal is to offer as many white-glove outdoor activities as possible," Cowan remarks. "Most recently, we built a 2.2-mile track in association with Bentley Motors to demonstrate the capabilities of the luxurious Bentley Bentayga. This was a members-only event and is one of many that we will hold throughout the year."

The Preserve membership is also very involved in the evolution of the property. Suggestions are always welcome on what should be built and added next. "There is a close-knit family atmosphere here at The Preserve," Cowan says. "Our members are the core of our operations so their input is always taken to heart."

BETTER DAYS IN THE BERKSHIRES

If you prefer a more artful vacation vibe, check out western Massachusetts. The Berkshire region features mountains, lakes and other gorgeous scenery, plus several colleges, concert venues, Equity theater companies, art museums and galleries, farm-

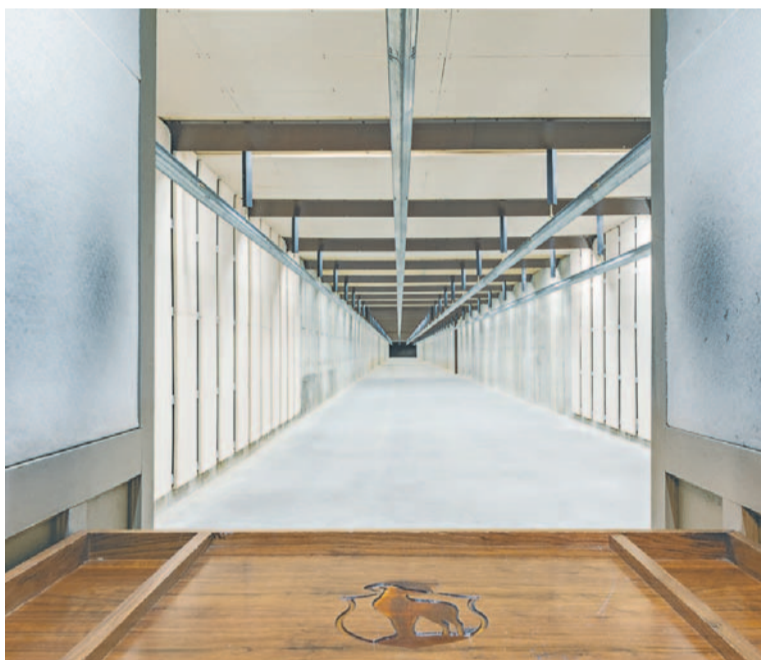


PHOTO COURTESY OF THE PRESERVE SPORTING CLUB AND RESIDENCES

The Preserve Sporting Club and Residences in Richmond, Rhode Island, contains the longest indoor private shooting range in the country, plus thousands of outdoor acres for other activities.



PHOTO COURTESY OF THE PRESERVE SPORTING CLUB AND RESIDENCES

Who wants to sit on a beach when you can soar over fields and streams at The Preserve Sporting Club and Residences?



What could be more lovely than dining on your own wisteria-covered porch, near your pool and with sight of the Berkshire Mountains?

PHOTO BY TERRY HOLLAND FOR LANDVEST

to-table restaurants and picturesque small towns. Because the area attracts so many sophisticated people, local realtor Gladys Montgomery with William Pitt Sotheby's International Realty calls it "a cultural outpost of New York."

Montgomery lists 23 performing arts companies in her Berkshire LifeStyle Guide, including Tanglewood, the summer home of the Boston Symphony Orchestra; Jacob's Pillow Dance Festival; Shakespeare & Company; and the Williamstown Theatre Festival. The visual arts are represented in the Massachusetts Museum of Contemporary Art, the Norman Rockwell Museum and other institutions. Excellent restaurants abound.

"We experienced a tsunami of families wanting to get out of Boston and New York when the pandemic began," she says. "The pace has slowed, but people are still looking for second homes with three or four bedrooms where they can vacation year round and entertain family and guests. Many millennial buyers are seeking investment properties, because the Berkshires are great as short-term rentals."

HOME AWAY FROM HOME

Another great thing, adds a woman who purchased a home there recently, "is that it's only a two-hour drive from our main home in Cambridge. We've always loved getting out here in the summer, but now that we have two little girls, it's not fun or practical to stay in a hotel. We worked with Gladys last summer, could not find anything and had driven back home when she called us about this house. We drove back out the next day and made an offer."

