

THE WALL STREET JOURNAL

What's News

Business & Finance

- ◆ Oracle's \$300 billion deal with OpenAI is testing the limits of Wall Street's appetite for debt tied to America's data-center boom. **A1**
- ◆ Meta Platforms will lay off 10% of staff, or about 8,000 people, in May as it seeks to streamline operations and pay for massive investments in artificial intelligence. **B1**
- ◆ U.S. stocks fell as investors weighed corporate earnings against a troubled geopolitical backdrop. The S&P 500 and Dow both slipped 0.4% and the Nasdaq shed 0.9%. **B9**
- ◆ Intel, benefiting from the rise of AI agents and new partnerships, reported quarterly sales of \$13.6 billion, up 7% from a year earlier. **B1**
- ◆ Microsoft offered long-tenured employees voluntary buyouts, a first for the company as it reorganizes to accelerate its AI work. **B1**
- ◆ Tesla said it would offer upgrades or trade-in discounts to owners of its older vehicles that aren't equipped with autonomous-driving technology. **B1**
- ◆ Hyundai posted weaker first-quarter earnings amid sluggish global vehicle sales, as U.S. tariffs continued to weigh on the company. **B2**
- ◆ Nestlé reported a 5.7% decline in sales for the first quarter as Chief Executive Philipp Navratil overhauls the food company's structure. **B3**
- ◆ Comcast stemmed subscriber losses for its domestic residential broadband business and reported higher advertising revenue. **B4**
- ◆ American Express reported higher first-quarter profit on the back of spending from upper-income customers. **B9**

Worldwide

- ◆ A Navy destroyer intercepted an Iranian-flagged tanker that had slipped past a U.S. cordon and was escorting it off the west coast of India, foiling its attempt to deliver its cargo. **A8**
- ◆ The Trump administration reclassified marijuana as a less-dangerous drug, a policy shift that could make it easier to buy and sell pot and reward investors in the cannabis industry. **A1, A6**
- ◆ Trump said Israel and Lebanon agreed to extend a cease-fire between Israel and Hezbollah by three weeks after talks at the White House. **A9**
- ◆ Authorities charged a U.S. Army soldier who participated in the mission to capture Maduro with using classified information to profit from bets on the former Venezuelan leader's ouster. **A3**
- ◆ A driver involved in the LaGuardia Airport runway disaster heard a controller's calls to stop but didn't know they were meant for his truck, a preliminary investigative report said. **A3**
- ◆ The FDA approved Otarmani, a drug made by Regeneron that can actuate hearing in children born deaf because of a faulty gene. **A3**
- ◆ The main outside group supporting Democrats' efforts to regain control of the House reserved \$272 million in TV and digital advertising ahead of the midterm elections. **A4**
- ◆ A former North Carolina police officer accused of threatening a mass shooting at a New Orleans festival was arrested in Florida. **A3**

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U.S. Forces Capture Ships Carrying Iranian Oil



HIGH SEAS SEIZURE: U.S. forces rappelled from helicopters to board the Majestic X, a sanctioned tanker carrying oil from Iran on the Indian Ocean, in a Defense Department handout photo. Scan the code for video of the operation. **A8**

Hegseth Keeps Trump's Support Amid Strife, Firings at Pentagon

Navy secretary seen as slow on agenda; a last-ditch plea to pal in Oval Office failed

John Phelan sat in the lobby of the West Wing for more than an hour on Wednesday night, waiting to see if his longtime friend and

By *Lara Seligman, Josh Dawsey, Alexander Ward and Natalie Andrews*

neighbor, President Trump, would save his job. He would leave disappointed. Earlier that afternoon,

Phelan, the Navy secretary, had received a phone call from his boss, Defense Secretary Pete Hegseth, asking for his resignation. Phelan had spent most of Wednesday on Capitol Hill, meeting with lawmakers about Navy shipbuilding and the Pentagon's budget request.

A few miles away at the White House, another gathering was taking place that would decide his fate, according to U.S. officials. Hegseth and his deputy, Stephen Feinberg, made the argument to Trump that Phelan wasn't moving quickly enough on Trump's shipbuilding priorities, especially the "Golden Fleet" and increasing reliance on the use of steam. The

War's Impact

- ◆ China's satellites stoke concerns for U.S. **A8**
- ◆ Lebanon mourns journalist as truce extended **A9**
- ◆ American Airlines warns on fuel costs **B1**

Navy, they determined, needed new leadership.

Phelan made a round of calls, including to the president's executive assistant, saying he needed to speak with Trump. Phelan then headed to the White House. Once the president had a spare minute on Wednesday evening, Phelan asked to keep his job, but the commander in

chief backed Hegseth's decision, according to a senior administration official.

The episode is a sign that Hegseth retains Trump's support despite recent personnel churn at the Pentagon. In signing off on Phelan's dismissal, the president sided with Hegseth over a personal friend and neighbor who had raised millions of dollars for his campaign. Trump instructed the Pentagon chief to handle Phelan's firing, administration officials said.

Speaking at the White House on Thursday, Trump praised his friend, but said, "He's a hard charger and he had some conflicts with some

Oracle's AI Debt Pushes Investors To Limit

Funding snag poses risks to data-center boom, limiting access to capital

By *Peter Rudegeair and Berber Jin*

Oracle's \$300 billion mega-deal with OpenAI is testing the limits of Wall Street's appetite for debt tied to the U.S.'s data-center boom.

Banks including JPMorgan Chase struggled for months to spread the risk of billions of dollars in loans they made to build data centers leased to Oracle in Texas and Wisconsin, people familiar with the matter said. Many financial institutions that would ordinarily buy those loans face restrictions on how much exposure they can have to a single counterparty, and the sheer size of these debt packages pushed them to the limit with Oracle. As a result, bank balance sheets got clogged, constraining the financing prospects of future projects tied to Oracle and OpenAI.

For example, lenders balked at financing the expansion of a data-center complex in Abilene, Texas, if Oracle were the tenant, according to people familiar with the matter. That led the developer, Crusoe, to lease it to Microsoft instead.

The challenges surrounding Oracle highlight a risk for the multitrillion-dollar data-center boom, where limited access to capital compounds obstacles caused by a

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◆ Meta layoffs take aim at rising AI costs **B1**

SpaceX IPO to Help Musk Secure Control

Tesla's shareholders already give Elon Musk leeway, entertaining the billionaire's whims as he plows money into robots and blessing a \$1 trillion compensation package that will pay out if he hits long-shot targets.

By *Corrie Driebusch, Becky Peterson and Theo Francis*

He is poised to have even more sway at his rocket-maker, SpaceX, which is aiming to go public in June.

SpaceX's board has already granted him its own "moonshot" pay package, people familiar with the matter say. And, unlike at Tesla, the billionaire is expected to control SpaceX through the use of supervoting shares, the people said.

While such moves raise the eyebrows of many corporate-governance experts—until as recently as 2023, the S&P 500 banned companies with dual-class shares from entering its index—investors large and small seem so eager for a piece of Musk that they are willing to overlook and even welcome such founder-friendly terms.

Musk and his associates are pitching existing and prospective investors on SpaceX's IPO this week in Starbase, the company town outside of Brownsville, Texas, where SpaceX builds and launches its Starship rockets.

Several existing SpaceX investors said they welcome the moves to keep Musk's interests aligned with their own.

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INSIDE



SPORTS

How Fernando Mendoza aced the NFL's toughest job interview. **A16**

MANSSION

Their home felt too ordinary. Buying a burned-out chapel changed everything. **M1**

U.S. to Reclassify Marijuana as Less Dangerous Drug

WASHINGTON—The Trump administration is reclassifying marijuana as a less dangerous drug, a significant policy shift that could make it easier to buy and sell pot and reward investors in the multibillion-dollar cannabis industry.

By *Sadie Gurman, Dean Seal and Alexander Saedy*

Acting Attorney General Todd Blanche signed an order Thursday that began the process of moving marijuana out of the government's most restrictive drug classification. Marijuana has been classified as a Schedule I drug since

1970, alongside LSD and heroin. The action downgrades marijuana to Schedule III, making it obtainable for medical reasons with a prescription.

The order applies immediately to products approved by the Food and Drug Administration containing marijuana, as well as products regulated by state medical-marijuana rules. Blanche also said there would be an expedited hearing that provides a pathway to reschedule marijuana more broadly.

The move marks the greatest softening of federal cannabis policy since 1970.

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◆ Doctors cite marijuana's risks to health **A6**

How Expensive Are Drinks? Grown-Ups Are Pregaming.

Americans are turning to the college tradition to stretch their dollars—and their buzz

By *Laura Cooper*

When Julie McCarthy was a college student, she learned a time-honored budgeting tactic: Downing vodka in her dorm room with friends meant spending less later at the club.

Now 31, she's dusting off the strategy to combat rising prices for drinks at concerts and raves. On one recent night at a Massachusetts concert venue was charging \$20 for a tall-can of black cherry White Claw.

"I saw that and thought 'Wow, I'm really glad I pre-

gamed,'" said McCarthy.

With prices for everything from groceries to gas climbing, Americans are pinching pennies and making hard choices. Many have cut out alcohol altogether. For those who still crave a cocktail, they're entering a flashback era of "pregaming," downing a few drinks at home before going out to keep from spending much more to get the same buzz.

Nearly a third of the 1,000 people surveyed by Zappi who had drinks within the last

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For-Profit Education Company Scoops Up Welfare Dollars

States tap federal money to fund \$1 million Star Academies, but some schools are underwhelmed by student results

By *Dan Frosch and Scott Calvert*

John Alvendia's for-profit education company seemed to have flopped in West Virginia.

The four public school districts that were testing his Star Academy program, which promises to turn around the performance of struggling middle-school students, had stopped using it. One school reported worsening behavior and less improvement in English and math for Star Academy students than for other kids.

That didn't stop West Virginia Gov. Patrick Morrisey from sending more business to Alvendia, who earlier had donated nearly \$42,000 to his campaign and affiliated political committees. In January, the Republican

governor announced plans to tap the state's unspent funds from the federal Temporary Assistance for Needy Families welfare program, called TANF, to expand Star Academy. The deal would pay Alvendia's New Orleans-based company, NOLA Education, as much as \$16 million to put the program in 16 other schools.

Elected officials from both parties have steered millions of taxpayer dollars to no-bid contracts for the Star Academy program in several states, records show. Some school districts and state officials have expressed misgivings about the program's cost and effectiveness.

Wall Street Journal interviews with local officials and an examination of school performance.

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U.S. NEWS

Jobs and Immigration: What Happened

By PAUL KIERNAN AND DREW AN-PHAM

More than a year into President Trump's immigration crackdown, there's little evidence of widespread disruptions in the labor market, or of meaningful benefits to American workers.

Unemployment is up slightly for U.S.-born workers, and wage growth has slowed. Wage growth has also slowed in the blue-collar industries that tend to employ low-skilled migrants, a sign that widely feared labor shortages haven't materialized, according to a Wall Street Journal analysis of Labor Department figures.

The data provide early insight into a question that politicians and policymakers have debated for decades: What effect do immigrants have on wages in the countries that receive them, and what happens without the newcomers?

Some challenges have emerged in key sectors. Home builders in South Texas have raised alarms about construction delays and higher prices after immigration crackdowns spooked workers. Some restaurants say they are having trouble finding enough dishwashers.

In an economic report last week, the White House said: "Record flows of illegal immigrants depressed wages for Americans, inflated the demand for housing, and drained the welfare system."

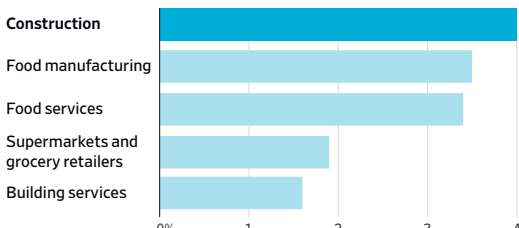
In response to questions from the Journal, White House spokesman Kush Desai pointed to higher wages after inflation, and strong labor-force participation among prime-age workers, as evidence that the administration's policies are working.

"After four years of Biden's inflation crisis and open borders disaster leaving American workers behind, the data since President Trump took office has been clear," Desai said in an emailed statement. "Real wages are finally growing and more Americans are coming off the sidelines to participate in America's economic resurgence."

But industries in which immigrants with low educational attainment are overrepresented have seen slower wage growth than the broader private sector since Trump took office, a Wall Street Journal analysis shows.

If turning off the immigration spigot was going to meaningfully boost wages or spark labor shortages, it "should be jumping out at us in the data" by now, said Wendy Edelberg, an economist at the Brookings Institution. "The effects aren't there."

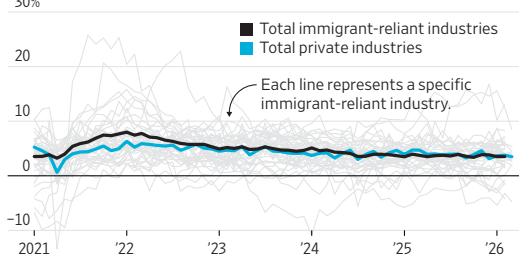
Change in average hourly earnings, year-over-year by select industry



Year-over-year change in average hourly earnings, adjusted for inflation



Change in average hourly earnings, year-over-year by industry



*Data represents migrant workforce prior to immigration crackdown. †Industries for which the Labor Department does not publish wage data. Sources: Labor Department, Census Bureau (average hourly earnings by industry, payrolls); Labor Department (median weekly earnings, unemployment rate, inflation-adjusted average hourly earnings); 2024 American Community Survey, PUMS (high-school degrees or less by industry)

Economists believe there are a handful of reasons. Trump rolled out his immigration policies at the same time as global tariffs that economists say ratcheted up uncertainty and slowed hiring. And by ramping up deportations and slowing immigration, the U.S. has lost consumers as well as workers.

The immigration downturn and an aging population have reduced the number of jobs the U.S. economy needs to create to keep unemployment low. Meanwhile, rising productivity per worker has allowed the economy to keep growing with relatively less labor.

The data suggest an economy that readily absorbed millions of immigrants a year after the pandemic is similarly able to adjust to a sharp decline in immigration, said Michael Feroli, JPMorgan's chief U.S. economist. Unemployment touched the lowest levels in

half a century in 2023, and wages grew at the fastest pace since the early 1980s to keep up with the postpandemic inflation increase.

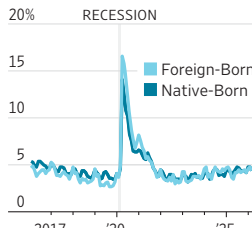
The White House has pointed to both trucking and construction—industries where hourly earnings were up 3.9% and 4%, respectively, in the year ended February—as positive examples. But other immigrant-heavy industries, such as restaurants, food manufacturing and services to buildings and dwellings, saw slower wage growth.

The Journal analyzed Labor Department data on wages in dozens of industries. The analysis used 2024 census data to identify fields—including construction, restaurants, food manufacturing and hotels—that rely heavily on noncitizens with a high-school diploma or less, a common proxy for people who entered the country illegally. The Journal excluded industries such as agriculture

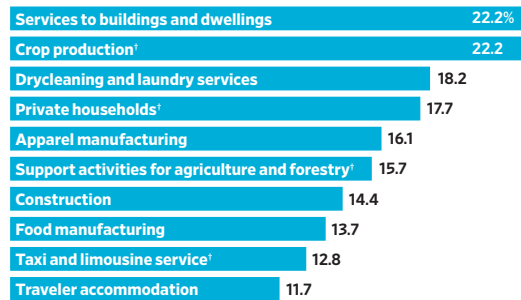
Year-over-year change in median weekly earnings for full-time U.S. workers



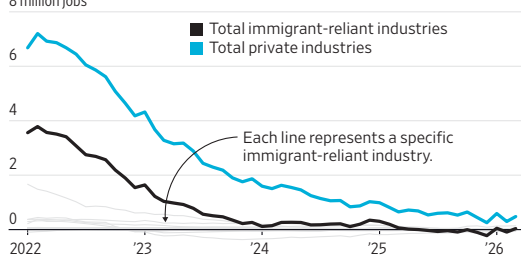
Unemployment rate



Percent of workers who are non-citizens with high-school degrees or less, by industry*



Change in payrolls, year-over-year by industry



and the gig economy, for which the Labor Department doesn't publish hourly earnings.

The result: Across 41 industries that rely most heavily on low-skilled immigrants, hourly earnings rose by a weighted average of 3.5% in February from a year earlier, according to the latest figures. That was less than the 3.8% increase in average hourly earnings for all workers and marked a slowdown from before Trump took office.

Employment in those 41 immigrant-dependent industries fell by 90,400 in February from a year earlier, while overall employment grew by 298,000 jobs in the same stretch. Preliminary March figures available for 23 of the sectors show a year-over-year gain of 39,400 jobs.

There are idiosyncratic reasons for the modest wage growth in certain immigrant-heavy sectors, such as high inter-

est rates weighing on home construction. Uncertainty around tariffs and artificial intelligence has made some companies wary of hiring.

Across the economy, joblessness among U.S.-born workers inched up to 4.3% in March from 4.2% a year earlier, while unemployment for foreign-born workers went the other way, slipping to 4.3% from 4.4%.

Median weekly earnings, another measure of wages collected in a massive monthly Census survey of households, grew 3.9% last year among U.S.-born workers, the slowest pace in four years.

"I thought it would affect us better than it has," said Tyler Dunworth, who supervises a maintenance crew at a university in upstate New York, of the immigration crackdown. He voted for Trump in 2024 and said his union is struggling to negotiate more than a 2% or 3% annual pay increase.

In This Slow Market, Some Houses Still Sell Fast

By NICOLE FRIEDMAN

The housing market is slow. Mortgage rates and home prices remain prohibitively high for many buyers. But some homes are still selling quickly.

These houses are often in the Midwest or Northeast, where the lack of new construction keeps a lid on supply. Certain homes in other markets are selling quickly, too, often when a home is move-in ready.

The most sought-after properties are selling unusually quickly compared with the rest of the market for this time of year. The typical home for sale in March had been listed for 56 days, according to Zillow. But homes that went under contract in March spent a median of only 19 days on the market.

The 37-day gap between the days on market for all homes for sale and those that went under contract was the widest for any March since 2020, right before the start of the

pandemic housing boom.

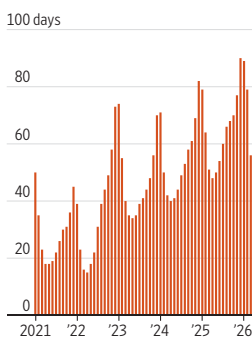
The gap was also up from a low of nine days in April 2022, a month after the Federal Reserve raised interest rates for the first time in years and buyers were eager to purchase before mortgage rates rose further. Four years ago, "people were buying homes indiscriminately," said Kara Ng, senior economist at Zillow. Today, "the bar is higher."

A lot of the difference between homes that sell and those that sit can come down to sellers asking too much for their homes, still hoping to get the same price as a neighbor who sold when prices were soaring.

For the right home, even sluggish markets have some bidding wars. In Tampa, Fla., 16% of homes that went under contract in February did so within seven days of going on the market, according to Zillow. Of that 16%, almost one in three sold for above their listing price. High home prices, elevated

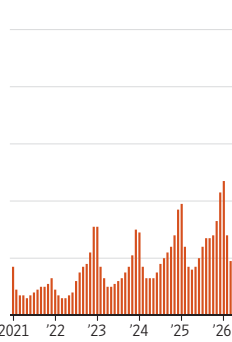
Median days on market for...

...all active inventory



Source: Zillow

...homes under contract



mortgage rates and other rising costs are making buyers nervous. They are hesitant to buy homes that are outdated or need repairs because of the uncertain cost of renovations. An older roof can also raise a buyer's home-insurance costs or make it difficult to obtain

insurance at all.

Buyers are willing to jump quickly on homes that are priced right and renovated, with no major repair issues, real-estate agents say.

About 34% of existing homes on the market need repairs or updates, but many of

those sellers prefer to sell their homes as-is, according to a March survey of real-estate agents by John Burns Research and Consulting.

Jake Cross and his wife listed their renovated house in St. John, Ind., for sale in March for about \$300,000 after buying a larger home.

"There's absolutely nothing for sale in the \$300,000 range...that looked modernized at all," Cross said. "It seemed like it would be a decent time."

The first buyer who toured the house the day after it listed put in an offer slightly above the asking price, which Cross and his wife accepted.

Pricing strategy can also be a challenge. Almost half of potential sellers surveyed by Realtor.com in March expected to receive their listing price, and more than one-third expected to sell for above the listing price. (News Corp, parent of The Wall Street Journal, operates Realtor.com.)

CORRECTIONS & AMPLIFICATIONS

An article about Ford and GM executive compensation in some editions of Thursday's Business & Finance section incorrectly said a GM proxy file was dated Tuesday. It was filed Monday.

A photo caption in some editions Thursday with a World News article about the U.S. clamping down on

"shadow fleets" incorrectly said the ship was a Hong Kong-based container vessel near Kuala Lumpur, Malaysia. The caption should have read: The Tifani, seen in 2012 when it was called Bunga Kasturi, was intercepted by the U.S. in the Indian Ocean this week.

Prime Minister Shehbaz Sharif visited Saudi Arabia

and Qatar last week as part of Pakistan's push to mediate talks between the U.S. and Iran. A World News article on Thursday incorrectly said Sharif had also visited Egypt.

The Exchange-Traded Portfolios table in some editions of Thursday's Business & Finance section was missing its year-to-date percentage change value.

Billionaire Hits Back After NYC Tax Video

By JOHN MCCORMICK

Billionaire Ken Griffin is appalled that New York Mayor Zohran Mamdani used his 24,000-square-foot Manhattan penthouse last week as the backdrop for a tax-the-rich video, triggering a subtle threat to re-evaluate his firm's investment in the city.

Mamdani was filmed in front of a property Griffin purchased at 220 Central Park South in 2019 for roughly \$238 million, a deal that set a record for the highest-priced home ever sold in the U.S.

"We've secured a pied-à-terre tax," Mamdani said in the video posted April 15. "This is an annual fee on luxury properties worth more than \$5 million, whose owners do not live full-time in the city. Like for this penthouse, which hedge fund CEO Ken Griffin bought for \$238 million."

In an email sent midday Thursday to employees, which was reviewed by The Wall Street Journal, Griffin's chief operating officer raised the possibility the company might not move forward with a massive new Midtown construction project.

"We are about to commence the redevelopment of 350 Park Avenue, creating 6,000 highly paid construction jobs and supporting the creation of more than 15,000 permanent jobs in mid-town New York," wrote Gerald Beeson. "The project—if we move forward—will entail more than \$6 billion dollars of spending."

Gov. Kathy Hochul last week offered Mamdani support for his plan to raise taxes on the wealthy with a proposal to tax luxury second homes in New York City. The tax would help plug the city's budget deficit.

Mamdani, a Democratic socialist, pledged during his campaign to increase taxes on the city's millionaires and corporations, although only the governor and state lawmakers have the power to make those changes. Hochul, who is facing re-election this year, had previously opposed the mayor's proposal.

The email from Griffin's chief operating officer was sent to employees at hedge-fund firm Citadel and Citadel Securities, Griffin's market-making businesses. In 2022, Griffin announced the relocation of his company headquarters from Chicago to Miami, now his primary residence.

The mayor's press office didn't immediately respond to an email seeking comment.

Beeson said the mayor's video suggested he doesn't appreciate how people like Griffin contribute to the greater good.

"It is shameful that he used Ken's name as the example of those who supposedly aren't carrying their fair share of the burdens associated with New York City's often costly and wasteful spending," the email said. "In doing so, the mayor has once again manifested the ignorance and disdain of the elite political class towards those who have been consistently committed to building one of the greatest cities in the world."

Beeson wrote that over the past five years, Citadel "principals and team members (including nonresidents) have paid nearly \$2.3 billion dollars in city and state taxes." He also noted that Griffin has personally directed \$650 million in charitable gifts to support New York City.

"We have nearly 2,500 colleagues who have chosen to build their careers here," Beeson wrote. "We understand that our hard work and success will, on occasion, make us targets for political rhetoric. But it should not diminish the pride we take in building firms that will continue to help New York City thrive for decades ahead."

Billionaire investor Bill Ackman expressed solidarity with Griffin after Mamdani's video was posted. "We should be applauding Ken for spending \$238 million in NYC, not attacking him for doing so," Ackman wrote on social media.

◆ Griffin buys additional Park Avenue co-op..... M2

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U.S. NEWS

Soldier Charged With Insider Bet in Raid

Classified knowledge on Maduro mission was allegedly used to win \$409,000

By DAVE MICHAELS
AND SADIE GURMAN

Federal authorities on Thursday charged a U.S. Army soldier who participated in the mission to capture Nicolás Maduro with using classified information about the operation to reap more than \$400,000 in profit from bets on the former Venezuelan leader's ouster.

Gannon Ken Van Dyke was charged in Manhattan federal court with commodity and wire fraud, according to the

Justice Department. Prosecutors alleged that the master sergeant with the Special Forces misused information about the operation to make well-timed bets on Polymarket that Maduro would lose power by the end of January. Maduro was captured by the U.S. in early January.

Manhattan U.S. Attorney Jay Clayton said that Van Dyke tried to cover his tracks after making the trades by sending most of his gains to a foreign cryptocurrency account and asking Polymarket to delete his account. Van Dyke, 38 years old, is an active-duty soldier who had been stationed at Fort Bragg in North Carolina.

Traders have used prediction markets to profit from a

volatile policy environment under President Trump, making wagers on everything from sudden shifts in tariffs to military strikes.

Clayton said earlier this year that he expected to bring enforcement actions over trades that appeared to benefit from inside information.

Van Dyke took part in the planning and execution of the mission, prosecutors said. On Dec. 8 he received a classified briefing on the plan to arrest Maduro and signed an agreement that he would never reveal the information "by writing, word, conduct, or otherwise," according to court records.

"The defendant allegedly violated the trust placed in him by the United States government by using classified infor-

mation about a sensitive military operation to place bets on the timing and outcome of that very operation, all to turn a profit," Clayton said. "That is clear insider trading and is illegal under federal law."

Prediction markets offer traders an opportunity to bet on a range of financial, political and sports-related outcomes. They are regulated under U.S. laws that govern how derivatives are traded, but Polymarket also operates an offshore platform that allows traders to bet on a wider range of contracts.

Polymarket said it has policies designed to combat insider trading. "When we identified a user trading on classified government information, we referred the matter to the DOJ & cooperated with

their investigation," the company said in a statement on X.

The case against Van Dyke comes one day after Kalshi, a competitor to Polymarket, announced that it had fined and suspended three congressional candidates for betting on their own races.

Maduro and his wife were captured in a nighttime operation that was the culmination of months of secretive planning. The mission was led by elite special-operations forces and was supported by every branch of the U.S. military.

While Trump had railed for months against the Maduro regime, there was little in the immediate run-up to suggest to the general public that such drastic action was imminent.

Van Dyke allegedly made 13 bets between Dec. 27 and Jan. 2 on the U.S. going after Maduro. The concentrated nature of the bets, coming from a brand-new account, fueled suspicions that someone with knowledge of the operation's planning had made them.

Hours after Van Dyke's last wager, prosecutors said, the Special Forces entered Caracas and apprehended Maduro and his wife at their residence. They have been brought to the U.S. to face trial on drug conspiracy charges. Van Dyke spent about \$33,000 in long-shot contracts that netted him a profit of \$409,000, according to the Justice Department.

◆ **Bet on weather raises tampering concern..... B1**

Man Held In Threat Of Festival Shooting

By MARIAH TIMMS

A former North Carolina police officer accused of threatening a mass shooting at a New Orleans festival was arrested Wednesday in Florida, officials said.

Christopher Gillum, 44 years old, of Chapel Hill, N.C., was arrested at a Destin, Fla., hotel "without incident," according to a social-media post by the Okaloosa County Sheriff's Office. Deputies found a handgun and approximately 200 rounds of ammunition in the hotel room, the post said.

Gillum allegedly planned to travel to New Orleans for an unnamed festival. The New Orleans Jazz & Heritage Festival began Thursday and runs through May 3. The festival, held at the Fair Grounds Race Course, about 2 miles from the city's French Quarter, draws nearly 500,000 people.

There is no known threat to any festival in Louisiana, state officials said Thursday.

Gillum was wanted by authorities in New Orleans in connection with the alleged "terroristic threats," according to the post. Louisiana State Police are leading the investigation and working with the FBI, they said.

It wasn't clear when, how or where the threats were made. "While a suspect has been taken into custody in Florida, the investigation remains ongoing, and no further details are being released at this time," said Sgt. Ross Brennan, Louisiana State Police spokesman.

The festival opened as planned Thursday.

Gillum was located in part through the use of Okaloosa's network of license-plate readers, the sheriff's office said. He remained in custody Thursday morning in Okaloosa County awaiting transfer to Louisiana, the department said.

Chapel Hill police confirmed Gillum worked for the department twice.



Erin McLaughlin-Eller and Joshua Eller's children, Raegan, left, and Emrys, both deaf, were able to hear after participating in a clinical trial of a gene therapy from Regeneron Pharmaceuticals.

Gene Therapy Restores Hearing in Some Cases

By XAVIER MARTINEZ

Children born deaf due to a rare condition can now take a drug to restore their hearing after a gene therapy was approved in the U.S., ushering in a new era for the treatment of an inherited form of hearing loss.

The Food and Drug Administration approved **Regeneron Pharmaceuticals'** drug Otarmeni for children born with a faulty gene that plays a role in hearing. It targets a rare condition affecting an estimated 20 to 50 newborns in the U.S. each year and could be expanded to an even wider population if additional studies succeed.

"In my wildest dreams I never thought we'd be here in my lifetime," said Dr. Lawrence Lustig, a hearing specialist at Columbia University Irving Medical Center who helped lead the trial.

Regeneron said it will offer the drug free to people in the U.S. "We don't feel like we have to figure out how to maximally price this so that we can try to make a windfall," said George Yancopoulos, Regeneron's co-founder and

chief scientific officer.

The drug's approval and price were lauded at the White House as part of a drug-pricing deal announcement with the Trump administration on Thursday. As part of the agreement, Regeneron will cut the price of its cholesterol-lowering drug Praluent by more than half and make it available on TrumpRx.

Gene therapy, which introduces new instructions into the body to treat the root cause of a disease, has been one of medicine's most promising frontiers. The field has struggled to deliver on that promise commercially. Approvals have been modest in number, prices have often reached into the millions and some therapies have failed to find patients.

Regeneron's new treatment focuses on people who have a shortage of a protein that sits inside the ear's hair cells. Without it, the ear can detect sound but can't transmit the signal to the brain.

Otarmeni delivers a working copy of the gene which produces the protein directly into the inner ear. In clinical trial data released in October, it improved hearing in 11 out

of 12 children, with three gaining the ability to detect soft whispers.

Days after Regeneron announced the strong results, the FDA granted the company a national priority voucher, which can compress the typical 10- to 12-month approval process to one to two months.

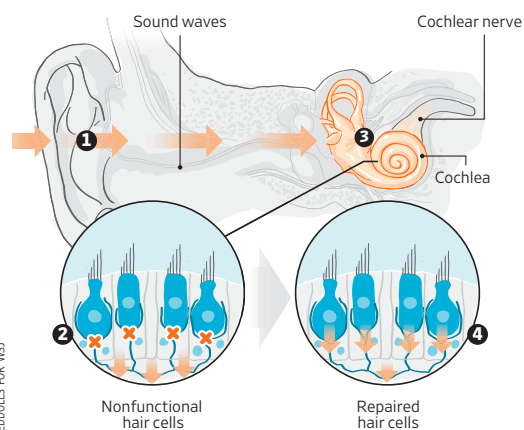
Regeneron has been working on developing drugs for inherited hearing loss since 2017 through a partnership with Decibel Therapeutics, an ear-focused biotech it later acquired.

Scientists spent years trying to treat hearing loss by injecting proteins that stimulate nerve growth directly into the ear. That approach failed, and they shifted to attempting to replace the missing gene directly. The ear turned out to be an ideal testing ground for a gene therapy: small and isolated from the rest of the body, it is easier to deliver therapy safely.

Regeneron plans to test the mechanism behind Otarmeni in other forms of inherited hearing loss as well as in conditions like obesity and diabetes, Yancopoulos said.

"This is more about a long-

How Regeneron's gene therapy restores hearing



- 1 Sound travels normally through the ear canal, eardrum, and into the fluid-filled inner ear.
- 2 In a normal ear, a protein called otoferlin triggers the hair cells to send signals to the hearing nerve. Here, the gene that makes otoferlin is broken—so the protein is missing and the signal stops cold.
- 3 Under general anesthesia, a surgeon makes a small opening in the cochlea and uses a thin tube to slowly infuse the liquid therapy directly into the inner ear for about 16 minutes.
- 4 With otoferlin now present, the hair cells can fire—releasing the chemicals that carry sound signals to the hearing nerve and on to the brain. Natural hearing begins.

Sources: Dr. Lawrence Lustig; Dr. Jonathon Whitton

ELIZAVETA GALKINA/WSJ

Safety Technology Lacking in Deadly LaGuardia Crash, Report Says

By DEAN SEAL

An emergency responder in the firetruck involved in a fatal crash at LaGuardia Airport last month heard an air traffic controller's calls to stop crossing an active runway, but didn't know the transmission was intended for his truck, according to a preliminary safety investigation report.

The National Transportation Safety Board's report shows the March crash that killed two pilots and injured dozens of other people resulted from multiple breakdowns in communications and safety technology. No final conclusions about the crash have been reached yet and the report's findings are subject to change, the board said.

The firetruck, which was struck by an Air Canada Express plane arriving in New York City from Montreal, wasn't equipped with a transponder that would have been picked up by an automatic sys-

tem that generates alerts when a collision is imminent, the report said.

"The system was unable to correlate the track of the airplane with the track of [the truck] (or any of the other vehicles in the group) and did not predict a potential conflict with the landing plane," the report said.

The crash occurred shortly before midnight on March 22 and quickly put a renewed spotlight on close calls and near misses that have daunted U.S. runways in recent years. It also arrived at a time when understaffing among air-traffic controllers and rising flight volumes have combined to stress U.S. airspace.

Two air-traffic controllers—a local controller with about 18 years of experience and a controller-in-charge with 19 years of experience—were manning the tower at LaGuardia on the night of the crash, NTSB said Thursday. Both had clocked into the overnight watch shift



The wreckage of a jet that hit a firetruck at LaGuardia in March.

less than hour before the collision and were conducting all of the tower's duties, including ground control.

In the new report's accounting of the accident, the local controller cleared the Air Canada flight to land on one of LaGuardia's two runways about 20 seconds before seven emergency vehicles left an airport fire station. The vehicles

were responding to an aborted United Airlines flight that reported a strange odor on the plane.

One of the trucks asked to cross toward the aborted United plane and was given clearance by the local controller, with the Air Canada flight 130 feet in the air and less than half a mile away from the runway.

Soon after, the local controller gave taxiing instructions to another plane and then immediately instructed the crossing truck to stop, but the truck's speed increased with the Air Canada flight just 30 feet off the ground.

The controller repeated his instruction for the truck to stop. The truck turned left just prior to the collision, and the plane's last recorded ground speed was more than 100 miles an hour.

The turret operator on the truck told investigators he heard the controller's calls to stop but didn't know who the transmission was intended for until the truck had already entered the runway, the report said.

Investigators said LaGuardia is equipped with a detection system meant to track the movement of aircraft and ground vehicles, helping controllers prevent potential collisions.

But the system didn't generate an alert for the controllers in this instance, the report said. The ground vehicles didn't have transponders, and their proximity made them difficult for the alert system to track on radar. Only two radar targets were detected out of the seven vehicles on the ground, the report said.

The runway's red entrance lights may have also been a complication. They were illuminated as the plane approached the runway, but are designed to turn off two to three seconds before the plane reached the intersection where the truck was approaching, the report said.

The crash resulted in 39 people being transported to local hospitals, with six serious injuries reported in addition to the deaths of the two Air Canada pilots. The NTSB typically releases final accident reports 12 to 24 months after a collision.

U.S. NEWS

Democrats Go on Offense With Ad Plan

House Majority PAC reserves \$272 million in media advertising ahead of midterms

By Ken Thomas

WASHINGTON—The main outside group supporting Democrats' efforts to regain control of the House is reserving \$272 million in television and digital advertising ahead of the November midterm elections, with most of the money targeting seats currently held by Republicans.

The House Majority PAC outlined its plans Thursday to spend substantially in media markets from Miami to Phoe-

nix to Philadelphia, where the most competitive races will determine whether President Trump keeps his Republican majority. Democrats are attempting to seize upon Trump's slumping job-approval ratings and public dissatisfaction over inflation and the economy.