"Houses are still often selling for way over the asking price, and prospective buyers are getting more realistic," says Cindy Welch, a project manager for LandVest in the Berkshires. "Every buyer, it seems, starts out wanting big acreage or property on a lake or both. As they explore more of the Berkshires they realize they could be overlooking prime locations in less populated towns like New Marlborough or Monterey. Some are even crossing the border into Columbia County in New York."

Another couple, whose main home is on Nantucket, had searched for several years before buying a unique house on lots of land from Welch this spring. "My husband is a real outdoorsman so we love the mountains, but it's also really important to have culture, art, music, restaurants and access to interesting people doing interesting things," the wife explains. "You can't beat the Berkshires' proximity to Boston and New York. We love to entertain and want to be close to the Turnpike so our friends and family in the New York City area can visit. I'm already picturing this as a climate change-resistant gathering place and retreat."

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PHOTO BY HALSEY FULTON FOR LANDVEST

An estate surrounded by New England views and land is at the top of many wish lists, but you have to play by new rules to win one.



PHOTO BY VHT FOR WILLIAM PITT JULIA B SOTHEBY'S

If you want to arrange your clothes in a closet this size, you may have to make a move the minute the surrounding house hits the market.

How to Increase Your Odds in the Current REAL ESTATE MARATHON



PHOTO BY HALSEY FULTON FOR LANDVEST

The first one to the end of this pier may have paid cash for the house it belongs to.

Tips from top brokers to help you snag a home

by Julie Bennett

The pandemic may be waning, but nothing is tamping down today's hot real estate market. So many New York City families want to move to the suburbs or more rural areas that every house that comes on the market, from a four-bedroom Colonial in Rye to a 50-acre farm in Dutchess County, receives multiple offers, usually above the asking price.

"Sellers have a tremendous amount of leverage right now," says Terry Boyle, a LandVest project manager who handles high-end waterfront properties in Rhode Island. "And every good broker has a list of six, eight, maybe even 10 qualified buyers."

How can you become the prospective buyer who wins the bidding war, the first buyer a broker calls when a house hits the market? We asked a number of top brokers in the states and counties around New York City for their advice.

Decide what you want and where you want it. "If you're particular — and, say, want an oceanfront property with a dock in Jamestown — be particular," Boyle says. "Let your broker know so you don't waste time looking at something else."

And if you don't know what you want, spend time driving through target communities and research towns and available homes online. "An out-of-state buyer I worked with had no idea where he wanted to be," says Cindy Welch, a LandVest project manager in the Berkshires. "One day, he'd ask me to send a listing in Connecticut, the next he wanted to see a house in Chatham, New York."

If you are still unsure, forget about buying now and rent something first. "It's scary to put an offer on a house if you don't have time to scope out neighborhoods first," says one transplant, who moved his fam-

ily from Arizona to Connecticut in 2019. Cyd Hamer, a broker with William Pitt Sotheby's International Realty, found them a rental in Wilton. Two years later, she sold them a house "that's a perfect fit," the buyer says.

Find a local realtor. If you don't know a market, find a realtor who does. "You need a broker who keeps their eyes and ears out for you," Welch says. "I often meet prospective buyers when they like one of my listings and contact me. It is all about establishing a solid working relationship between buyer and broker."

"The value in working with a local real estate agent is their extensive knowledge, including knowing what properties have sold and whether a house is priced too high," says Debbie Doern, senior vice president of sales for Houlihan Lawrence.

"Real estate is a collaborative business," Boyle reveals. "I reach out to other brokers all the time to let them know I have a well-qualified buyer looking for something specific. LandVest has offices all over New England, and if a buyer cares more about the house than the location, I'm able to refer them to someone in Maine, for example."

Be decisive. "If you're not the first to make a bid, you can be too late in a matter of minutes," Boyle says. "It's essential to have as few hurdles as possible, but sometimes time zones and logistics are a challenge. A few mornings ago, I got a notice at 2 a.m. that a \$3 million property in Little Compton just came on the market. By the time my buyers got up, it was sold."

Be willing to compromise. "During the pandemic, buyers wanted move-in condition," says Gladys Montgomery, a William Pitt Sotheby's broker in the Berkshires. "They didn't want to have contractors in their homes or do the work themselves. Now that things have calmed down, some successful buyers are purchasing houses that have 85% of what they want." If there's no pool, for example, put one in your-self next year.

Decide what you can spend and have it available. It is wise for buyers to have a stock portfolio or other investments or assets you can sell or borrow against to cover the cost of the house at closing.