The ad-spending plan offers a road map to Democrats' strategy for retaking the House and their top targets six months before the midterms. The super PAC isn't legally allowed to coordinate with the House Democrats' campaign arm, but both entities are expected to focus on roughly three dozen districts with the aim of expanding the map in the event that voters

provide a sweeping rebuke of GOP lawmakers.

"With Trump's numbers down wildly across the board, in particularly on the economy and cost of living, it has given us an opportunity to go deeper and communicate with voters that traditionally voted Republican or haven't voted at all, that are willing to take a chance on Democrats," said Mike Smith, president of House Majority PAC.

Separately, the Congressio-

nal Leadership Fund, the super PAC tied to House Republican leadership, said Thursday it was reserving \$153 million in a first wave of advertising for the cycle across 38 markets.

80%

Rough share of House Majority PAC ad reservations focused on GOP-held seats

The CLF reservations include nearly \$19 million in New York City, more than \$12 million in Detroit, about \$11 million across Iowa and more than \$10 million in South Texas. The PAC said additional reservations would come during the cycle. Trump and congressional

Republicans are trying to maintain their narrow 218-212 House majority.

The nonpartisan Cook Political Report rates 16 seats as tossups, with 13 held by Republicans and three by Democrats, indicating they could break either way. Another 16 seats are viewed as competitive, with 12 seats leaning in the direction of Democrats and four leaning toward Republicans.

Most of the House Majority PAC ad reservations—nearly 80%—are focused on GOP-held seats, reflecting a more optimistic outlook from the committee, which reserved about half of its advertising in 2024 to protect Democratic-aligned seats.

The television and digital reservations in 68 media markets represent a nearly 50% increase on the group's 2024 reservations of \$186 million.

The reservations reflect a major fundraising push in the months ahead—House Majority PAC raised \$90 million since the start of the cycle in 2025 and ended the first three months of 2026 with \$63 million in cash on hand, according to federal files.

The ad reservations also show where Democrats intend to play defense.

The committee has reserved more than \$8 million in three Maine media markets in support of an open seat held by retiring Democratic Rep. Jared Golden.

U.S. WATCH



BURNED UP: Wildfires in Georgia and Florida have destroyed homes and property, including this vehicle in Atkinson, Ga.

JUSTICE DEPARTMENT Handling of Epstein Files Examined

The Justice Department's inspector general has begun examining the government's handling of the Epstein files, reviewing in part how officials decided to redact names and withhold materials from public release.

The Justice Department has released millions of documents tied to the Jeffrey Epstein and Ghislaine Maxwell cases after Congress passed a law, the Epstein Files Transparency Act, that required the disclosures.

The department has come under fire for its handling of the process, including failing to initially redact dozens of victims and not initially releasing some FBI documents that referenced allegations against President Trump.

Officials have said they compiled with the law, redac-

tion errors were limited and they addressed any errors when notified.

Earlier this month, then-Attorney General Pam Bondi resigned shortly before she was slated to testify before a congressional panel investigating the Justice Department's handling of the Epstein case. Department spokespeople didn't immediately respond to a request for comment.

In a statement, Inspector General William M. Blier said his "preliminary objective is to evaluate the DOJ's processes for identifying, redacting, and releasing records in its possession as required by the Act."

He said the inquiry would look at the guidance issue for redactions and the process for addressing post-release concerns. He said his office would issue a public report once the work is completed.

—Sadie Gurman

WASHINGTON Trump: 'We'd Just Buy' Spirit Airlines

President Trump said that the U.S. government could take over Spirit Airlines, the ailing budget carrier that has been negotiating this week for a federal bailout.

"We're thinking about doing it, helping them out, meaning bailing them out, or buying it. I think we'd just buy it," Trump said, speaking from the Oval Office Thursday. "They have some good aircraft, some good assets, and when the price of oil goes down, we'll sell it for a profit."

Spirit said it is grateful for the president's support, and looked forward to finding a solution that protects the jobs of its employees and ensures competition and affordable airfare.

—Alison Sider, Brian Schwartz

CALIFORNIA Dozens Arrested In Gang Crackdown

More than two dozen members and associates of the Mexican Mafia were arrested Thursday during an early morning crackdown across Southern California, federal authorities said.

The FBI and other federal and local agencies executed search and arrest warrants at about 30 locations mostly in Orange County, south of Los Angeles, according to the U.S. Attorney's Office.

A total of 43 people, including those already in custody, have been indicted on charges that include murder, kidnapping, extortion, running an illegal gambling operation and drug trafficking, prosecutors said. Officers seized 120 pounds of methamphetamine and more than 8 pounds of fentanyl, officials said.

—Associated Press

Hegseth Still Has Trump Support

Continued from Page One
other people, mostly as to building and buying their ships. I'm very aggressive in the new shipbuilding, and somehow he just didn't get along with them."

The ousting came as a shock to Phelan and his most senior aides, who learned about the Navy secretary's dismissal from a social-media post by Pentagon spokesperson Sean Parnell announcing the decision on Wednesday, according to U.S. officials. In the same post, Parnell named Hung Cao, the undersecretary of the Navy, to serve as the acting secretary.

Hegseth's rapid-fire reshuffling of some of the Pentagon's top leaders in recent weeks has caused concern at the department at a precarious moment, U.S. officials said. Even though the Navy secretary isn't in the operational chain of command, the U.S. enforces a naval blockade of Iran's ports and defends the department's largest budget request in history.

Some West Wing officials are frustrated with the de-



Defense Secretary Pete Hegseth, left, thought Navy Secretary John Phelan wasn't moving fast enough on shipbuilding.

fense secretary over the firings, especially as the Navy enforces a rare and complex blockade of Iranian ports, according to people with knowledge of the situation.

Trump's support of the abrupt firing has led many to question who could be next on Hegseth's chopping block. The Pentagon chief earlier this month fired the Army chief of staff, Gen. Randy George, and has clashed with Army Secretary Dan Driscoll, a close ally of Vice President JD Vance. It comes as Trump, a Republican, is seeing turnover in his own cabinet, losing a labor secretary, attorney general and secretary of Homeland Security in a short time.

Phelan said in a statement that serving as Navy secretary was "the honor of my life."

"Leadership at this level isn't without its challenges. Decision-making can be slowed by caution, competing equities, and internal friction. But our mission demands clarity, urgency, and results—and I never lost sight of that," Phelan said.

Phelan's push to speak to Trump directly before accepting the decision, according to people familiar with the matter, points to one reason that he was fired in the first place: refusing to acknowledge the chain of command. That was unacceptable to the president, the people said. The White House had clashed with Phelan over various issues, including a list of people to whom the president wanted to give the Medal of Honor, the senior administration official said.

Phelan's dismissal comes after months of tensions with Hegseth and Feinberg, including over Phelan's close relationship with Trump, The Wall Street Journal previously reported. The two Pentagon leaders were particularly annoyed last fall when Phelan pitched the idea for a modern battleship directly to the president, bypassing Hegseth.

Hegseth and Feinberg have worked to sideline Phelan in recent months by taking away authorities that normally would belong to the Navy secretary, according to people familiar with the matter. Last year, Feinberg created a new czar for submarine acquisition—a portfolio that typically sits within the Navy—who reports directly to Feinberg, the people said. Feinberg also typically didn't invite Phelan to his frequent meetings with shipbuilding CEOs, according to one of the people familiar with the meetings.

Unlike Phelan, Trump hasn't explicitly thanked other senior leaders that Hegseth has fired in social-media posts, a sign of Phelan's strong relationship with the president. Phelan's Florida home is just down the street from Trump's Mar-a-Lago club, where the two regularly have dinner. Phelan also told lawmakers last year that he exchanges texts with the president about shipbuilding in the middle of the night.

Investors Pushed to Debt Limit

Continued from Page One
strained electric grid and a growing public backlash.

Any slowdown in data-center construction and completion would stymie a build-out that AI players desperately need. Some top AI companies appear to be hitting the limit of what they can offer users as demand for computing fire-power, which is provided by data centers, exceeds supply.

Lenders grew more comfortable with Oracle-related projects after the company said it would raise all the money it needed for 2026 by issuing about \$50 billion in stock and bonds. Oracle said in a post on X last week that each data center it is developing for OpenAI is moving forward on time.

But even after it raises that amount, Oracle still has additional cash funding needs of \$100 billion or more for 2027 and the first half of 2028, according to Morgan Stanley credit analysts. "We've pondered how [Oracle's] considerable funding needs over the next three years may test the

depths of different fixed-income markets," the analysts wrote in February.

"We are proud of the rapid progress that's been made both in financing and developing our data centers," an Oracle spokesperson said in an email. "Our partners have diversified their capital sources in ways that enable us to keep construction moving forward on time and as planned."

It isn't just Oracle, a 49-year-old database and software company that has a lot riding on its transformation into an AI computing provider. OpenAI is counting on Oracle to deliver the capacity it needs to scale ChatGPT's growth ahead of a hoped-for public listing.

Silicon Valley needs access to debt to meet its goals for AI-related spending. Big tech companies are expected to generate enough cash to cover only about half of the \$3 trillion they are projected to spend on AI through 2028, according to analysts at Morgan Stanley. The rest has to come from banks, corporate bonds, private credit and other forms of financing.

So far, Wall Street is largely giving a blank check for the AI ambitions of the most creditworthy tech companies, such as Google, Microsoft and Meta.

Oracle, though, is in a comparatively weaker financial position than big-tech rivals.

It has a lower investment-grade credit rating, more debt and is burning cash. Much of its future revenue is tied to a money-losing startup that is facing growing competitive pressure.

The cost of protecting Oracle's bonds against a potential default via credit-default swaps roughly quadrupled between late September and late March, though it has fallen slightly since then.

That has made lenders nervous about putting too much money into projects tied to the company, whose shares have declined by over 30% in the past six months.

Much of the borrowing tied to the OpenAI megacontract was done by data-center developers working with Oracle. The debt was structured as short-term construction loans meant to be syndicated among a group of banks and other institutions. Oracle is the tenant and OpenAI is the subtenant on the deals, but the debt doesn't sit on Oracle's balance sheet.

These loans were among the largest-ever deals in project finance, bankers said. About \$10 billion in loans were taken out for Crusoe to develop the original OpenAI site in Abilene. Vantage Data Centers is constructing a campus in Shackelford County, Texas, and another in Port Washington, Wis., with \$38 billion in borrowed money. A Stack Infrastructure project for a fourth OpenAI facility in Dona Ana County, N.M., raised about \$18 billion.

To manage risk, banks and institutional investors typically have rules capping their exposure to a single counterparty or tenant. Those concentration limits emerged as an obstacle when a group of banks was syndicating some of the loans in late 2025 and early 2026, the people said.

It still took months. Vantage said the loans for its Texas and Wisconsin projects with Oracle were largely syndicated in the fourth quarter of last year and are expected to close in the second quarter of this year. "The underwriting and distribution garnered more than 50 lenders with all underwriters achieving successful syndication levels," a Vantage spokesperson said in an email.

Some large banks that funded other deals sat out a Michigan data-center campus being built for Oracle. Related Digital, the developer building the site, chose Bank of America to take the lead on arranging financing, people familiar with the matter said, in part because it didn't have as much Oracle exposure.

Related decided to issue bonds for the deal after seeing the indigestion in the construction-loan market. Money manager Pimco is set to buy a chunk of the deal.



The Stargate AI data center in Abilene, Texas, is a collaboration involving OpenAI, Oracle and SoftBank.



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U.S. NEWS

Doctors Cite Marijuana Risks to Health

BY ANDREA PETERSEN

In many states, it is already easy to get marijuana. With the Trump administration's move to reclassify the drug as less dangerous, it is about to get even easier. But doctors and researchers say marijuana can pose real risks to people's health.

The major concerns for adults are addiction and mental-health problems, particularly anxiety. These risks have become more of an issue in recent years as products with high levels of THC, the main psychoactive component of cannabis, have become widely available and popular.

What we know about the health risks from marijuana use:

Higher potency

The weed that people smoked in decades past generally had about 3% to 5% THC. Now, many shops sell products that contain as much as 90% THC.

Dr. Jonathan Avery, vice chair for addiction psychiatry at Weill Cornell Medicine, says

he is seeing more people land in the emergency room after accidentally overdosing on high-potency THC products, particularly edibles, where people can underestimate how much they have taken.

"You can feel panicky and paranoid. People come in worried that they're dying," he said.

The drug is particularly dangerous for teens: Even low-level use is linked to an increased risk of developing psychiatric disorders and doing poorly in school.

With recreational marijuana legal in 24 states and Washington, D.C., driving while high is on the rise, too.

In some studies, using cannabis was found to double the risk of crashes.

Mental health

The cannabis industry is increasingly marketing its products for a range of health issues, including anxiety and depression, pain and sleep problems.

Some companies also promote their products for general wellness, akin to a multi-



Doctors and scientists tend to worry most about marijuana's impact on the developing brain.

vitamin. A growing number of people use cannabis every day. Now, more people use cannabis than alcohol daily.

Among people who use marijuana daily, about 20% to 30% will develop cannabis use disorder, Avery said.

The disorder is characterized by craving marijuana and being unable to cut down on use.

"You need more to get the same effect and you feel off without it," he said.

While many people use cannabis to cope with anxiety, some scientific studies show that the drug makes anxiety worse.

It is associated with increased odds of developing anxiety problems and with more severe symptoms in

those with anxiety and mood disorders.

The teenage brain

When it comes to marijuana, doctors and scientists tend to worry most about its impact on the developing brain. Research has found that adolescent cannabis use increases the risk of developing psychosis, bipolar disorder, depression and anxiety disorders.

Regularly using cannabis during the teen years also is associated with disruption in memory and learning.

One study found that frequent cannabis users who started taking it during adolescence lost several IQ points between the ages of 13 and 38.

Even infrequent use among teens is associated with poorer academic performance.

Potential upsides

The reclassification will make it easier for researchers to conduct studies with marijuana.

It is something the field badly needs, scientists say.

"People are using these products anyway," said Staci Gruber, director of the Marijuana Investigations for Neuroscientific Discovery (MIND) program at McLean Hospital in Massachusetts.

"Wouldn't it be better for us to be able to give them empirically sound data upon which to base their decisions for use or their decisions not to use?"

Pot to Be Reclassified By the U.S.

Continued from Page One

bis policy since U.S. states began legalizing recreational marijuana in 2012, and it is one of the marijuana industry's biggest victories. It eliminates tax burdens that have made profitability an uphill battle for many cannabis companies, and executives said it would help normalize the business environment for marijuana sellers and improve access for buyers.

Blanche's order sets up a faster process by which state-licensed marijuana producers and distributors can register with the U.S. Drug Enforcement Administration and makes clear that researchers won't be punished for obtaining pot products for use in their work. The order also for the first time allows state-licensed medical marijuana companies to deduct business expenses on their federal taxes.

Recreational use, however, remains illegal under U.S. law. Thursday's changes leave several legal and practical questions for another day.

Companies and investors still have little clarity about what the cannabis industry

will look like immediately after the rescheduling, according to analysts. No timeline yet exists for the establishment of a clear framework around cannabis as a Schedule III product, what happens to states' existing medical cannabis laws, or how the move impacts recreational cannabis in states where it is legal.

The development is a reflection of the way people in the U.S. have embraced the drug as part of everyday life. More than half of states have legalized marijuana for some purpose during the past decade, and many Democrats and some Republicans have taken a more tolerant view of its use. Some state officials, who once viewed the drug as a scourge, now view it as a vital source of tax revenue.

President Trump, a teetotaler who eschews alcohol and drugs, told his administration in December to push forward on easing marijuana restrictions, after an aggressive lobbying push by advocates.

The Justice Department's action comes after Trump, a Republican, openly complained that officials were slow-walking his executive order.

"Will you get the rescheduling done?" he told officials during a recent Oval Office ceremony celebrating his issuance of another order directing more research into the therapeutic benefits of psychedelic drugs.

The Biden administration

proposed in 2024 downgrading marijuana, yielding 43,000 formal public comments. The DEA was still in the review process when Trump returned to the White House. A June hearing is set to examine the question of rescheduling marijuana more broadly, as outlined in the Biden-era proposal.

"The rescheduling action allows for research on the safety and efficacy of this substance, ultimately providing patients with better care and doctors with more reliable information," Blanche said.

The new government policy could affect everything from marijuana cigarettes to pot-infused beverages and gummies. It came over the objection of many Republicans, including 22 senators who signed a letter last year urging Trump to keep the status quo.

Prohibitionists slammed the move. Kevin Sabet, president and CEO of the anti-marijuana group Smart Approaches to Marijuana, accused Trump of "rewarding podcasters and donors, hoping to benefit from their voting base and their money" while ignoring the drug's dangers. He called it an end-run around federal law and said the group would sue to try to stop it

from advancing.

The Justice Department could still prosecute marijuana offenders, though it has taken a largely hands-off approach to the industry in states where it has been legalized. Officials in recent years have also said they don't view prosecuting federal marijuana crimes as the best use of their limited resources.

The rescheduling decision comes amid long-held concerns among some DEA officials who still believe that marijuana's medicinal benefits remain unproved. Specifically, they are concerned about modern cannabis strains that can be many times more potent than those that were common years ago, and they believe more research is needed.

The DEA declined to reclassify marijuana in 2016.

Cannabis stocks had already traded sharply higher this week as reports swirled about the Trump administration's plans, and they pared many of those gains in Thursday morning trading.

The heads of several cannabis businesses characterized the rescheduling as a first step that requires more follow-up from the federal government.

"There's still a lot of work to do to get it right," said Sasha Nutgent, the VP of cannabis retail at New York-based dispensary Housing Works Cannabis Co.

Thursday's order isn't likely to significantly change the industry's fraught dynamic with banks, which have long avoided cannabis companies, even in states where it is legal, because of the federal classification. Credit-card processors like Visa and Mastercard also don't process marijuana-related transactions for the same reason. It has resulted in an industry where cash is king, which has presented a range of operational headaches and extra costs for business owners.

Cannabis remains a controlled substance, meaning any transfer or deposit of money related to its sale could still constitute a form of money laundering under the Bank Secrecy Act. Banks must report any and all transactions, including payments and deposits, that they suspect are tied to illegal activities.

"Rescheduling won't simply give banking a green light," said Kevin Hart, CEO and co-founder of Green Check, a business that helps connect the cannabis industry to the financial system. "In fact, it will usher in new and likely more complex rules and regulatory expectations for both cannabis businesses and financial institutions."

The DOJ move is one of the marijuana industry's biggest wins.

Rocket Fuel For Musk's Pay Deal

Continued from Page One

SpaceX representatives have been telling investors they already have enough interest in the IPO from a mix of institutional investors and sovereign-wealth funds to raise the \$40 billion to \$80 billion they envision. And that is before factoring in the individual investors, who SpaceX hopes will buy one-third or more of the offering's shares, well above the typical portion.

While most SpaceX shareholders will hold Class A shares with one vote each on company matters, Musk and other top executives are expected to hold Class B shares that get 10 votes each, the people familiar with the matter said.

Part of the motivation for giving himself and other key executives supervoting shares at SpaceX is to consolidate power from the beginning, which Musk didn't do ahead of Tesla's 2010 IPO, other people familiar with the matter say. He has publicly expressed frustration that he could be



A SpaceX Falcon 9 reusable rocket booster on display recently outside the company's facilities in Hawthorne, Calif.

voted out of the electric-vehicle maker, where he holds about 18% of the company's single share class, including options he could exercise any time, according to Verity Platform, which tracks insider share ownership.

Musk owned around 40% of SpaceX at the end of last year, according to public filings. That stake has likely grown since he merged SpaceX with his artificial-intelligence company, xAI, in February.

Supervoting shares at

SpaceX could also make it easier for Musk to one day merge Tesla and SpaceX, which many investors believe is his goal.

SpaceX was valued at around \$1.25 trillion following the xAI deal. If it makes

its debut at the even higher valuation envisioned, Musk would lead two of the roughly 10 public U.S. companies with valuations above \$1 trillion. He would also hold two moonshot pay packages, which corporate-govern-

Commercial Nuclear Power Moves Forward in Two States

BY JENNIFER HILLER

The first commercial nuclear-power projects in a decade are now under construction in the U.S., a potential turning point for a segment of the power industry that has been stuck in neutral for years.

A project by TerraPower, a company founded by Bill Gates almost 20 years ago, started construction Wednesday in Wyoming, while Kairos Power broke ground last week in Tennessee on a plant that intends to sell power to Google.

For years, nuclear power's would-be revival has been more concept than reality, with little under construction. The renewed interest comes alongside the biggest jump in electricity demand in a generation, much of it driven by the need to power data centers for artificial intelligence.

TerraPower and Kairos are among the developers trying to prove smaller streamlined reactor designs can overcome the problems the industry is known for: cost overruns and delays.

"This isn't a test reactor," said Chris Levesque, president and chief executive of TerraPower. "This is a grid-scale nuclear reactor that will be built in 42 months."

Traditional U.S. reactors use water to cool the reactor core. TerraPower will use liquid sodium, which has a higher boiling point and allows operations at lower pressures with a more streamlined design than conventional projects. The 345-megawatt plant will include an energy-storage system that could boost output to 500 megawatts during times of peak electricity demand.

The TerraPower reactor will deliver electricity into utility PacifiCorp's multistate transmission system.

Gates is still a major investor in TerraPower, which is privately held. NVentures, the venture capital arm of Nvidia, and shipbuilder HD Hyundai are among other big backers.

In Oak Ridge, Tenn., the first Kairos plant will supply up to 50 megawatts of electricity to the Tennessee Valley Authority. The Kairos reactor is licensed for research and development but is still allowed to produce and sell electricity.

Supplying power to TVA will help to offset the carbon emissions of Google data centers in Tennessee and Alabama. The tech company agreed in 2024 to buy power generated by several Kairos reactors and hopes to receive up to 500 megawatts of nuclear power over the next 10 years.

Kairos uses molten fluoride salt as a coolant, allowing it to operate at low pressures and high temperatures.

nance experts warn could motivate him to devote most of his time and energy to whichever seems most likely to pay off.

"He's obviously a high-powered person, and people can multitask, but there is at least the potential for some divided loyalties," said Margaret Engel, founding partner at pay-consultancy Compensation Advisory Partners.

The Information reported earlier this week that SpaceX plans to award Musk tens of millions of shares if the company's market value reaches as high as \$6.6 trillion, among other things.

The pay package that Tesla shareholders approved for Musk in November could pay out \$1 trillion in stock if he hits such goals as delivering millions of cars and a million robots, increasing the company's market value to \$8.5 trillion from its \$1.5 trillion high last year and pushing profitability dramatically.

The company's board called the arrangement key to keeping Musk engaged with the company, given his many other projects.

On Wednesday, Tesla surprised Wall Street with better-than-expected profit and free cash flow, while also forecasting \$25 billion in capital expenditures this year as it spends on AI compute and new factories.

WORLD NEWS

Pope Speaks Forcefully on Global Issues

Pontiff states his opposition to the war in the Mideast and draws Trump's ire

By MARGHERITA STANCATI

ROME—Pope Leo XIV is re-establishing the Catholic Church as a loud voice in world affairs, challenging President Trump over the war in Iran and decrying the rule of tyrants during a trip to Africa.

The question is how much difference the pronouncements of a priest can make in a world of brute force and fraying rules.

According to Winston Churchill, Soviet dictator Joseph Stalin once sarcastically asked a French diplomat: "The pope! How many divisions has he got?" The papacy had the last laugh when St. John Paul II's influence in his native Poland helped topple Communism.

The pope is arguably the ultimate global influencer. He speaks to the world's 1.4 billion Catholic faithful, but the impact of his words can go beyond that, as the wide resonance of the Vatican's clash with the White House is showing.

The first American pontiff is using his pulpit to oppose the use of military force by the U.S. and others—emerging as the most prominent defender of a rules-based international order built after World War II that Trump and other leaders are rapidly dismantling.

The growing world disorder is part of what makes a morally clear voice appealing, said the Rev. Robert Sirico, head of the Acton Institute for the Study of Religion and Liberty, a think tank in Grand Rapids,

Mich. "There is a vacuum here and people know it," he said.

The church is the clearest example of what theorists of geopolitics call "soft power," said Massimo Faggioli, a church historian and professor at Trinity College Dublin. "It's a moral authority that speaks clearly from the point of view of the Catholic faith, but it is not speaking on behalf or for the sake of Catholics only."

One arena where the Catholic Church can tangibly affect events is U.S. domestic politics. There are roughly 53 million adult U.S. Catholics. Trump won about 56% of the Catholic vote in 2024. Recent surveys show a significant drop in approval, and pro-Trump Catholic activists fear a decline in support in this November's midterm elections.

"There's definitely an inflection point now. The Catholic vote is going back to 50/50," said Ryan Burge, a political and religious data expert at Washington University, St. Louis.

Last year, U.S. bishops forcefully rejected Trump's anti-immigration tactics, including threats to raid churches, hospitals and schools and what they described as a "climate of fear" it was creating among immigrants. The raids by U.S. Immigration and Customs Enforcement have particularly affected Hispanic Catholics.

Now, with unusual directness, Leo has appealed to Catholics and other U.S. citizens to press their representatives in Congress to end the Iran war. "Ask them, tell them to work for peace and to reject war, always," he said.

Trump responded with a broadside against Leo on Truth



Pope Leo arrived to celebrate Mass at a stadium in Malabo, Equatorial Guinea, on Thursday, the last day of his Africa visit.

Leo Urges U.S., Iran to Return to Peace Talks

Pope Leo XIV on Thursday urged the U.S. and Iran to return to talks to end the war and condemned capital punishment, in a wide-ranging news conference on the plan en route to the Vatican after his 11-day trip to Africa.

The visit was dominated by the public back and forth between the pontiff and President Trump con-

cerning the conflict.

On the flight, Pope Leo called for a new "culture of peace" to replace the recourse to violence whenever conflicts arise.

He said the question isn't whether the regime in Tehran should change. "The question should be about how to promote the values we believe in without the

deaths of so many innocents."

The pontiff revealed that he carries the photo of a Muslim Lebanese boy who had been killed in Israel's recent war with Hezbollah. The boy was photographed holding a sign welcoming the pope when he visited Lebanon last year.

—Associated Press

Social, accusing him of "catering to the Radical Left." The attack on the pope triggered widespread criticism from Catholics, including many conservatives.

Trump's posting of an image depicting himself as a Christ-like figure went down worse still with Catholics and other Christians. "The image is blasphemous, and we condemn it," said CatholicVote, a political-advocacy group that backed Trump for president. Its co-founder, Brian Burch, is the

servicing U.S. ambassador to the Holy See. Trump, who later deleted the image, said it showed him as a doctor, not as Jesus.

Criticism of Trump's attack on the pope also came from the Knights of Columbus, a nonpartisan lay Catholic organization with far-reaching influence across the U.S.

Vice President JD Vance accused the pope of ignoring the Catholic tradition of just war theory, which senior Catholic clergy denied. Millions of U.S.

Catholics still support the president. There are risks for Leo if he becomes seen as a political figure closer to Democrats than Republicans—a perception that Leo has tried to avoid.

The Chicago-born pontiff "reached out to conservative Catholics early on, and that makes it harder to brush him aside: He can't be dismissed as an outsider or as a progressive," said the Rev. Antonio Spadaro, a Vatican official and author of a book on papal di-

plomacy. "Trump's attack had the effect of uniting the Catholic world behind the pope in a way that would have been hard to imagine until recently."

Leo has found new fans among non-Catholics too, on both sides of the Atlantic.

Leo is someone that "Europeans of all faiths—and none—listen to, appreciate and respect," said Roberta Metsola, head of the European Union's legislature.

Vatican officials stress that Catholic teaching—ranging from opposition to abortion, same-sex marriage and divorce to advocacy for the poor and marginalized—doesn't fit neatly with either progressive or conservative politics and can be challenging for politicians of all stripes.

"We do what we can as a tiny state, mostly off camera and with great discretion," said Cardinal Michael Czerny, a senior Vatican official. "The conditions don't look favorable. But when you're inside it, you always see opportunities—to build bridges, to help people to listen to each other."

WORLD WATCH



FIREWORKS, BY GEORGE: A St. George's Day celebration Thursday lights up the sky in the Quintino neighborhood in Rio de Janeiro, Brazil, where the saint is widely revered.

PHILIPPINES

The ICC Confirms Duterte Charges

Judges at the International Criminal Court Thursday confirmed crimes against humanity charges against former Philippine President Rodrigo Duterte for anti-drugs crackdowns he allegedly oversaw while in office.

A three-judge panel found unanimously there were "substantial grounds" to believe the ex-leader was responsible for dozens of murders, first as mayor of the southern Philippine city of Davao and later when he was president.

Duterte, who served as president from 2016 to 2022, was arrested in the Philippines last year and flown to The Hague. He denies the charges.

Prosecutors say police and hit-squad members carried out the murders at Duterte's behest starting in 2011, motivated by the promise of money or to avoid becoming targets.

Estimates of the death toll during Duterte's presidential term vary, from the more than 6,000 that the national police have reported to 30,000 human-rights groups claim.

A date for the start of the trial hasn't been set.

—Associated Press

DENMARK

Two Trains Collide, Critically Injuring 5

Two trains collided in Denmark Thursday, leaving five people critically injured in what police called a major incident.

The collision occurred at about 6:30 a.m. near Hillerød, around 25 miles north of Copenhagen. Roughly a dozen other people suffered minor injuries, according to the Greater Copenhagen Fire Department.

There were 38 people aboard the two trains, the North Zealand police said.

It wasn't immediately clear whether the trains' drivers were among the victims.

Investigators are looking into what caused the collision, which occurred near a level crossing. Photos from the scene show the front ends of the trains smashed, though both remained upright on the tracks.

The mayor of nearby Gribskov, Trine Egetved, in a post on Facebook, said some of the injured were flown to the hospital. The crash occurred on a local rail line that is used by many Gribskov residents, employees and schoolchildren, she said.

—Associated Press

COLOMBIA

President to Meet Venezuelan Leader

Colombian President Gustavo Petro is slated to visit Venezuela on Friday for talks on border security and trade with the country's acting president, Delcy Rodríguez.

The meeting, their first, comes months after the U.S. military seized former Venezuelan President Nicolás Maduro and his wife from their home in January.

Colombia is lobbying to become a buyer of Venezuelan gas, and last month sought an exemption from U.S. sanctions to invest in Venezuelan electricity projects and natural gas ventures, which could include the reopening of a pipeline between the neighboring South American countries.

Petro and Rodríguez also are expected to discuss the presence of illegal armed groups and drug trafficking along their shared border.

The Trump administration is aiming to revive the Venezuelan economy by drawing foreign investment toward its natural resources, particularly oil, following years of decline under Maduro.

—Associated Press



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WORLD NEWS

U.S. Destroyer Chases Down Iranian Ship

Cat-and-mouse moves try to keep Iran's shadow-fleet vessels bottled up

By JARED MALINS AND SHELBY HOLLIDAY

The Iranian-flagged oil tanker Dorena slipped past a U.S. Navy cordon and was headed into the Indian Ocean when it switched off its location signal and went dark.

The ship, whose movements were tracked by shipping-intelligence firm Kpler, is one of hundreds of sanctions-evading ghost-fleet vessels playing a game of cat-and-mouse as the U.S. tries to lock down Iran's oil trade and pressure the country to agree to President Trump's peace deal.

This time, the U.S. came out on top. Early Thursday, the military said a Navy destroyer was escorting the Dorena off the west coast of India after foiling its attempt to escape and deliver its cargo.

Shipping-analytics firms say vessels continue to try their luck, testing the limits of a U.S. pressure campaign against the regime in Tehran, which includes a blockade and a separate effort to board shadow-fleet vessels. The shadow fleet's numbers are so large that the U.S. will have to give priority to which ones to take on.

"It will be very hard to go after all of them," said Emmanuel Belostrino, head of

global crude and geopolitical market data for Kpler.

U.S. Central Command, which oversees U.S. forces in the Middle East, said it also intercepted two other Iranian-flagged ships—the Hero II and the Hedy—that tried to breach the blockade. On Thursday, the military said U.S. forces boarded a ship known as the Majestic X, which was carrying Iranian oil in the Indian Ocean.

Sometimes, as with the Dorena, it is a matter of whether a ship that gets through can keep going.

Since the imposition of the blockade, at least one vessel, a bulk carrier, left an Iranian port and exited the region, according to publicly available shipping data. Liberia-flagged Basel listed

its port of origin as Iran's Bandar Imam Khomeini, and Thursday was on its way to Brazil.

"The Pentagon says they are trying to stop Iran from earning money, which is perfectly fine, but

you can't really stop every ship from coming and going," said Yoruk Isik, a ship-tracking analyst and the head of the maritime consulting firm Bosphorus Observer. "The tankers continue to load, and a small number are making it out."

Central Command declined to comment about the Basel but rejected claims that ships are evading its forces. It said it has turned around nearly three dozen vessels as part of the blockade as of Thursday, and that U.S. forces are poised to intercept ships beyond the

Vessels stopped by the U.S. since its blockade began

Vessel Name	Date stopped	Type	Flag
MV Touska	April 19	Crude oil tanker/VLCC	Iran
MT Tifani	April 21	Crude oil tanker/VLCC	False flag
MV Hero II	Week of April 20	Crude oil tanker/VLCC	Iran
MV Hedy	Week of April 20	Crude oil tanker/VLCC	Iran
MV Dorena	Week of April 20	Crude oil tanker/VLCC	Iran
Majestic X	April 22-23	Crude oil tanker/VLCC	False flag

Sources: CENTCOM; MarineTraffic; Maritime Optima

Mideast. "U.S. forces have totally shut down commerce entering and exiting Iranian ports, and Iran hates it," said Capt. Tim Hawkins, a Central Command spokesman.

Instead of putting U.S. forces in the Persian Gulf, where they are vulnerable to attack, Washington has set up a defensive zone, or "net," in the Gulf of Oman. Central Command said there are more than 17 warships and 100 aircraft in the region to enforce the blockade.

The military is operating under two sets of orders to shut down Iranian shipping. The first is the blockade,

which covers ships coming to or from Iran's ports. The other allows the interdiction of ships that are providing materiel support to Iran, including ghost-fleet vessels and sanctioned ships. In either case, U.S. forces can intercept targets anywhere in the world.

The shadow fleet aims to find ways around the dragnet. Its hundreds of vessels use methods such as spoofing their location signals and transferring oil at sea to misrepresent the origins of their cargoes. They also use unconventional registration, false flags, concealed ownership and fre-

quently-changed names to avoid detection and escape sanctions.

The sheer size of Iran's shadow fleet poses a challenge to U.S. forces, which must give priority to which vessels to pursue. The Treasury put 440 ships under Iran-linked sanctions during President Trump's two terms, a U.S. official said.

One vessel, a chemical and oil-products tanker called Salute Legend, which has a history of trade in Iranian products, illustrates the challenges. It is the lone vessel in the fleet of a company called Powerful Super LTD registered in the British Virgin Islands. The owner couldn't be

located for comment.

The vessel was in the Gulf of Oman and spoofing its signal from April 14 to 16, said Bridget Diakun, a Lloyd's List Intelligence analyst. The false signal was evident, because the ship broadcast the exact same coordinates for two days, which shipping experts say is unlikely under normal behavior.

On its previous trip, the Hong Kong-flagged ship delivered a cargo to China. It appeared to have loaded its cargo at sea in the Persian Gulf after previously reporting a port call in Saudi Arabia in January. Lloyd's List Intelligence satellite data shows it was never at that port.

Loading at sea is a potential loophole in the U.S. blockade, which only covers Iranian ports. Salute Legend left the Gulf of Oman on April 17 listing Singapore as its destination. Its last location signal showed it in the Indian Ocean near Sri Lanka.

"The blockade, if it only applies to the actual ports, can't possibly encompass all of the supply chain of the oil, because naturally things are moving through ship-to-ship transfers," Diakun said.

Central Command declined to comment on the Salute Legend.

The U.S. has stopped a number of vessels linked to Iran in the Indian Ocean. When ships tried to flee U.S. forces near Venezuela earlier this year, American forces boarded the vessels in the Atlantic and Indian oceans.

Kpler noted several Iranian tankers currently near Singapore and heading toward China. Intercepting them, however, could be viewed as a threat to the country's energy security.

China's Satellites Stoke Concerns for U.S.

By CHUN HAN WONG

Since the U.S. and Israel launched attacks against Iran in late February, Chinese satellite imagery of the conflict zone has proliferated—potentially offering battlefield guidance to Tehran and other U.S. adversaries.