"Sellers do not want contingencies," Doern discloses. "When 20 people are bidding on a house, sellers will often choose the offer with the least risk, even if it's not the highest bid."

Know the lingo. "Right now, with low inventory coupled with outsized demand, it's a game of musical chairs and there are not enough chairs," Hamer says. "You can be successful at securing a home for your family, but you need to be prepared to play by new rules."

• **Escalation clauses.** Instead of offering one price, buyers can submit multiple bids to stay competitive. "You offer, say, \$500,000, then \$10,000 more than the highest bidder until you win the bid or reach your final cap, which might be \$550,000," Doern explains.

• **Off-market sales.** Ellen Stern, with Julia B. Fee Sotheby's in Westchester County, says some prominent sellers today, "don't like the public nature of their homes being on a multiple listing service, with its details available on dozens of websites." Instead, they list with a single broker who can show it to their clients and the clients of local colleagues. If you have demonstrated that you are an agreeable, decisive buyer with a specific set of desires for a new home and cash at the ready, you will be among the first to be notified of such opportunities.

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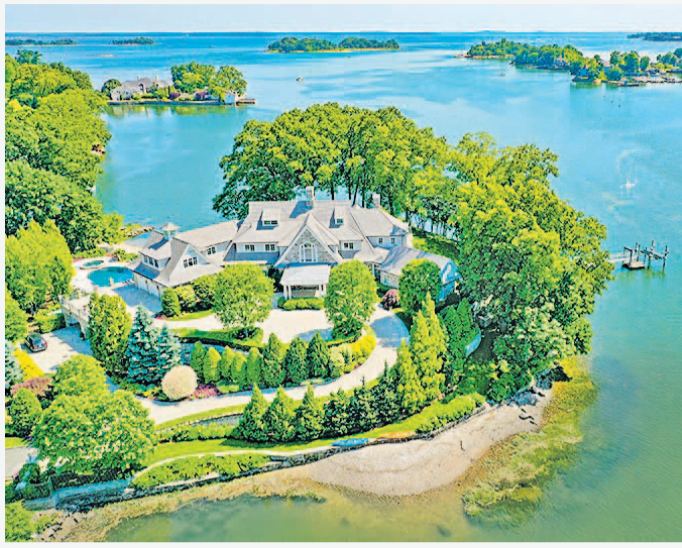


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PHOTO BY VHT FOR WILLIAM PITT JULIA B SOTHEBY'S

This waterfront estate in Westport, Connecticut, has it all — a pool, adjacent golf course, gym, home theater, and eight bedrooms, plus an elevator to move you easily from one floor to the other.

Continued from M6A

“It also has a nice finished basement that was not on our list of must-haves,” Kirwan adds. “Now that we are having a second child, it’s become one of our favorite parts of the house.” Since then, even more of Patrick’s buddies have moved to Chatham, too.

ABSOLUTELY NECESSARY

Ellen Stern, a broker with Julia B. Fee Sotheby’s in New York’s Westchester County, says commuter suburbs like Rye, Scarsdale and Larchmont were always popular with young couples, but many had been priced out of the market. “We are seeing a lot of Millennials again, many of whom have never owned a house before. Some couples have significant savings and are skipping starter homes for more substantial properties,” she says.

“The pandemic accelerated our timeline,” says Ashley McManus. “My husband Ryan and I were living in the East Village with an 8-month-old son, and the walls were caving in on us. We’d created a makeshift office for Ryan in our bedroom, by propping up our coffee table between boxes. I was taking all my video calls in our bathroom, sitting on the edge of the tub. The sink, with a pillow over it, was my computer desk.”

A mutual friend introduced them to Stern, who showed them seven houses in Rye on the first day realtors could take prospective buyers on actual tours. “Since the market was changing so fast, we were looking at forever homes, and by the end of the day we put in an offer on one,” McManus says.

“Rye has so aligned with our lives it’s almost

magical,” she continues. “After navigating subways with a stroller, I can drive my car to the grocery store and put everything in the trunk. And it’s easy to make friends. We’ve met so many families with toddlers and new babies like us. And now we have a basement that’s the size of our beloved city apartment, a home office and a huge backyard where our son can run and play.”

GOING EAST

In nearby Fairfield County, Connecticut, Cyd Hamer with William Pitt Sotheby’s International Realty notes that older couples staying put, instead of downsizing out of larger homes, have slowed the normal influx of Millennials into well-known local towns like Westport and Greenwich. “I am introducing young families to neighboring communities like Weston and Wilton,” she says. “If parents don’t have to commute into New York every day, towns farther from our train stations are doable.”