U.S. concerns about the use of such data in the Middle East grew after the Chinese artificial-intelligence company MizarVision claimed on social media to have tracked the movements of American aircraft carriers, F-22 stealth fighters and B-52 bombers by using AI to analyze satellite data.

A Pentagon assessment of China's military power published in December said China-based commercial satellite firms have participated in business exchanges with Iran's Islamic Revolutionary Guard Corps. The Pentagon didn't elaborate and it couldn't be determined whether and how Iran might be using Chinese imagery to guide its military operations.

The capabilities of China's remote-sensing satellites came into sharper focus after an American satellite operator said it was withholding indefinitely images of the conflict zone in the Middle East in response to a U.S. government request.

U.S. politicians have warned that commercial satellite data—whatever the origin—might be helpful to Iranian forces.

Rep. John Moolenaar (R., Mich.), chairman of the House Select Committee on China, sent a letter to Defense Secretary Pete Hegseth last week raising concerns about security risks that U.S. forces in the Middle East face from MizarVision's publication of satellite images.

The letter cited analyses and reports saying MizarVision may have used data from the defense and space division of the European company Airbus, while also receiving imagery from Chinese operators.

"The potential of commercial satellite imagery exploited by China to enable the targeting of U.S. forces and the loss of American lives is an urgent threat," Moolenaar wrote, seeking the Pentagon's assurance that Airbus has stopped providing satellite imagery that poses risks to U.S. forces.

Airbus has denied the claims in Moolenaar's letter, saying it "contains many inaccuracies regarding our operations and commercial relationships." The company said it complies with



A Chinese rocket carrying satellites blasted off this month. China has more than 640 commercial remote-sensing satellites in orbit.

Beijing's Research Institute Can See Far and Wide

Chang Guang Satellite Technology, sanctioned by the U.S., operates China's largest constellation of remote-sensing satellites, known as Jilin-1, with more than 150 satellites.

Founded with backing from the Chinese Academy of Sciences, a state-run research institute, the company says it plans to expand its network to 300 satellites and develop the capability to produce images of any location around the globe within

10 minutes.

State media said Chang Guang's satellites can revisit any location as often as 40 times a day, and its data had been used to support agriculture, forestry and disaster relief.

Another Chinese operator, Zhuhai Aerospace Microchips Science & Technology, says it is building a satellite constellation aimed at achieving a "re-visit frequency" of more than eight times a day, meaning it would be able

to produce images of any location around the world in about three hours or less.

China's improving remote-sensing capabilities mean its military "is now better able to locate, track, and target U.S. assets, including mobile platforms such as naval vessels," OTH Intelligence Group, a U.S. consulting firm, said in a 2024 report to a congressional commission. "It will be more challenging for the United States to hide, move, or deploy equipment without detection."

Xrtech, which says it has a partnership with state-owned satellite operator China Siwei, cites its status as a non-U.S. supplier as a selling point, saying it can provide data from a network of more than 130 satellites "with no export license delays for customers across the Middle East, Africa and Asia." China Siwei, a subsidiary of state-owned China Aerospace Science and Technology, and Xrtech didn't respond to questions.

MizarVision, a startup, has been using its Weibo social-media account to publish what it calls AI analyses of satellite data to reveal the positions of U.S. warships and military aircraft in or near the Middle East—both ahead of the war and since it started.

Some of MizarVision's Weibo posts featured the aircraft carriers USS Gerald R. Ford and USS Abraham Lincoln, which have been supporting military operations against Iran.

In some posts from March, MizarVision said it used AI analysis to track the movements of U.S. bombers, posting maps that depicted flights from a U.K. air base to the Mediterranean region and others returning from the Persian Gulf. The Wall Street Journal couldn't independently verify MizarVision's claims.

to the U.S., including Houthi rebels in Yemen and Russian fighters in Ukraine—allegations the company has denied.

The Biden administration put Chang Guang under sanctions in 2023 for allegedly providing satellite imagery to Wagner, the private Russian military group. Chang Guang didn't respond to a request for comment.

Data from Chinese remote-sensing satellites has been marketed to users through third-party distributors based in China and elsewhere.

Dubai-based provider

"all applicable sanctions, export controls and international regulatory frameworks."

MizarVision hasn't disclosed where it gets its data, and the company didn't respond to questions. A Pentagon official declined to comment.

"The U.S. has an indefinite holdback on commercial imagery over Iran, but the Chinese companies don't have the same restrictions," said Bill Greer, co-founder of Common Space, a nonprofit satellite service. "So the Iranians are still getting the data they need, but

Factories See More Orders for Stockpiles

By PAUL HANNON AND FABIANA NEGRIN OCHOA

Factories in the U.S. and parts of Asia and Europe have reported a pickup in activity as they rushed to meet orders placed by customers anxious to avoid price increases and shortages should the conflict in the Middle East prove long-lasting, according to business surveys released Thursday.

With the conflict in its seventh week, the Strait of Hormuz remains closed, restricting transport of oil and natural gas and threatening the supply of a host of other raw materials, including those essential for fertilizers, and helium, which is crucial for chip making.

Surveys of purchasing managers compiled by S&P Global during the early weeks of April showed some businesses are trying to get ahead of anticipated shortages by stockpiling goods, leading to a pickup in factory output in large economies including the U.S., France, Japan, India and the U.K.

The rush to complete orders and build stocks echoes moves in early 2025 to get ahead of anticipated increases in U.S. tariffs. The boost is likely to prove short-lived, with output falling back as stocks are drawn down later in the year.

In the U.S., the survey showed the largest increase in factory output for four years.

"There was better news from manufacturing, but here an expansion of output and orders could be partly traced to the building of safety stocks, with survey respondents reporting 'panic' and 'emergency' buying ahead of price hikes and supply shortages," said Chris Williamson, chief business economist at S&P Global Market Intelligence.

The Purchasing Managers Index—a measure of activity in the manufacturing and services sectors—rose to 52.0 from 50.3. A reading above 50.0 points to an increase in activity.

In Japan, manufacturers signaled the steepest rise in output for over 12 years in April. French manufacturing also recorded a revival, with output rising at the fastest pace in 50 months, the surveys said.

In the eurozone as a whole, manufacturing activity hit an eight-month high. The U.K. also saw a boost.

WORLD NEWS



The Sudan National Museum in Khartoum was damaged by Rapid Support Forces, who have been fighting government troops for the past three years.

Eurozone Debt Eases, But Outlook Is Gloomy

By PAUL HANNON

Eurozone governments cut borrowing in 2025, but their combined budget deficit is expected to widen this year, driven by support for households hit by the jump in energy prices that has accompanied the conflict in the Middle East.

The Covid-19 pandemic pushed European government borrowing sharply higher, but it has since fallen relative to annual economic output, despite high levels of spending in support of households and businesses as energy prices surged in the wake of Russia's full-scale invasion of Ukraine.

The European Union's statistics agency said Wednesday that the gap between the amounts spent by the 20 governments that were members of the eurozone in 2025 and their tax revenues edged down to 2.9% of gross domestic product from 3% in 2024 and a recent high of 7% in 2020.

The accumulated debts of those governments rose to 87.8% of GDP from 87% in 2024, but were down from their 2020 peak of 96.5%.

However, borrowing seems set to pick up again this year as governments build their militaries to reduce their reliance on the U.S. in the face of a greater perceived threat from Russia, and again provide support for households and businesses facing a jump in energy costs following the U.S. and Israeli attacks on Iran and that country's response.

The International Monetary Fund last week forecast the eurozone's budget deficit would widen this year to 3.3% of GDP. By comparison, it expects the U.S. government's deficit to widen to 7.5% of GDP from 6.8%, and its debts to increase to 126% of GDP from 124%.

The fund warned deficits would likely be higher if the conflict in the Middle East and its disruption of energy supplies is prolonged.

A quick resolution to the conflict and a reopening of the Strait of Hormuz could see energy prices fall from current levels and limit demands from households and businesses for help from governments.

The European Central Bank and the European Commission have been among those calling for a more targeted response than was the case in 2022, when rich and poor households alike benefited from government funds.

"Governments that try to cushion every shock for every household risk undermining fiscal sustainability at their peril," ECB President Christine Lagarde said recently.

Looted Treasures Fuel Sudan Rebels

Insurgents have taken \$150 million in artifacts during civil war, experts say

By NICHOLAS BARIYO

Rebel fighters in Sudan's civil war have found a lucrative way to fund their brutal campaign: looting the country's museums.

Historians and curators say the Rapid Support Forces who have been fighting government troops for the past three years are targeting Sudan's rich cultural history and selling it to the highest bidder in the illicit international art market. Their fighters have joined private looters nationwide in stripping museums of artifacts chronicling the country's history from the Stone Age to the rise of Islam.

Sudan's National Corporation for Antiquities and Museums, or NCAM, estimates they have looted treasures worth \$150 million since the conflict began. Recent videos shared online have shown empty display cases that once held gold and jewelry that belonged to the ancient kings of Napata and Meroe at the Sudan National Museum. In the war-torn city of El Fasher, the 19th-century palace that housed the Sultan Ali Dinar Museum was emptied before being bombed into rubble and ash. The Nyala Museum, in the current de facto rebel capital in western Sudan, was ransacked and robbed of its antiquities before being repurposed into a military base.



Some of the looted artifacts that were later recovered.

Abdelrahman Ali Mohamed, a culture expert with the United Nations Educational, Scientific and Cultural Organization who is helping with the recovery of the looted artifacts, said the rebel fighters systematically target the most valuable items during museum raids.

"We believe the militia has linked with international organized criminal gangs to facilitate the sale of these items," Mohamed said. "We are now compiling a database of all the looted items to facilitate their tracing and recovery."

The contents of Sudanese museums are an enticing tar-

get for the RSF. The rebel group, formed largely out of ethnic Arabs, has its roots in the Janjaweed militias, which killed some 200,000 people in Darfur—mostly Black Africans—in the early 2000s and has again been accused of

genocide by the U.S. in the latest conflict. Over the years, it was sustained by proceeds from the sale of gold to the Gulf region and payments for guarding mines owned by Russia's mercenary outfit, the Wagner Group, in western Sudan.

But since the outbreak of the war three years ago, there hasn't been much of either: The military has bombed rebel-controlled gold mines, while the Russians largely

have vanished after the death of Wagner founder Yevgeny Prigozhin.

That is where the museums and their artifacts come in.

In the early days of the conflict, RSF fighters took aim at all four museums in the capital, Khartoum. At the National Museum, they positioned snipers on its rooftop before looting much of its gold, including a flower-shaped collar found in the pyramid of King Talakhamani, a Kushite king of Meroe during the second half of the fifth century B.C.

In videos, the fighters film themselves with piles of stolen jewelry and gold bars. The items are then transported by truck to the southern and western borders where they are smuggled out, according to Sudanese officials and satellite imagery. United Nations investigators say they are sold to art traders and the proceeds used to pay for the drones, armored vehicles and artillery shells the RSF is using in a war that has claimed the lives of more than 150,000 people and uprooted more than 14 million others.

A spokesman for RSF has denied that its fighters looted the museums.

Yet, stolen pieces have appeared for sale on social media and online platforms, NCAM said. Some antiquities—including paintings and pottery believed to have been looted from the National Museum—were even posted on eBay before the company re-

moved the listings after being notified by experts.

"eBay has a zero-tolerance policy for the listing or sale of illegal antiquities and artifacts and partners with government agencies and specialists to identify and remove listings that do not adhere to our policies," an eBay spokesman said.

The U.N.'s cultural agency, Unesco, has urged other museums, along with collectors, and auction houses to avoid handling pieces looted from Sudanese museums.

There could be many items circulating in the underground art market.

When the war broke out, Unesco and Sudanese museum authorities were undertaking multimillion-dollar repairs at more than a dozen museums and cultural centers across the country. Entire collections had been packed into boxes, making it easy for the rebels to carry away, archaeologists say, including artifacts from some of the world's oldest civilizations.

Some items have been recovered but they amount to just a handful. In Port Sudan in January, officials displayed some 570 recovered antiquities—a far cry from the more than 8,000 stolen since the outbreak of the conflict.

"This looting is not only a national tragedy for Sudan, but also a loss for humanity," said Unesco's representative in Sudan, Ahmed Junaid. "These items should not be allowed to enter the international art market."

U.K. Inflation Rises On Higher Fuel Prices

By ED FRANKL

U.K. inflation climbed in March as the war in the Middle East drove up energy prices, although it is unlikely to prompt the Bank of England to raise its key interest rate at next week's policymaker meeting.

The annual rate of inflation rose to 3.3% last month from 3.0% in February, the U.K.'s Office for National Statistics said Wednesday, the highest level since December. That matched a consensus of economists polled by The Wall Street Journal.

Before the start of the conflict, the BOE had expected inflation to slow to its 2% target in April, helped by easing wage growth and the removal of charges to fund renewable energy projects.

But the war has upended those forecasts. Brent crude oil prices have risen more than 35% and benchmark European natural-gas prices have climbed more than 30% since the first U.S.-Israeli strikes on Iran at the end of February. Prices for fuels and lubricants were 8.7% higher in March than February, the largest increase since June 2022, the ONS said.

The conflict is set to hit the U.K. harder than any other advanced economy, according to forecasts from the Interna-

tional Monetary Fund released last week. The country's higher reliance on gas imports, as well as the expectations of fewer interest-rate cuts this year than before the war, prompted the IMF to lower its forecast for growth this year to 0.8% from 1.3% in its January projections.

Still, Middle East developments have affected inflation across economies globally. In the neighboring eurozone, headline inflation jumped to 2.6% in March, above the European Central Bank's own 2% target, from 1.9% in February.

Soon after the start of the war, as markets gauged the effect of higher energy costs, investors expected as many as four interest-rate increases this year from 3.75%.

While the bank is expected to stand pat next week, policymakers will be on alert for signs that higher energy costs are leading to bigger wage demands and increased prices for other goods and services.

Core inflation, which strips out more volatile energy and food prices, was 3.1% in March, down from 3.2% in February. However, services inflation rose to 4.5% from 4.3% in February, mainly on a jump in airfares due to the earlier timing of Easter.

Lebanon Mourns a Journalist as Truce Extended



A funeral was held Thursday for Lebanese journalist Amal Khalil, who was killed Wednesday when an Israeli airstrike targeted a building in southern Lebanon.

Khalil was covering the conflict in Lebanon between Israel and Hezbollah militants. The health ministry said the strike hit a house in al-Tiri where Khalil and a colleague had taken cover.

Meanwhile, President Trump said Israel and Lebanon have agreed to extend a cease-fire between Israel and the militant group Hezbollah by three weeks after talks at the White House on Thursday.

The meeting was the second high-level negotiation between the two countries since last week. The initial 10-day cease-fire, which took effect last Friday, had been

due to expire Monday.

The meeting "went very well," Trump said on his Truth Social platform. "The United States is going to work with Lebanon in order to help it protect itself from Hezbollah."

Trump said he will host Israeli Prime Minister Benjamin Netanyahu and Lebanese President Joseph Aoun at the White House in the "near

future."

Speaking alongside Trump in the Oval Office, Israeli Ambassador to the U.S. Yechiel Leiter said Israel and Lebanon "have never been next to each other more than today."

Lebanese Ambassador to the U.S. Nada Hamadeh Moawad thanked Trump for presiding over "this historic moment."

—Associated Press

FROM PAGE ONE

Grown-Ups
Dust Off
'Pregaming'

Continued from Page One

three months said they now predrink to avoid paying higher prices at venues. Drinkers are trading tips on how to sneak alcohol into events, often gravitating toward the miniature-sized bottles sold by many alcohol makers.

Suntory Global Spirits is seeing higher demand for its nips of Jim Beam and Maker's Mark, said Chief Executive Greg Hughes.

"You're seeing consumers gathering at home or a friend's house before going out," said Hughes. "They're trying to stretch the dollar by pregaming. You can see that's

what's growing."

The average price of a cocktail in America is now \$13.61, according to market-research firm Technomic. In places like New York City, it's much higher.

Manhattanite Alexis Candee said with those prices, she can make four drinks for the price of one cocktail. On a recent Tuesday night, a martini at home before going out to see "MJ the Musical" kept her from splurging \$36 on a vodka soda.

These days, her friends have even taken to "post-gaming," stopping by her apartment after the bar for a nightcap. It's the difference between opening a costly tab at yet another bar or mixing their own drinks for free at her place.

"In my 20s affordability was really the name of the game," she said. "But that's still the case now in my 40s." Reddit forums are full of



People are taking a shine to smaller bottles and trading tips online about how to sneak alcohol into events.

advice on how to hide nips under clothes and within bags to evade security and make it into concerts. Flasks are becoming more common. Pregamers are also sipping whiskey on the couch before grabbing a cab for a night out. And a glass or two of wine before a dinner reservation has allowed some to keep dining

out, even with rising food costs.

Big brands are getting in on the action, too, selling smaller bottles to strapped U.S. consumers as a way to enjoy—or discover—their tipple at a lower price. Diageo put its premium Don Julio 1942 extra Añejo tequila into 50 mL containers. Angel's

Envy will soon sell 50 mL bottles of one of its whiskeys. At ALB Vodka, sales of airplane-sized bottles in the first quarter more than tripled, compared with the same period last year. The 50 mL size significantly outsold larger sizes.

Comedian and actor Jim Gaffigan, speaking on the way to a comedy gig in New York, said he figured people were pregaming for his show given the high price of alcohol. He did the same in his 20s.

"In college, that's where you learn it," said Gaffigan, who co-founded the Father-time bourbon brand. "If we are going to get a buzz on, we aren't going to go to the bar and start the journey. It's financially sound advice."

Among drinkers who say higher prices influence their decision to go out, Zappi, a consumer-insights platform, found that 41% have switched to water or nonalcoholic options, while 37% predrank to

avoid paying venue prices.

That's exactly what led McCarthy and her husband to gather with a group of friends on the grass before a recent AJR concert in Mansfield, Mass. They set out a picnic blanket and brought a cooler stuffed with White Claw seltzers and Sam Adams beers.

After having some drinks, they put the cooler back into the car. "Then it was a bit of a walk to go into security," she said. There's an art, McCarthy added, to drinking just enough to have a buzz but not be intoxicated—so you can still be admitted to the venue.

She still bought alcohol inside, she said. But far less than she would have, had she not pregamed.

"I spent almost as much on the concert ticket as I did on booze," she said. "I spent so much on alcohol I didn't want to spend another \$20 on a hot dog. We just ate popcorn."

Firm Taps
Welfare
Funding

Continued from Page One

mance data show Alventia and his company have overstated its results in some of those places, including claims it freed an Arkansas school district from state oversight and boosted a Chicago area school's graduation rate by 65 percentage points.

NOLA Education said since 2018 it has operated in more than 150 sites, which typically pay \$1 million for the program. It is one of many for-profit companies that have carved out businesses vowing to help turn around troubled public schools, often by tapping public money.

"We've got a lot of kids out there that are in very high-poverty areas with no hope," Alventia said in an interview. "And we're bringing hope to these kids." He said his company's own data on the schools where Star Academy operates shows his program works.

Much of the money for Star Academy comes from federal funding streams such as TANF, which gives states wide latitude on how to help poor families. Because school districts typically don't have to pay for Star Academy out of their own coffers, signing up can be a no-risk proposition.

States spend billions of TANF dollars each year, often directing funds to a variety of programs and companies. There is little federal oversight, and minimal reporting requirements on whether such programs work, which has fueled criticism that TANF is a "slush fund" for states. Both the Trump and Biden administrations have criticized the misuse of TANF and lax oversight of its use.

NOLA Education typically gets the \$1 million over three years to set up a Star Academy in a school. The company describes it as a "school within a school," with specialized furniture, software and supplies.

"Literally, we pull an 18-wheeler up to the door, and we drop off all this equipment, all these materials, right down to the extra ink cartridges for the printers," said Alventia, a 61-year-old engineer turned salesman.

Star Academy trains teachers at participating schools to run the program, which focuses on hands-on math and science instruction, or STEM, in small classes for students who have fallen behind. Schools provide the classrooms and pay the teachers.

After the initial three-year contract, the cost of using Star Academy's curriculum drops sharply, so the company depends on signing up new school districts.

Alventia studied electrical engineering and worked at Chevron before teaming up with fellow engineer John Lee to launch JRL Enterprises in the 1990s. Their product, I CAN Learn, was an interactive, computer-based algebra program.

Alventia left that company in 2008 and joined Star Academy as a national salesman. At that time, the program was owned by Pitsco Education, a Kansas company that develops science and math products and curriculum.

A decade later, Alventia launched NOLA Education and bought Star Academy. He believed he could turn the concept into a juggernaut.



NOLA Education head John Alventia at a ribbon-cutting in 2018 for a Star Academy at a McCormick County, S.C., school.

He laid out his approach in a salesmanship blog he wrote in 2016: Persuade people your product can save lives and government money, and identify influential politicians to be your advocate.

Alventia said recently that his strategy was to use data to attract business.

Disputed claims

Rich Township High School District 227 in Chicago's south suburbs set up a Star Academy in the 2019-20 school year, but discontinued it after three years. School spokesman Matthew Shank said the program didn't run long enough for the district to determine whether it was working.

On a Nevada public-television show in 2024, Alventia claimed Star Academy lifted the graduation rate at Rich Township from 13% to 78%. In a 2025 charter school application, NOLA Education and a Louisiana nonprofit it was working with repeated the claim.

The Rich Township school spokesman disputed the assertion, saying, "Those percentages are not accurate."

Alventia said a school-district staffer had provided the data and, through tears, told him Star Academy had changed students' lives.

Alventia also said Star Academy's success ended state oversight of a troubled Pine Bluff, Ark., school district in 2023, after five years. On the Nevada TV show, he said 15 Star Academy students at one failing Pine Bluff school did so well they lifted the school out of an F rating and "bumped the whole district out of state control." He told the Journal he heard this from the superintendent, among others.

Asked about Alventia's claim, an Arkansas education department spokeswoman shared the link to the hours-long meeting where the state restored full local control. No one mentioned Star Academy. She said the board examined the performance, leadership, safety and financial stability of the district—not a single school or student.

Officials at some school districts praised Star Academy.

In St. Mary Parish, La., a state grant paid for Star Academy at Franklin Junior High School beginning in 2022. "Our kids really liked the hands-on part of it," said J Ina, the principal.

After initial gains in standardized test scores at Franklin Junior High, scores have since fallen sharply, state records show. Ina attributed the falloff to factors such as teacher turnover and a move to a new school building last year.

In the mining community of Elko, Nev., Superintendent Clayton Anderson used a Labor Department grant to start the program two years ago at Adobe Middle School. Anderson said Star Academy has re-engaged students who were often absent, literally and mentally. "Star Academy gave these students a reason to believe in themselves," he said in an email.

The Elko school district said it hadn't compiled its own data on the performance of Star Academy students. Instead, it provided the Journal with statistics compiled by NOLA Education that showed improvements among more than 200 students, far more than were enrolled in Star Academy.

By one measure, Adobe Middle School has lost ground since Star Academy arrived. The school dropped last year from two stars to one in Nevada's state ratings. One star means a school needs to urgently address areas "significantly below" the state standard.

State agencies hiring outside companies often publish a re-

quest for proposal, or RFP, enabling multiple potential contractors to bid. In many cases, Alventia bypassed that process by persuading states to earmark money for Star Academy.

Political play

"Rather than spending all my time chasing RFPs and left-over funding, I work with lobbyists to grab the first pieces of the pie," he wrote in his blog in 2016. "With these 'power brokers' I pursue funding from the politicians that grant money to the government departments that use my products."

Much of the money for Star Academy comes from federal funding streams.

In Louisiana, Alventia's home base, 62 Star Academies operate in 49 schools. Last year, Republican Gov. Jeff Landry signed a budget that included \$20 million for Star Academy to expand, the second-biggest expenditure of Louisiana's annual TANF allotment. Landry's current budget proposal includes another \$20 million in TANF dollars for Star Academy.

Over the years, Alventia and NOLA Education have donated tens of thousands of dollars to Louisiana politicians, records

show. Last year, Landry appointed him to the governor's Higher Education Reform Task Force.

Alventia said his donations are an effort to get the attention of lawmakers so he can pitch them on Star Academy.

"We have seen Louisiana students go from all F's to straight A's because of this program," Landry said in a written statement to the Journal. "Star Academy gives our students the opportunity to experience hands-on learning, and the results speak for themselves." A Landry spokeswoman cited a 2025 news story quoting a Star Academy student saying that is what happened to her.

Both Alventia and his brother, Roderick, a Louisiana personal-injury lawyer, have donated tens of thousands of dollars in other states where the company is pursuing contracts.

In Kentucky, Democratic Gov. Andy Beshear included in last year's budget \$5 million from the state's general fund to pilot five Star Academies, and proposed an additional \$15 million in state dollars to expand the program. Last July, Roderick Alventia's law firm gave \$25,000 to Beshear's political-action committee. Roderick Alventia didn't respond to requests for comment.

The Republican-controlled legislature reduced Beshear's \$15 million Star Academy proposal to \$2 million over the next two fiscal years. In February, records show, John Alventia contributed \$10,000 to the state Republican party.



West Virginia Gov. Patrick Morrisey



New Mexico Gov. Michelle Lujan Grisham



Louisiana Gov. Jeff Landry

FROM LEFT: CHRIS JACKSON/AP; MORGAN LEE/AP; MARK SCHEFFELBERG/AP

Christy Day, a spokeswoman for the state education department, said she believed Logan County's response to questions from the Journal "reflects a shared sentiment among the other pilot sites."

Morrissey's spokesman said the pilot had shown the state what worked and what could be improved. Unlike in the pilot, where the four districts and schools were selected, districts would now need to apply to use it. When asked about Alventia's campaign contributions, the spokesman said the governor bases decisions on what's best for West Virginians.

ARTS IN REVIEW



FILM REVIEW | KYLE SMITH

A Portrait of the King of Pop

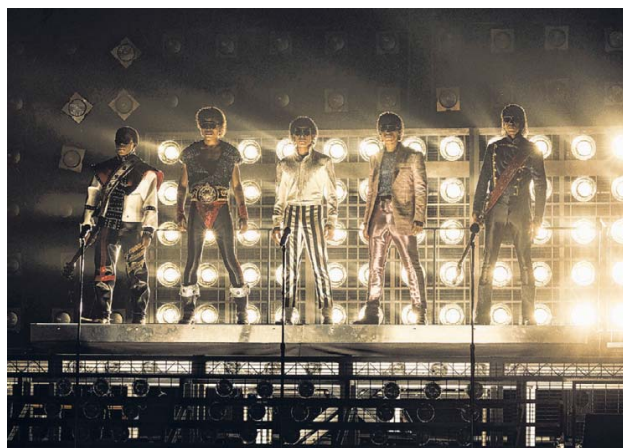
The musical biopic 'Michael' sidesteps the singer's controversies in favor of pure entertainment

Even more so than most great artists, Michael Jackson was a horrible human being. The splashy biopic on his life until 1988, "Michael," deals with this problem by ignoring it, providing no hint of the many credible accusations that he molested children.

Some will argue that "Michael" is tantamount to a feature that paints Bill Cosby as America's beloved dad. They're not wrong. But I ask whether the film succeeds in its goal. The answer is yes, and marvelously. As recreated by the pop superstar's nephew Jaafar Jackson in a radiant screen debut, Michael Jackson's singing and dancing are as dynamic, even awe-inspiring, as they ever were. His 1983 performance of the moonwalk while singing "Billie Jean" on a special celebrating Motown's 25th anniversary was, for instance, the most sensational TV appearance by a pop star since the days of Elvis Presley, Jackson's only rival for the title of the 20th century's greatest musical performer.

Sensitive and adorable, so starved for friends that he makes a habit of telling his secrets to a llama, this Michael is practically an angel. And "Michael" is unabashed fan service and legacy management, with several members of the Jackson clan on the payroll as executive producers.

Though the successful Broadway production "MJ The Musical," which opened in 2022, at least hinted that Michael had a dark side, the movie finds the only cloud in his life to be the tyranny of his father, Joseph (Colman Domingo). A steelworker who was determined to make a better life for his children at all costs, he whipped young Michael with a belt, controlled his career into the 1980s and even exercised enough influence to insist, at the very peak of Michael's career, that he do a 1984 world tour with his



brothers instead of solo. Mr. Domingo is a superb actor, but John Logan's script essentially reduces him to a snarling menace here, albeit one whose perfectionism built a foundation for global success.

Jaafar Jackson, whose father is Michael's brother Jermaine, brilliantly channels the world-conquering charisma of Michael, who first started performing as a child with his brothers in the Jackson 5 and had four No. 1 hit singles the year he turned 12. Sweetly recreating Michael's delicate speaking voice and his gentleness while avoiding coming across as too weird, Mr. Jackson is so charming that it's easy to forget about Michael's sins for two hours. What are the movies for if not escape from reality?

The director, Antoine Fuqua, a maestro of action thrillers such as

Jaafar Jackson, top and above right, plays his uncle Michael; a scene from the movie, above.

"The Equalizer" trilogy, is surprisingly deft with the musical sequences. He engineers several first-rate set pieces, from the fairgrounds of the Midwest to a finale in Dodger Stadium. The interstitial material, however, often seems superfluous, such as the many check-ins with Michael's driver-bodyguard (KeiLyn Durrell Jones), who gets more screen time than is warranted, and a Joseph Jackson-Don King meeting (who cares?).

Mr. Logan's script, while worshipful, gives due gravity to matters that were either played down or mocked at the time, such as the now-bizarre-seeming decision by



MTV, subsequently reversed, not to play the videos from 1982's "Thriller," which became the biggest-selling album of all time. Jackson's near-fatal accident while shooting a 1984 Pepsi commercial, during which his scalp caught fire, is framed as both the catalyst for more goodness on Jackson's part (he is shown visiting other patients at the burn center) and yet another illustration of Joseph Jackson's heartlessness.

Such is the level of hagiography that "Michael" suggests its subject choreographed the "Beat It" video (he didn't), shows him giving directing advice to John Landis (who made the "Thriller" video), and minimizes the contributions of Quincy Jones (Kendrick Sampson), whose producing services were essential, and the songwriters who wrote such hits as "Human Nature," "Rock With You" and "Off the Wall."

Those too young to remember Jackson will get what they want, which is a fantastically effective

introduction to the talent. Jaafar Jackson has to be electrifying, and he is. Mr. Logan, an accomplished writer whose credits include "Gladiator" and "The Aviator," has a witty touch: When Michael directs a lawyer (Miles Teller) to fire his father, the latter asks how he is supposed to do that.

"Quickly," says Michael. A scene in which the singer drifts in a swimming pool finds him seeking ideas but worried "God might give them to Prince."

As a tribute to what was great about Michael Jackson, Mr. Fuqua's movie excels, though I wished there had been more performance: What, only one song from the 1979 disco masterpiece "Off the Wall"? (It's "Don't Stop 'Til You Get Enough," the basis for a dazzling montage that announces the starburst launch of Michael's adult career.) More is coming, though: The director filmed so much that he couldn't fit everything into two hours, so at least one sequel is planned. Just call my name, and I'll be there.

LONGGATE (3)

TELEVISION REVIEW | JOHN ANDERSON

An Australian Adventure on Netflix

There are certain reservations to be had with "Apex," which features the formidable partnership of Charlize Theron and director Baltasar Kormákur (my favorite Icelandic filmmaker after Friðrik Þór Friðriksson). It will prove a literally breathtaking adventure, depending on one's phobias about heights, water and psychopaths. But it is an ordeal saga, a predator thriller with horror-film accents—and a considerable amount of violence and pain for the character played by the ageless Ms. Theron, who may be giving the most athletically demanding performance of her action-movie career.

Certain clichés and hiccups aside, however, "Apex" is spectacular. Mr. Kormákur, who has pinged and ponged between the romantic ("101 Reykjavik," "The Sea") and the high-caliber ("2 Guns," "Contraband"), is telling the story of the outdoors-woman and adrenaline junkie Sasha

(Ms. Theron) in smartly economic fashion (from a screenplay by Jeremy Robbins, "The Purge"). But the electric connection he makes with the mind of his viewer is through visual and visceral disequilibrium. His treatment of the Troll Wall in Norway, Europe's highest rock face and

the cliff Sasha is scaling when the film commences, is a hallucination that turns the world upside down. There is no *in medias res*, and no rest: The climb is torture, Sasha thrives on it, and if the agonies involved foreshadow her trials to come, at least Mother Nature

lays her high-altitude cards on the table. Humans, not quite.

There's very little to say about the plot of "Apex" that wouldn't be a spoiler. Sasha, following her wildly unsuccessful climb of the Troll Wall, retreats to Australia, where the film quickly establishes itself as one of the better ads for the nation's tourism industry—the country we see is magnificent, wild, outside; as land-



scapes go, it's close to unhinged. Which is apt enough: With this comes the forbidding sense of being at the end of the world with no guardrails. Sasha has barely begun her next wilderness adventure—into Wandarra National Park in the Northern Territory (filming sites reportedly included the Blue Mountains and Kings Canyon) before she gets harassed by hunters on a deer-and-beer expedition. She can handle herself—she has an industrial-size pepper spray in her backpack. But the tone descends into dread, despite the unsolicited but not unwelcome protection of a passerby named Ben (Taron Egerton). And

Taron Egerton and Charlize Theron in "Apex," directed by Baltasar Kormákur.

that atmosphere follows her into the forest.

Ms. Theron is said to have performed many of her own stunts, and trying to figure out what she did or didn't do is a waste of time: Some of the grueling stunts *had* to be hers, but being distracted by such stuff is to miss the runaway pace and somersaulting action of the film in general. It's hard not to wonder, though; Ms. Theron is moodily terrific, but Sasha is often

distracted by her pursuers. Mr. Egerton, a chameleon, is one of the better young actors at playing deceptively complicated characters (as he did in "Black Bird," "Tetris" and "Smoke") and generates the kind of menace that you can get from other Bens, namely Mendelsohn or Foster.

It's worth mentioning that the extraordinary visual effects were supervised by Enrik Pavdeja and produced by Gavin Round, in company with Framestore, the outfit that collaborated with Mr. Kormákur on his "Beast" and "Everest," both of which indicated the director's fondness for survivalist sagas. Among them is his Oscar-shortlisted "The Deep," the tale of an Icelandic fisherman who survived a 1984 shipwreck for six hours in 41-degrees-Fahrenheit ocean water, swam to shore and then walked barefoot over lava fields. That was a true story. "Apex" just feels real.

Apex
Friday, Netflix

Mr. Anderson is the Journal's TV critic.

NETFLIX

OPINION

Trump's Endorsement Paralysis



POTOMAC WATCH
By Kimberley A. Strassel

It's spring primary season, though the GOP's April showers portend May and June squalls. Those storms are in part courtesy of one of the more quixotic presidential endorsement strategies in party history. Mr. Trump is going to have to make a choice: Does he care more about his endorsement record, or winning?

The president has for years feted his endorsement as political gold, the secret sauce that makes or breaks campaigns. With a bloody Republican primary season in full swing—its outcome central to Mr. Trump's final years in office—now might seem the perfect time to wield that magic wand. Instead, the president is ducking the races where it could make a positive difference.

See Texas, where a March 3 primary sent both Sen. John Cornyn and Attorney General Ken Paxton to a May runoff. Immediately after, Mr. Trump vowed to settle the issue. The intraparty fighting "MUST STOP NOW." He would endorse one of the candidates—and expected the other to drop out "for the good of the party," because Republicans "must win in November" against Democrat James Talarico. The expectation was that Mr. Cornyn would get the nod,

since the GOP needs to spend \$200 million defending the ethically challenged Mr. Paxton like it needs a hole in the head.

Six weeks later, nada. The two candidates are still going hammer and tongs, creating a rift in the base, flushing millions down the waste pipe. The press has (weirdly) credited the president with all manner of intriguing or strategic reasons for staying out: He's holding out to extract more Senate policy wins from Mr. Cornyn. He's calculating the best time to weigh in. Yet the betting among election pros is that the hesi-

The president's fear of backing a loser may end up giving the GOP more of them.

tation comes down to a simpler reality: Mr. Trump can't be sure his endorsement will push Mr. Paxton from the race—or guarantee a Cornyn victory. And an endorsement followed by a loss would be embarrassing.

Step over to Georgia, one of the GOP's best opportunities this year, where freshman Democratic Sen. Jon Ossoff is up for re-election in a state Mr. Trump narrowly won in 2024. Mr. Trump has engaged in a longtime feud with Gov. Brian Kemp. Mr. Kemp, eager to shape politics in his final

year in office, unilaterally threw in behind a political newcomer, former football coach Derek Dooley. That annoyed many Republicans, and Mr. Trump is more likely to endorse Rep. Mike Collins or Rep. Buddy Carter.