When one man and his family moved east from Arizona, “We weren’t brave enough to buy a house sight unseen, so Cyd found us a house to rent for a year. We were patient, and in December she took us to a house in Wilton with floor-to-ceiling windows in the family room on a cul-de-sac where our children can ride their bikes and scooters.”

“We never could have bought a house in a totally different climate without her help,” he says. “In Arizona, all anyone is concerned about is the air conditioning. Here, there are things like septic systems and furnaces to consider.”

TURNING TIDES?

The pandemic had another impact on Dutchess County, just north of New York City in the Hudson River Valley. Katherine Jennings, the manager of Houlihan Lawrence’s office in Millbrook, reports that local towns became hot spots for short-term rentals. According to news reports, the total amount spent with Airbnb and VRBO there doubled in 2021, compared to 2020.

Another change: Lower income workers can no longer find rental housing, she says. “And with new people in the area who can afford to go out to eat, seasonal restaurants and other businesses stay open all year, creating a huge demand on local labor. Wages went up astronomically and some small businesses had to close,” Jennings says.

She believes the pandemic cycle is slowing down. People who had put off downsizing, because they had nowhere else to go or because their adult children had moved home during the pandemic, may be ready to sell. “I believe a lot of inventory will come on the market this summer,” she says.

Turpin, too, is optimistic. “As robust as our market is, we have noticed a slight easing in the urgency around new listings lately, especially in towns further west of the city. This is just the kind of breather the market needs to remain healthy and move toward balance again.”

Julie Bennett is a freelance writer specializing in franchising, small business and lifestyle issues.

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IN THE TRENCHES | AMY GAMERMAN

Home Showings That Went Not So Swimmingly

Q Has anyone ever fallen in a pool during a showing?

SABINA DINESCU
Luxury real-estate agent,
Douglas Elliman Real Estate,
Coral Gables, Fla.

The listing was in Palmetto Bay, a huge house in the Mediterranean style on the water, with lots of trees. There was a pool in the back with a covered patio and a pool deck. It's a really beautiful home, one of my favorites to show, with the exception of the owner's two

dogs. They were muscular dogs, big and husky. One was white, the other was black. They would bark and follow people around. Some people find that annoying.

The buyer came after work with his wife and their two kids, a 10-year-old boy and a teenage daughter. They looked at the foyer, then went straight to the kitchen, which has French doors that open onto the patio. You could tell the guy

was tired—he'd had a long day at work—but they were loving it so far. The kids really liked it, especially when I told them it was an ideal house to have their friends over and have parties.

We walked onto the backyard and I'm highlighting the parts I thought were the best. There was a really cool treehouse that came down to a trampoline, so the kids were looking at that, and the wife became preoccupied with the amount of storage under the patio stairs. The husband seemed almost mesmerized by the water.

He was standing with his back to the pool, maybe planning what he was going to do with the house, who knows. The sun was coming down. It was dusky and really beautiful, with birds flying through. I made a joke, like, "I promise, I didn't hire those birds!"

Then one of the dogs, the big black one, comes walking over onto the pool deck. I guess his nose touched the guy's leg. He got super startled, took a step back and fell into the pool.

A million things were going through my mind: I hope

this guy doesn't panic, I hope he can swim. The teenage daughter couldn't stop laughing, she was hysterical. I'm like, "Are you OK? I'm so sorry!"

He said, "Oh yes, I'm fine." I think he was embarrassed. He got out of the pool dripping wet, just sopping wet. He was in his work clothes, not a full-blown suit but slacks, dress shirt, nice belt. I could tell his shoes were nice.

The wife eventually comes back and doesn't understand what happened because she was looking at the storage under the stairs. I

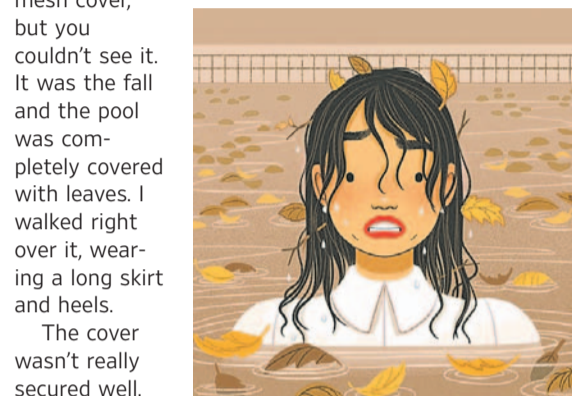
My heel got caught in the mesh and I fell into this pool of dirty water.

The minister jumped in to get me out. Thank God he was a good Samaritan, I don't know if someone else would have jumped in after me. We were hysterical, laughing afterward. He said he wished he had a camera.

The couple didn't buy that house, they bought one that was for-sale-by-owner. But the minister said, "Rita, we owe you big-time. When we sell this house, we'll definitely give you the listing."

And they did. I sold it for around \$3 million.

—Edited from interviews



The cover wasn't really secured well.



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MANSION



Estimated value today: \$3.75 million

Below the Sign

Continued from page M1
deeds also restricted covenants by race, allowing only Caucasians.

The neighborhood is somewhat more diverse now, both in its population and its architecture, but it still has an insular, removed feel.

Once home to A-list stars including Humphrey Bogart, Madonna and the writer Aldous Huxley, residents now tend more toward behind-the-scenes creatives, like classical musicians and screenwriters, real-estate agents and homeowners say.

"It used to be overlooked compared with the rest of Hollywood Hills. You had to know L.A. well enough to come and explore this area," says Greg Holcomb, a real-estate agent with Douglas Elliman, whose listing for a 2,083-square-foot house got eight offers in a week, all over its \$2.295 million asking price.

Recent home sales statistics reflect that a turnover is occurring. Activity has picked up sharply since 2020, when the number of homes sold jumped 60% and the median sales price increased 23%, to \$1.9 million, according to data compiled by Realtor.com. In 2021, 51 homes sold in Hollywoodland (compared with 20 in 2019)—about 9% of all the houses in the neighborhood.

"It was a private, secret enclave, which is now not as secret and private as it used to be," says Patricia Carroll of Hollywoodland Realty Co. So far this year, nine homes have sold with a median price of \$2.15 million, she says.

As the neighborhood approaches its 100th anniversary in 2023, some residents are fighting to keep it cohesive. One ongoing battle is the sheer number of tourists who traverse it daily, stopping to take selfies along the way and knocking on doors to use bathrooms and



The house designed by Dino Williams, whose family built the Hollywoodland village. Mr. Williams's daughter Alexa Williams still lives in the house.



Estimated value today: \$1.69 million



ask directions to the sign.

Though the city has imposed nonresident parking restrictions and put in a gate in one section, some say that's not enough. They argue the wildlife (includ-

ing the famous, so-called Brad Pitt of mountain lions, P-22, who was photographed in front of the Hollywood sign) is still threatened by the influx of cars.

Residents also cite fire

danger as a concern, since Hollywoodland is encircled by the roughly 4,000-acre Griffith Park. They argue that tourists drop lighted cigarettes despite "No Smoking" signs posted by the city and the traffic means emergency vehicles won't be able to get through the congested streets. Some have suggested erecting gates at the neighborhood's base or even moving the sign.

"We, and the animals who live here, have our lives at stake," says Linda Doe, who with her husband, real-estate agent Crosby Doe, bought a 4,869-square-foot castle-like Mediterranean in 1982 that was built in 1927.

Ms. Doe says she doesn't want to build walls on her property because she wants to keep the wildlife corridors open. She tried putting up "No Trespassing" signs and chains, spending about \$2,000. But one morning she woke up and they were gone, the chains cut, she says.

Opponents of the restrictions say some residents just want to keep other people out of their neighborhood. "We don't want to understate the seriousness of the safety and environmental impacts. But we want equitable access for the public, whether they live there or not," says Gerry Hans, president of the nonprofit organization Friends of Griffith Park, which is supporting alternative means of traverse to the Park, including shuttle buses or new access trails.

Some 10 million tourists (not including L.A. residents) visit the Hollywood

Sign every year, spending approximately \$4 billion while in L.A., according to Tourism Economics. Adam Burke, president and CEO of Los Angeles Tourism & Convention Board says the Hollywood sign is key to the city's economy. "It's incredibly important in attracting visitors from around the world," he says.

The core Hollywoodland neighborhood begins far north of Hollywood Boulevard, just past stone gates erected for the original development, in the portion of Beachwood Canyon that stretches from Westshire Drive up to the part of Mulholland Highway that's directly below the sign. Referred to as "above the gates" to demark it from the flatter, less affluent area with more multifamily housing below, it has about 110 vacant lots and 580 homes, many storybook-style, with whimsical exteriors and even drawbridges.