Only he hasn't. Mr. Collins leads with about 30% of the vote for the May 19 primary, but the two other competitors are splitting enough that a June runoff is all but guaranteed. As the brawl continues, Mr. Ossoff, facing no competition, is piling up his war chest. It isn't as if Mr. Trump is squeamish about Georgia politics. He endorsed a candidate for governor and recently helped Clay Fuller win former Rep. Marjorie Taylor Greene's seat. But Mr. Trump faces a difficult Senate dynamic: Given the close race, is there any guarantee his endorsement now produces a straight-up winner? And how mortifying would it be if Mr. Kemp's guy made the runoff and won?

Instead of using his endorsement to settle intraparty fights, the president has used it to create them. In Louisiana Mr. Trump—still piqued, five years later, that Sen. Bill Cassidy voted to convict him in his second impeachment trial—provided his "Complete and Total Endorsement" to Rep. Julia Letlow's primary challenge. That split the party top to bottom, since Senate leaders continue to support Mr. Cassidy. It also isn't working out so well. Mr. Trump's displeasure with Mr. Cassidy

encouraged a third participant into the race, state Treasurer John Fleming, who is polling as well as Ms. Letlow. The race for May 16 is tight, and two could end up in a June runoff. But which two? Possibly not Mr. Trump's endorsee. The road is looking similarly tough for Ed Gallrein, whom the president backs to take out his longtime antagonist, Kentucky Rep. Thomas Massie. And watch Indiana, where Mr. Trump invested valuable endorsement capital in an effort to oust GOP state legislators who refused his demand to gerrymander the state's congressional districts.

One mistake has been to wait. Mr. Trump last year endorsed Michigan's Mike Rogers and Iowa's Ashley Hinton in their Senate bids, which has put them on track for primary victory. Does anyone doubt that if Mr. Trump last year had warned Mr. Paxton off, Texas would be looking fine for Republicans? Bad advice and presidential indecision has now created harder-to-win scenarios. And the Letlow and Gallrein situations may have made the White House wary.

Yet having waited, the question for the president now is: What matters more, getting the best candidate—and winning—or reserving the right to brag about a "100%" "perfect" endorsement record? It's only the president's final two years in office that are on the line. Write to kim@wsj.com.

BOOKSHELF | By Dominic Green

A Conundrum Full of Color

Jan Morris

By Sara Wheeler
Harper, 432 pages, \$37.50

Our protagonist comes from a nondescript family, attends a minor boarding school, falls in love with Oxford, enlists in the British army and is transformed forever by a trip to North Africa. This is Charles Ryder's trajectory in Evelyn Waugh's "Brideshead Revisited" (1945). It is also the story of Jan Morris (1926-2020), a British travel writer who was born James but had gender-reassignment surgery in 1972 in Casablanca, Morocco.

Sara Wheeler's "Jan Morris" is a compassionate and comprehensive biography of a nondescript family. "I have lived the life of man, I live now the life of woman, and one day perhaps I shall transcend both," Morris wrote in "Conundrum," a 1974 memoir. This is typical Morris: a claim of duality that demands the spotlight while refusing to be knowable. Ms. Wheeler, herself a travel writer, knew and admired Morris, but she pins the biographical butterfly firmly in place.

Morris's mother and father, respectively, were an accomplished organist and a mechanic who had been gassed in World War I. Like Waugh, Morris boarded as a teenager at Lancing College in West Sussex, England. A bookish chorister, Morris joined the army too late to see action in World War II, though readers of Morris's "Venice" (1960) might get the impression the author assisted in the city's liberation.

After participating in Britain's retreat from the Palestine Mandate in 1947 as an intelligence officer tasked with stopping Jewish immigration, Morris left the army and took a job as the Cairo correspondent for a Foreign Office-connected news agency. In 1949 Morris married Elizabeth Tuckniss, a rubber planter's daughter, and enrolled at the University of Oxford. Morris later joined the Times of London.

As the only journalist to accompany the British party that climbed Mount Everest in 1953, Morris broke the news to the world. The urbane, tweed-clad ex-officer became the leading travel writer of the age of mass tourism and weekend supplements, mostly for the Manchester Guardian. Much of Morris's travel writing was what British journalists call color pieces, and it faded accordingly. But Morris also recycled newspaper work into book form, and "Venice" was a bestseller. Some of Morris's many books endure, including "Oxford" (1965), the "Pax Britannica" trilogy (1968-78), "Hong Kong" (1988) and "Trieste and the Meaning of Nowhere" (2001).

All these works are overshadowed by Morris's gender identity, which is no longer as perplexing as it was at the time. In "Conundrum," Morris claimed that it had "seemed perfectly natural to me to play the girl's role" in schoolboy romances at Lancing. By 1956 the father of two sons had developed the "mystic conviction that he was inhabiting the wrong body."

When the Suez crisis erupted that year, Morris, reporting for the Guardian, exposed the role of French jets in aiding Israel's advance into the Sinai Peninsula. After Suez, Ms. Wheeler writes, "nothing would ever be the same again," both for Britain and Morris, whose assumption of femininity was accompanied by increasing critical distance from the dying empire.

The transitional years around Morris's 1972 operation in Casablanca produced "Pax Britannica," which she called the centerpiece of her life. The trilogy artfully transcends the binaries of empire, overlaying the brute facts of economy and race with ripping anecdotes, splendid uniforms and sensual Indian architecture.

Morris broke the news of the 1953 ascent of Everest and became a leading travel writer. Her own story drew fascination and bewilderment.

Rebecca West, whose "Black Lamb and Grey Falcon" (1941) is a masterpiece of travel writing, skewered Morris in her review of "Conundrum" as "perhaps the finest descriptive writer of our time, of the watercolor kind." Nora Ephron wrote that Morris was "perfectly awful at being a woman; what she has become instead is exactly what James Morris wanted to become those many years ago. A girl, and worse, a 47-year-old girl." In later life, Ms. Wheeler writes, Morris dressed like "a Walmart version of the Queen" and carried on writing books when "she had little left to say." Man or woman, Morris remained imperious, snobbish and egocentric.

Morris, Ms. Wheeler writes, often "subordinated literal truth to art." Travel writers usually do. The real conundrum is Morris's spouse, Elizabeth. "Her unbroken silence is the truest measure of Jan Morris's enduring masculinity," said Germaine Greer, the Australian critic. Elizabeth bore Morris five children (one died in infancy). British law compelled the couple to divorce after Morris's operation, but they remained together and eventually entered into a civil partnership in 2008. Elizabeth admitted that life was better when Morris was away, and she remained in the shadows of their Welsh home as Morris flirted with visiting journalists and, on one occasion, passionately kissed a cameraman.

Morris's eldest son, Mark, called his parent a narcissist. "We were introduced, but we never actually got to know each other," said Henry, another son. Morris's daughter, Suki, described a bully and misogynist. In the candid and clear-sighted "Jan Morris," Ms. Wheeler gives us the "monster and the humane, lovable companion," the aggressive charmer who boasted of being the "only Lady Card Holder" at the Travellers Club.

Mr. Green is a Journal contributor and a fellow of the Royal Historical Society.

Coming in BOOKS this weekend

Building a highway in early America • A political life of James Joyce • The raucous town of Borger, Texas • Daily life under Stalin • The triumph of African-American music • The joy and despair of running • 'Gilgamesh' • & more

I'm Not Quite Jewish, I'm Jew-ish

HOUSES OF WORSHIP
By Joseph Epstein

When asked if he was a Jew, Jonathan Miller, then a member of the English comedy group Beyond the Fringe, answered, no, but "I'm Jew-ish." A comic answer, but one with a nugget of truth. What is meant is that among practicing Jews, Miller wasn't truly a Jew, but he considered himself Jewish nonetheless. So do I consider myself, and so do millions of others born to Jewish parents.

Lutheran-ish, Catholic-ish, Methodist-ish (easy for you to say), I can think of no other religion that bears the "ish" suffix the easy, indeed the sensible, way Jewish does. This is because Jews constitute not only a religion but also a culture, and it is about more than goes on in synagogues and prayer. It is about heritage.

I grew up in a Jewish home. My mother, who was adept at Yiddish, didn't keep kosher, but no ham or other pork products ever appeared in her refrigerator or on her well-planned shelves. (My discovery of the BLT sandwich when I was 14 was a delight up there with the discovery of dating.) We lit no candles for the Sab-

bath, but Friday night dinners were always somehow a bit special. This, of course, was carried over from an earlier day, from Judaic heritage.

At 10, I was sent to Hebrew school, for an hour-long session four days a week, in preparation for my bar mitzvah. Israel was newly founded as a nation, and pronunciation, not translation, was at the center of the instruction, so after all that time I still couldn't read or speak Hebrew. The conclusion of all this was my reading 30 or so lines from the Torah on my bar mitzvah Saturday.

Bar mitzvahs were often marked by expensive parties. Mine was. But the great, and sociologically accurate, joke about bar mitzvahs among the Jewish has three rabbis at lunch each discussing his problem with mice in his synagogue. The first tells of laying mousetraps, but that didn't work. The second reports calling in a professional exterminator, but after a week or two the mice returned. The third rabbi then says: "Boys, I believe I've found the solution. I acquired a 25-pound wheel of cheddar cheese, which I set up on the bima (altar). Immediately 68 mice appeared. I bar mitzvah them

all, and they never returned."

Some Jews add name-changing, to remove any taint of evident Jewishness. Two of my dearest friends travel under ethnically neutral names that their parents changed from obviously Jewish ones. Some Jewish names, if mine, I would myself change without

It's a culture as well as a religion, though antisemites don't make that distinction.

hesitation: Lipschitz is one, Footlick another. If the Jeffrey Epstein madness continues for another year or more, I may have to get and begin wearing a T-shirt reading "I'm Not That Epstein."

Beyond, and deeper than, name-changing is face-changing, or cosmetic surgery. One hears less of it today, but when I was in high school some Jewish girls among my classmates had rhinoplasty. One plastic surgeon did so many of them that the girls who had them were said to bear "Becker noses." Via nose jobs, some of these girls exchanged striking and quite

beautiful looks for ordinary and merely pretty ones.

The decisive difference between the Jew and the Jewish is of course in the latter's disbelief in the ultimate efficacy of Judaic practice. At the Orthodox level, this practice can be full-court press, what with kosher-keeping, tefillin-laying, a regular round of daily prayer, Talmudic study and more. The Jew-ish don't believe in the payoff in heaven for all this. One folk tale is set in the Polish town of Frampol, where the village elders, to keep him out of trouble, decided to station the village idiot at the gates of the village to await the coming of the Messiah. The pay for the job wasn't high, they told him, but the work was steady.

Jew, Jewish, Jewish, Jew: The two sometimes seem to have little in common. But now, with the re-emergence and spread of antisemitism, not only in the U.S., but globally, they have the hatred aimed against them in common. Will the two join together to fight this menace? They damned well better.

Mr. Epstein is author, most recently, of "Never Say You've Had a Lucky Life."

The Band With the Golden Gun

By Bob Greene

Who will be the new James Bond? Amazon MGM Studios told fans this month that they are taking their time on a task one executive called the "dream of a lifetime"—choosing the actor to succeed Daniel Craig. Since the days of Sean Connery there have been few bigger deals.

The next Bond movie will require another decision: Who will sing the film's title song? It's an honor famous vocalists yearn for. Shirley

In 1973, Alice Cooper couldn't get in on the James Bond franchise. He should try again.

Bassey, Tom Jones, Nancy Sinatra, Carly Simon, Tina Turner, Madonna and others jumped at the chance to be a part of Bond history. You don't apply for the job—you are asked.

But years ago, there was a deliriously Machiavellian attempt to game the Bond system that I saw firsthand. In 1973 the Alice Cooper band, with its lurid, violent stage show, was at the height of its

success. The group's "Billion Dollar Babies" album had gone to No. 1. Their concerts filled stadiums.

I was joining up (long story) as a bit player for their holiday tour that year, and first there were recording sessions for their next album, the tastefully titled "Muscle of Love." I would be singing backup on the demure ditty "Woman Machine." As I arrived at the Record Plant in Manhattan, I heard Alice doing the vocals for a song called "The Man with the Golden Gun." (Alice Cooper began as the name of the band and eventually attached itself to the lead singer, Vincent Furnier. He changed his name legally before becoming a solo act in 1975.)

As he sang, the backing track sounded like something out of James Bond—horns, rat-a-tat percussion, soaring orchestration. Alice, then 25, was giving it his all: "The man with the golden gun in his pocket, the man with the golden gun in his case."

I told him how much it sounded like a Bond theme. He let me in on his scheme.

He had seen that year's Bond movie, "Live and Let Die," whose title song was



Alice Cooper in 1973.

performed by Paul McCartney and Wings. Back then, the closing credits always teased the next Bond film. In this case: "James Bond Will Return in 'The Man with the Golden Gun.'"

When Alice saw that, a lightbulb went off. He knew the Bond producers would never, on their own, choose an Alice Cooper song—the band's image was too controversial. But the group's new album, scheduled for a November 1973 release, was guaranteed to go gold before it even existed. There were

more than \$1 million in advance orders.

So if Alice could write and record a song with the same title as the coming Bond movie, and get it heard all over the world, how could it be turned down?

"Talk about putting your foot in the door," Alice said, laughing. "This is like sticking your whole leg in the door, and then kicking the door in."

The album came out, and the song was on it (you can find it on YouTube). The new Bond movie began to film.

With a theme song by pop vocalist Lulu.

Alice's plot had failed. When the Bond producers didn't come calling, he suspected they weren't willing to link the franchise to his band's notoriety.

But as the years have gone by, Alice has become quite beloved. He's 78, still drawing big audiences. The title of the next Bond movie hasn't been announced, but when it is, I would urge Alice to hurry into a recording studio before the cameras roll. It's never too late. You only live twice.

Mr. Greene's books include "Billion Dollar Baby."

OPINION

REVIEW & OUTLOOK

A Dispiriting Airline Bailout

Who could have imagined that the U.S. government would deem a budget airline too big to fail? Yet here we are, as President Trump is flying to the rescue of the beleaguered Spirit Airlines. This is a story of how one misconceived government intervention leads to another.

Spirit last summer declared bankruptcy for the second time in less than two years. A hefty debt load and challenging business model has made a turnaround difficult. The Biden antitrust cops closed one escape hatch by blocking its merger with JetBlue in 2024. Now Spirit is getting slammed by soaring prices for jet fuel because of the war in Iran.

All of this means that the no-frills carrier could have to liquidate and lay off some 14,000 workers. Enter Mr. Trump, who floated a bailout of Spirit in a CNBC interview this week. Press reports say his Administration is negotiating a rescue that would lend the carrier some \$500 million in return for warrants to buy as much as 90% of equity in the company. Is this the revival of the Trump Shuttle, circa 1989?

The rescue model seems to be the federal bailout of General Motors and Chrysler amid the 2008-09 financial crisis. The government justified that bailout on the need to prevent collateral harm to suppliers. But Spirit's failure wouldn't damage industry supply chains. Other carriers could scoop up its jets, pilots and airport gate slots.

Amid the bailout talk, it's worth recalling how government policies contributed to Spirit's tailspin. More than a decade of low interest rates let Spirit load up on debt and expand. Spirit offered uber-low, unbundled fares, charging more for carry-ons and picking a seat in advance of boarding. No free pretzels.

Larger carriers followed with their own no-

frills economy options, which spurred Spirit to further cut its prices to unprofitable levels. Rising interest rates and labor costs after the pandemic led to growing losses. A 2023 labor agreement with flight attendants boosted wages by more than 40% over two years.

JetBlue swooped in with a \$3.8 billion merger bid that promised to keep Spirit afloat. But the Biden Justice Department sued to block the deal on the dubious rationale that it would reduce competition, never mind that both carriers lacked the scale on their own to compete with the giants. Combining gates, planes and pilots would have increased airline competition.

A federal judge blocked the merger in 2024, while acknowledging it would "allow for more vigorous competition with the Big Four, which carry most passengers in the country." JetBlue and Spirit have continued to struggle. Neither has posted an annual profit since 2019.

Spirit used bankruptcy in 2024 to restructure its debt, but the competitive dynamics didn't change. It filed for bankruptcy again last August. If Spirit now has to liquidate, shareholders and creditors would take big hits, but they also took a big risk. Lenders were rewarded commensurately with higher yields. Letting Spirit fail would be a useful lesson in market discipline.

The mooted Trump bailout would fuel moral hazard. Don't be surprised if JetBlue seeks a rescue too. Government ownership would also lead to regulatory and political favoritism that harms competition. That's no doubt why stocks of other airlines fell following reports of the Trump intervention.

Washington could wind up subsidizing Spirit's money-losing business indefinitely. The Trump Shuttle didn't succeed, and the U.S. doesn't need an Amtrak of the airways.

in Charlottesville, Va. The source, who was paid \$270,000 between 2015 and 2023, "made racist postings under the supervision of the SPLC," the indictment says. The Charlottesville protests proved to be a great fund-raising event for the SPLC, with sizable donations from George Clooney, Apple Inc., and others.

The indictment also says at least two SPLC field sources, including a former chairman of the National Alliance and a leader of the National Socialist Party of America, were featured as "Extremist Files" on the SPLC website at the same time they received money from the SPLC. One received more than \$140,000 between 2016 and 2023 while the second received more than \$70,000 between 2014 and 2016.

SPLC's business model is to monitor hate groups, and the profiles it creates for media and public consumption are part of its marketing to donors. The complaint notes that one field source from the KKK applied to "take part" in Adopt-a-Highway but was denied. During the informant's litigation seeking to join the program, the SPLC paid more than \$3,500 to the source. Was the SPLC helping encourage the litigation?

The donations to hate groups are all the more suspect because in recent years the SPLC has itself spread hate. The outfit has diversified its definition of extremist groups to include mainstream and nonthreatening conservative groups like the Alliance Defending Freedom, the Family Research Council and Do No Harm, which works against race preferences in medicine.

To the extent the money encouraged or sustained the racist groups, tacitly or otherwise, SPLC benefited from perpetuating racial division. A court will decide if that's illegal, but it's certainly disreputable.

The Southern Poverty Law Indictment

President Trump's lawfare against his political opponents is destructive, but that doesn't mean every case is unjustified.

Consider Tuesday's stunning grand jury indictment of the Southern Poverty Law Center (SPLC) on charges the group funneled donor money to hate groups it was publicly warning about.