The original map from the Hollywoodland development planned for 1175 lots, but some of those lots were unbuildable, some roads were never developed and some of the land was deeded to Griffith Park.

At its base is the "village"—a stone courtyard with old-fashioned lamp posts and a building with five merchants, including the Beachwood Café and a grocery, which is still owned by the same Greek immigrant family who built it. "We're hanging on. We're good," says one of the scions, Gregory Paul Williams.

Mr. Williams's sister, Alexa Williams, 65, who lives in the midcentury modern her father designed, is less sanguine about the current environment. She longs for the time when there wasn't the constant buzz of tourism

23%
Increase in median sales price since 2020, to \$1.9 million

51
Homes sold in 2021, 9% of the whole neighborhood

20
Homes sold in 2019



Price paid in 1982: \$210,000
Sold in 2022: \$2.2 million

Fran and Bill Reichenbach's 1927 Spanish-style house got 11 offers and sold for \$400,000 over asking.

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1923

Hollywoodland opened

\$55,000

Cost of the priciest lots (\$924,000 in today's dollars)

580

homes in the core Hollywoodland neighborhood



\$4 BILLION
Approximate amount the 10 million tourists who visit the Hollywood sign annually spend while in L.A.

helicopters and sirens of rescue vehicles saving people who get hurt trying to climb up to the sign. "It was fabulous then compared with how it sucks now," says Ms. Williams.

The Hollywood Homeowners Association is trying hard to retain a sense of community. It's hosting decades-old traditional events, such as marionette puppet shows and concerts with neighborhood musicians. A neighborhood cookbook has recipes from "citizens of Hollywoodland." (One entry: the "Silver Dawn" includes 1 cup gin; 1 cup small ice, with instructions to combine in a metal container.)

"A lot of us have thought about moving, but where would we move to? We love this community," says Christine Mills O'Brien, president of the HHA. She and her hus-

band, Tim O'Brien, moved to Hollywoodland in 1980, buying her three-bedroom, 2,478-square-foot home for \$280,000, because it reminded her of growing up in rural Wisconsin.

The demand for property presents a dilemma for some. Jon Ernst, 54, a musician, bought a three-bedroom, 1,380-square-foot Spanish-style house built in 1925 for \$460,000 in 2000 which he now rents, having bought a bigger, 3,500-square-foot, three-bedroom a few doors away for \$1.2 million in 2004.

Mr. Ernst believes he could get over a \$1 million (Zillow estimates it's worth at least \$1.56 million) if he sold his rental, but it might go to a developer, who could build multiple houses—something he says the neighbors would fight.

"I think there would be pitchforks if someone tried that," he says.

Naomi Rosestone, an agent with Rodeo Realty, says she is sensitive to the concern about disruption. Her mission when recently selling a three-bedroom, 2,271-square-foot 1927 Spanish-style house for \$400,000 over its \$2.2 million listing price, getting 11 offers in a few days on the market, was to sell it to someone she believed would "carry on the traditions" of the community.

"That was important to the seller," she says.

The seller, Fran Reichenbach, 70, whose husband, Bill Reichenbach, bought the house in 1982 for \$210,000, says she will miss her neighbors—but her definition of community often clashed with the HHA. While she agreed with the need for more traffic support, bathrooms and security, she didn't like the sense of entitlement she heard in some of the residents who wanted to restrict access. Ms. O'Brien responds that Ms. Reichen-

bach is entitled to her opinion, but that "with 17-foot-wide streets and almost no sidewalks, it would be insane to compromise safety."

"You knew the Hollywood sign was there when you bought your house," says Ms. Reichenbach, who moved to Fletcher, N.C., buying a house for what, she says, was a third of the price they got when they sold their Hollywoodland home.

The conflict between the residents and the tourists will likely continue until

there's a comprehensive plan to address the traffic, says Leo Braudy, professor of English and Art History at the University of Southern California, who wrote "The Hollywood Sign: Fantasy and Reality of an American Icon."

People will keep trekking up there because the sign, he says, represents a quest for self-enhancement, and the fact that it's on a steep hill above a storybook-like neighborhood just reinforces that. "It's the perfect image of aspiration," he says.



Christine Mills O'Brien at her 2,478-square-foot, three-bedroom home.



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HOUSE CALL | TITUS WELLIVER

Three Tragedies That Led Him To Art and Acting

The 'Bosch: Legacy' star on his famous father and illustrator mother who nudged him to perform

Both of my parents were artists. My father, Neil, was a well-known landscape painter and my mother, Norma, was a sought-after fashion illustrator. I was named after Rembrandt's son and had to deal with every horrible derivation at school.

As a child, I spent much of my spare time in my parents' art studios, especially if I wanted to talk to them.

I never knew my parents as married. They split up before I was born but lived near each other in New York and then in Philadelphia. When we were little, my older brother, Silas, and I alternated weeks with our father and mother.

Being in their studios allowed me to watch the evolution of their art from start to finish, and the tireless work required to be an artist.

When I was born, my dad taught at Yale. Then when I was 4, he was wooed by the University of Pennsylvania to chair its graduate school of fine arts. We moved to West Philadelphia.

My father remarried, and I loved my stepmother, Polly. She

was warm and nurturing. The homes where I spent the most time growing up were in Philadelphia and, in my teens, our house near Bangor, Maine.

In Philadelphia, my mother, Norma, lived in a lovely three-story row house on St. Mark's Square. I was close with my mom. She worked for Ship'n Shore, a women's clothing company, and

drew the latest styles for New York department-store ads. At night, she'd put us to bed and go on working until 1 a.m.

For elementary school, I had attended Philadelphia's St. Peter's School. But in rural Maine, I went to a public school where the textbooks were outdated by 15 years. It was two different worlds.

When I was 13 and living in Maine, my father's studio burned down along with all his paintings, some works by famous artists and



Titus Welliver, above, at home in Topanga, Calif., with some of his landscape paintings, and, left, at age 8 near his family home in Maine.

family photographs. We all crammed into a nearby guest-house. My stepsister was born soon after but died three months later in 1976 from sudden infant death syndrome.

That fall I went off to Oak Grove-Coburn, a boarding school in Vassalboro, Maine. In October, I received a call that Polly wasn't well. She died four days later from a staph infection.

Those three losses were devastating. What kept me from growing dark was Oak Grove-Coburn, a progressive place with wonderful, nurturing teachers.

When I was 14, my mom moved to Boston, so I had a summer with her. She signed me up for classes at the city's Actors Workshop. I went to the first class and that

was it, I was hooked.

I attended Bennington College, where I majored in partying. At the end of the year, my grades were so bad the school urged me to take the next semester off.

TITUS AT HOME

Moved by Dad's praise? Yes, but also motivated and encouraged.

Still painting? ▶ Yes, I have stand-alone studios at both houses.

Dad reminder? When I smell tur-

One day, my dad asked what I thought about most. I said acting. He said that's what I had to do. So I packed a duffle bag and camped out on friends' sofas in New York for a few weeks. I found a construction job and took classes at the HB Studio.

Then I attended the undergraduate drama program at NYU. My first paying job as an actor came when I was 19, in "The White Snake" at the Eye and Ear Theater Company. In 1989, I moved out to L.A. My first film role was in "Navy SEALs." I had a walk-on scene where I played a redneck in a bar.

Today, my fiancée, Samantha Edge, and I divide our time between our homes in Topanga, Calif., and our Connecticut farmhouse.

I'm very happy. We've formed Edgewell Street Productions and are developing films and TV projects. It's wonderful to work with a person you love and share ideas.

Toward the end of my dad's life in 2005, I asked him what he thought of my latest series of landscapes. He looked and said, "They're beautiful." I said, "Really?" He said, "Don't be an ass. Do you think I'd tell you they were good if they weren't?" That was all I needed from him.

—As told to Marc Myers

Titus Welliver, 60, is an actor whose films include "The Town," "Gone Baby Gone," "Argo" and "Transformers: Age of Extinction." He is best known for his starring role in Prime Video's "Bosch" and in the new spinoff, "Bosch: Legacy," on Amazon Freevee.



pentine or oil paint, I'm immediately transported back to his studio.

Presence? I feel my dad whenever I step back to look at what I've completed.

Lesson? As with art, there are no shortcuts with acting.

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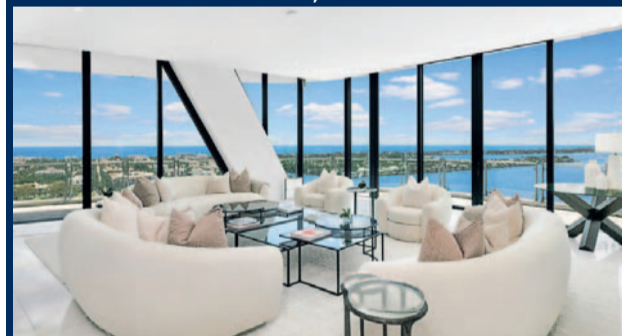
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PRIVATE PROPERTIES

Jenna Bush Hager Lists New York Condo

Jenna Bush Hager, the “Today” show host and daughter of former President George W. Bush, is listing her New York City apartment for \$5.375 million.

The Tribeca condo, in a boutique building with interiors designed by architect Annabelle Selldorf’s firm, spans about 2,500 square feet with four bedrooms, according to listing brokerage Sotheby’s International Realty. The apartment is accessed via a private elevator vestibule and has a large open-plan living and dining room with a wall of windows. The primary bedroom suite has a separate dressing area and a large custom closet space, Sotheby’s said.

Ms. Bush Hager and her husband, Henry Hager, purchased the apartment for about \$4.58 million in 2015, records show. They have customized it to their own tastes: the living room has a wall of bookcases with a sliding library ladder, as well as a hidden door that opens to a corri-



Purchase price in 2015: \$4.58 million

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dor leading to the bedrooms. (The secret doorway isn’t the only way to access the bedrooms, the listing agents said.)

Listing photos show more of the couple’s quirky style. A double-height bunk bed with a canopy reaches all the way to the ceiling, while an animal print sofa in the

living room adds a burst of color. The listing agents, Amanda Cannon Goldworm and Megan Duryea Scott of Sotheby’s, declined to comment on why the



Hagers were selling, but a person familiar with the situation said the couple is relocating to Connecticut’s Fairfield County. They also own a home on the North Shore of Long Island.

Ms. Goldworm and Ms. Scott said they expect significant demand for the property given the prolonged uptick in the Manhattan market this year.

“In general, we’re seeing record levels of volume in terms of transactions,” Ms. Goldworm said.

Ms. Bush Hager, 40, is co-host of “Today with Hoda & Jenna” on NBC’s flagship morning show alongside Hoda Kotb. Her husband, 43, is a managing director at Waterous Energy Fund, a private-equity firm specializing in oil and gas investments. The two have three young children.

—Katherine Clarke

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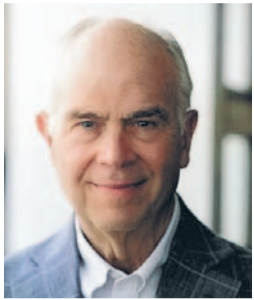
CEO Robbie Briggs on 'some of the most benevolent people in North Texas'

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FROM MY PERSPECTIVE



ROBBIE BRIGGS
CEO
Briggs Freeman Sotheby's
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No one gives back like this bunch. I'm proud to work alongside some of the most benevolent people in North Texas: our agents and staff. On their own, they give to charities, volunteer in their communities and serve on boards of all kinds.

Together, they do even more. On behalf of our brokerage, they work all year on everything from clothing drives to food drives to the Salvation Army Angel Tree gift drive. In recognition — and awe — of this immense spirit, I want to rattle off just some of the people and charities who have recently benefited from our agents' time and hard-earned money.

Love Your Neighbors: This is our own year-round program for giving back, funded by agents who voluntarily donate a percentage of every sales commission

they receive. We have been able to make cash donations to area food banks and other helping organizations. This year, we will be giving to Tarrant Area Food Bank and OurCalling, a local outreach group that helps with everything from addiction recovery to mentoring.

UP All Night: This is a very fun annual overnight campout (tents and all) for kids and parents, which benefits University Park Elementary School.

Our Fort Worth contemporary art show and sale: For this inaugural agent-organized event, we partnered with Fort Worth gallery Artspace111 to promote works of several contemporary Texas artists, all in a modernist space: our own Fort Worth office. A portion of the proceeds benefited Saving Hope Animal Rescue.

Swiss Avenue Historic District Mother's

Day Home Tour: Mark your calendars: This one is Saturday, May 7, and Sunday, May 8. Because we have agents who are the most famous experts on this special area of Dallas, we love being a part of this equally famous home tour, which benefits the district. This year, come see six historic homes and one great garden; the details are at sahd.org.

This is just a sampling of the support and sponsorships that our agents and our brokerage are able to give to area charities and folks who deserve some love. That's why we call our unique program Love Your Neighbors. Come read about it at briggsfreeman.com/love.

In fact, I'd love for you to be a part of it.

WHAT THE CEO SAYS
Don't miss Robbie Briggs' weekly thoughts, always on briggsfreeman.com/blog

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