According to the indictment, between 2014 and 2023 the Alabama-based nonprofit used donor contributions to infiltrate right-wing extremist groups and pay informants. The SPLC's mission is to fight hate and extremism, but the SPLC allegedly helped the groups by paying more than \$3 million to leaders at the likes of the Ku Klux Klan and the National Socialist Movement.

To pay the informants, SPLC allegedly set up bank accounts under fictitious names to disguise the source of the payments. The indictment, announced by Acting Attorney General Todd Blanche, charges the SPLC with 11 counts, including bank fraud, wire fraud, conspiracy and money laundering.

SPLC says the allegations are false and that the indictment is another case of Mr. Trump weaponizing the Justice Department against his opponents. But the investigation started years ago in the U.S. Attorney's office in the Middle District of Alabama. SPLC interim CEO Bryan Fair said in a statement the program was necessary because dealing with hate groups is "among the most dangerous work there is" and this program "saved lives."

Using informants to warn about threats of violence may be defensible. But the charges, if true, reveal a problematic symbiosis between the SPLC and its informant sources. One informant was allegedly the member of a chat group that helped plan the 2017 "Unite the Right" rally

Trump's Last Chance to Fix the Navy

The Trump Administration has tossed its secretary of the Navy overboard, and the press is preoccupied with Pentagon intrigue. The better question is whether President Trump will now seize perhaps his last opening to right the American fleet.

The Pentagon said Wednesday that Navy Secretary John Phelan would depart the Administration "effective immediately," offering no details. The media leaks say Mr. Phelan didn't get along with others in the Administration and tried to leverage his own relationship with Mr. Trump.

But forget the Washington recriminations. The important story is that the Navy is still in bad straits, in ways that won't be apparent to the public from a few weeks of successful action in Iran. The sea service is too small at 291 ships in the battle force and has been careening from one shipbuilding failure to another. Mr. Phelan canceled a long-planned frigate and replaced it with an underpowered Coast Guard cutter.

Carrier naval aviation appears to trail the Air Force in integrating drone wingmen that will be essential for modern warfare. The carriers themselves are in a readiness crunch. The USS Gerald R. Ford is currently breaking records for one of the longest carrier deployments since Vietnam.

Can the U.S. rally to build two attack submarines a year (up from roughly 1.2) by the time Mr. Trump leaves office? Military strate-

gist Eyck Freymann in his new book about defensing Taiwan describes subs as "the door-kicker for the rest of the force" in a war with China.

The chances of a catastrophic war increase the longer the U.S. fleet is stagnant while Beijing expands its naval power. President Xi Jinping's ambitions are "far beyond the first or second island chain" in the Pacific, Indo-Pacific Commander Adm. Sam Paparo reminded Congress this week. Beijing aspires to "set the rules for every relationship across the globe."

The President's \$1.5 trillion proposed defense budget includes what the Pentagon says is the largest shipbuilding request since 1962. This is a welcome show of seriousness, but success will also require strategy and leadership. Mr. Trump now needs a secretary who can sell a maritime strategy and its funding to Congress and understands how to overcome the shipbuilding bureaucracy at Naval Sea Systems Command.

You can fit the qualified candidates onto a tender. Two are Mike Gallagher, the former Republican Congressman from Wisconsin, and Rep. Rob Wittman of Virginia.

Mr. Trump has fewer than 36 months left in office, which is a flash when it comes to shipbuilding. A savvy Navy secretary can be much more than a ribbon cutter, and few projects are as worth the President's time as making sure America's naval fleet is prepared to meet the Chinese challenge.

LETTERS TO THE EDITOR

The Lesson for Mamdani Marts From India

Your editorial "Grocery Socialism in New York City" (April 20) calls out Mamdani Marts for exactly what they are: temples to socialist irrationality. While entrepreneurs only build profits by consistently serving customers, politicians construct monuments to themselves erected on the foundation of previously failed policies that jeopardize small businesses in every borough.

Small groceries and drug stores will not only have to face "grocery socialism" that is subsidized and price-controlled, but also regulations that slash already razor-thin grocery store profit margins. It's one thing for Mamdani supporters to imbibe "eat the rich" rhetoric, it's another to lambaste small-time shopkeepers as greedy exploiters when they are the backbone of neighborhood food provision and cultural cohesion.

Nevertheless, the city council has proposed draconian measures to raise business costs even further, requiring one employee for every three self-checkout lanes and a 15-item maximum at self-checkout. Violations carry a daily fine of up to \$1,000 per employee present. That isn't consumer protection or theft prevention, that's

extortion. When these small businesses are finally run out of the city that never sleeps, it will look more and more like the city that never eats.

JEFFERY L. DEGNER
Kentwood, Mich.

Mayor Zohran Mamdani may benefit from the lessons learned from previous efforts like his. A prominent example comes from the country of his ancestors, India: the Super Bazar. It was India's first six-story superstore—and government controlled. Once a Delhi landmark, it now lies forgotten, lost to time and neglect. The Bazar, which opened in 1966, embodied every aspect of a socialist enterprise: from subsidized sugar and palm oil to fresh vegetables, wrist watches, stationery, construction materials, transistors and eventually even computers. Unsurprisingly, the Bazar incurred huge losses—due to "overstaffing, failure of management, inadequacy of working capital, and a lack of competitive approach on the part of the management," a government report concluded. The Bazar finally shut down in 2002.

AVATANS KUMAR
Crystal Lake, Ill.

U.S. Law Schools Have Diverse Takes on DEI

As chairman of the body that accredits law schools—the Council of the American Bar Association Section of Legal Education and Admissions to the Bar—I'd like to clarify a few points relevant to your editorial "How the ABA Spreads DEI in Law Schools" (April 17). The law school accreditation standards are silent on DEI, and have been since February 2025. As you note, the council suspended Standard 206 on diversity and inclusion at that time. Looking forward, the council—which has the final say on the content of the accreditation standards—has proposed a permanent repeal effective as soon as this August.

Your editorial cites Standard 303(c) as a still-active DEI requirement. But that standard requires only two modest extracurricular sessions on cross-cultural competency and related topics. Schools are free to determine the content of those sessions, even (if they so choose)

teaching on the harms of diversity requirements or on the importance of religious liberty.

As of today, all 50 states rely on the council's accreditation work, including Texas and Florida following their review of law school accreditation. Graduates of all council-accredited schools remain eligible to pursue licensure in those states, and no law school in Texas or Florida has dropped its council accreditation.

At the end of the day, law schools remain free to do what they want on DEI within the law without affecting their accreditation. If "72 law schools in 24 states have DEI pages," as the report you cite documents, that means that the other 125 accredited schools don't.

The council remains focused on ensuring quality in legal education. Society's debates on DEI will be resolved elsewhere.

DANIEL THIES
Champaign, Ill.

With Trump, Havana's Fate Remains in Doubt

James Kirchick's op-ed "Trump Mixes a Cuba Libre" (April 17) presents the president's recent actions as setting the stage for the end of communism on the island. But note: A Russian oil tanker was given permission to dock in Cuba and unload its cargo under humanitarian guise. Note too that Havana announced regime change isn't on the table. Finally, look at the larger picture: The Trump administration supports Delcy Rodríguez in Caracas and has seemingly given up on regime change in Tehran. All in all, the Cuban regime looks fairly secure.

DAVID BRUCE
Advance, N.C.

In a nutshell, the previous adminis-

tration's attempts to normalize relations with Cuba were farcical. They didn't substantively improve U.S.-Cuban relations and did nothing to improve Cubans' lives. One only needs to read Julia Cooke's book "The Other Side of Paradise" to get a true sense of the plight of the Cubans.

The Trump administration—along with allied countries—is exerting the kind of financial pressures which will undoubtedly force change.

RONALD G. FRANK
West Orange, N.J.

We Could Be So Much More

Barton Swaim sheds light on why we as a society persist in the moral degradation of the sexual revolution in "Eric Swalwell, Revolutionary" (Unruly Republic, April 16). Our capacity for self-correction is indeed compromised by lack of belief in the sacred worth of human beings.

This insight reminds me of a Lenten devotional piece by Jesuit Rick Ganz, who discloses what motivates repentance. Realizing how big we have been created to be, he says, drives transformation of character.

We humans are meant to be nothing less than image-bearers of God. If this truth were to sink into our national consciousness, it would reveal how small we have become in post-'60s sexual morality.

WARNER DAVIS
Collierville, Tenn.

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Pepper ... And Salt

THE WALL STREET JOURNAL



"The menu is the same. Only the prices and portions have changed."

OPINION

Trump's Research Cuts Play Into China's Hands

By Rahm Emanuel

America has long been envious of China's advanced trains and factories. The high-speed train zipping from Shanghai to Beijing puts to shame the Amtrak Acela running half as fast between New York and Washington. The U.S. might have been at the forefront of the Second Industrial Revolution more than a century ago, but many now consider China to be the world's factory floor. While it's true that Beijing dominates manufacturing, Washington's fears of lagging behind miss a profound point: The real threat lies in other economic sectors.

Democrats need to get back to basics and adopt policies that encourage faster economic growth.

Intent on ensuring that China leapfrogs the U.S. as the world's pre-eminent power, Xi Jinping recently made the gutsy and perhaps counterintuitive decision to invest massively in an arena of American strength—basic research. While a variety of factors drove China to invest in research, the Covid pandemic was a wake-up call that accelerated these efforts. Having seen that Western researchers produced Covid vaccines with higher efficacy rates months before China, Mr. Xi directed his government to close the technological gap across the board.

Beijing over the past five years has directed significant money to quantum computing, fusion energy, mili-

tary technology, artificial intelligence and other areas of research and development. Those investments are already paying off, as evident from American pharmaceutical corporations' increasing interest in buying Chinese life-sciences assets.

While Mr. Xi is investing in China's future, President Trump has proposed in his past two budgets to cut funding and cancel research. He has proposed slashing money for the National Science Foundation by more than half and for the National Institutes of Health by about 40% (later revised to about 12% after congressional pushback). He isn't giving the Energy Department's national laboratories or the Defense Advanced Research Projects Agency the resources they need to keep pace, let alone surge ahead. He has canceled or frozen more than 7,800 science and technology grants. The results are profound: Scientists from around the world used to compete to do their groundbreaking research in the U.S. Now, many look elsewhere, often across the Pacific.

Mr. Trump's policy of cutting R&D funding endangers America's competitiveness, imperiling the likelihood that the next Apple, Google or Amgen will be founded here. But he isn't the only one to blame. Business leaders have watched this disaster unfold largely without speaking out, in most cases because they didn't want to jeopardize the tax breaks and regulatory relief Mr. Trump was offering to deep-pocketed firms. The tech bros are complicit because Mr. Trump agreed not to regulate AI or crypto. Congressional Democrats have been so distracted in their whack-a-mole efforts to address each successive Trump outrage that they've forgotten to fulfill their most solemn duty—to



Xi Jinping visits the Macau University of Science and Technology.

propose thoughtful, flexible alternative approaches. Here's how my party can turn things around.

First, to keep pace with the Chinese, Washington needs to finance a new public investment fund devoted exclusively to science and research. The source of funding should be clear, obvious and walled off. The industry that now enables online wagering for sports, games and predictions hit \$400 billion in total trading volume last year, and it's poised to grow. If Washington imposed a 10% transaction fee on those bets, we would have about \$40 billion to augment national investments in basic research, defense, life science and energy technology. These new resources wouldn't be used to supplant existing funding but rather to double funding for the NSF, NIH, Darpa and the Energy Department's national laboratories. We can either be a nation of gamblers or of entrepreneurs. I'm for entrepreneurs.

Then we should tighten the existing R&D tax credit, a benefit that is being gamed by firms that are no longer at the cutting edge. Washington could get more bang for its buck if it targeted incremental research, used AI to flag bogus applications, and awarded bonuses to investments in industrial campuses that cluster researchers, suppliers and manufacturing facilities. The tax credit should no longer be a grab bag for companies that are past the point of pioneering research.

For Democrats, this plan doesn't only represent good policy—it's an opportunity to practice good politics. Mr. Trump has tried to have his cake and eat it too: During his campaigns, he claimed to be a tribune for the working class, yet he buddied up to industry titans at his inauguration. Since then, when forced to choose between the two, he has almost always sided with the elite. He has abandoned the MAHA moms for Big Ag. He has made

it more difficult for states to regulate harmful uses of AI. He has shut down clean energy projects that could protect families against high oil prices. As a result, the economy in working-class communities hasn't improved—it's gotten materially worse. Rarely has a president managed to alienate so much of his winning coalition in such a short period.

That provides Democrats with a target-rich environment heading into the midterms and 2028. But we'll squander our opportunity if we simply bang at the Trump administration's hypocrisy. Voters need us to convince them—and show them—that if they support Democrats, they won't get more of the agenda they didn't like last time we were in power. To become the party of economic growth again, we need to offer fresh ideas that keep America competitive as the global landscape evolves.

China's investments in science and technology pose a real threat, but by drawing new revenue from the prediction and online sports gambling industry and reforming our tax code, we can invest in our future. Democrats can take the lead on driving research forward and holding Beijing at bay. I'm tired of watching people win by betting against America, rather than betting on our nation's success. The ideas I've outlined are only the beginning—pieces of a broader economic-growth strategy to ensure our country's global pre-eminence for generations to come.

Mr. Emanuel, a Democrat, served as a U.S. representative from Illinois (2003-09), White House chief of staff (2009-10), mayor of Chicago (2011-19) and ambassador to Japan (2022-25).

Kevin Warsh's Plan to Save an Independent Federal Reserve



POLITICAL ECONOMICS
By Joseph C. Sternberg

You don't normally expect excitement at a Senate confirmation hearing for a Federal Reserve nominee, but then again, it hasn't usually been Donald Trump doing the nominating. So it was that the hearing Tuesday to vet Kevin Warsh as the next Fed chairman generated an unusual quantity of heat and light—particularly surrounding questions of the Fed's institutional independence.

Democrats and many investors purport to be alarmed on the point because, well, of Mr. Trump. The president makes no bones about his enthusiasm for low interest rates as economic stimulus. The concern supposedly is that Mr. Trump has nominated Mr. Warsh only because he has agreed to bow to Mr. Trump's wishes.

This is insulting to Mr. Warsh, whose public career ought to instill confidence that he can think for himself. It's also disingenuous on the part of his critics, particularly Senate Democrats such as Elizabeth Warren. She spent much of her own free time

in 2022, 2023 and 2024 writing open letters to Chairman Jerome Powell (and an opinion column in this newspaper) to demand easier monetary policies for political purposes such as facilitating financing of renewable-energy projects.

Bear in mind, however, that the underlying question here isn't whether Fed decision-making should be political. It already is. The central bank, handed a dual price-stability and full-employment mandate by Congress, chooses to adopt a theoretical approach that assumes it must actively trade off between the two goals. But how much unemployment and how much inflation voters will tolerate fundamentally are political questions.

And over time, the Fed has made itself more political. The central bank's propensity for buying and holding large quantities of assets drags it into fiscal arguments where it doesn't belong, for instance—as Mr. Warsh often points out.

The question instead is how to manage the Fed's inevitable forays into "political" decision-making in ways that will maintain the public's confidence in such a powerful institution. Mr. Warsh's answer to this

conundrum is more comprehensive than often assumed.

His approach relies in part on structural modesty. Hence his insistence that the Fed stay in its (relatively narrow) lane with a smaller balance sheet. Hence also his ambivalence toward "forward guidance"—the speeches, policy statements and

More humility, better data and freer disagreements could bring back the central bank's credibility.

other pronouncements by which Fed officials attempt to steer markets.

He added a new layer on Tuesday: The Fed also requires a degree of intellectual humility. Mr. Warsh promised to undertake a major "data project" regarding inflation soon after taking office if confirmed. He plans to address economists' difficulty in understanding what is actually happening to the price level from existing methods of collecting and analyzing data. Admitting that substantial lacunae exist in the Fed's perception

of the economy would address a major sap on its credibility, which is the frequent divergence between what Fed officials think is happening and what voters actually experience around their kitchen tables.

More important is Mr. Warsh's desire for "messier" policy-setting meetings. He suggested he'd welcome more open disagreement among the members of the Federal Open Market Committee, which sets interest rates. These meetings have been marked for most of the past couple decades by something approaching pathological agreeableness.

Between September 2005 and September 2024, not once did a member of the Fed's Washington-based board of governors dissent from an FOMC policy decision, and it was unusual for more than two presidents of regional reserve banks to vote against a policy move. Meetings appear to have become more fractious in recent months, especially with Trump appointee Stephen Miran as a reliable dissent in favor of lower rates. But this appearance deceives. Only once, in December, have three FOMC participants voted against a decision.

We know they don't all agree with

one another to that extent. Fed officials tell us so in their speeches and in the economic projections they publish every three months, which reveal uncertainty about economic developments and a range of policy opinions. Which is as it should be, given the dramatic transformations under way in the economy these days (as demonstrated by senators' questions about Mr. Warsh's views on how the artificial-intelligence boom might affect interest rates).

Presumably intended to be reassuring, the thrust toward near-unanimity instead has become discrediting. It projects an aura of certainty no economic-policy maker should feel, and can leave the public wondering why officials who said one thing between meetings voted another way in the conference room. Encouraging officials to vote their minds is an essential element of any plan to reassure voters that the Fed is acting deliberately and humbly.

The common assumption is that institutional independence makes a central bank credible. In truth, a central bank's credibility justifies its independence. Mr. Warsh's efforts to bolster the Fed's credibility will safeguard its independence as well.

The Iran War Marks the End of 'Escalation Management'

By Mike Lyons

The debate over the U.S.-Israel campaign against Iran is mostly organized around the politics of one man rather than the war itself, which deserves serious study on its own terms. The Iran war is the first large-scale U.S. operation in a generation to abandon "escalation management" and "proportional response" in favor of front-loaded, overwhelming force. It has been executed with restraint toward civilians. This will be a major part of this war's legacy.

For decades, proportional response functioned less as a strategy than a ritual: hit a transmitter, strike a barracks. This theory, codified in Cold War deterrence doctrine, held that matching force with roughly equal force would control the so-called escalation ladder. These rules of engagement protected enemy sanctuaries.

The early phase of Epic Fury dis-

carded that playbook. Nearly 900 strikes in 12 hours targeted Iranian military infrastructure, air defenses, and regime leadership simultaneously. This showed overwhelming superiority, delivered as an opening blast. Iran attempted to re-escalate by threatening the Strait of Hormuz and striking nearby Arab states, but those measures failed to change the battlefield calculus. The doctrine of controlled escalation, with its tit-for-tat approach, had been set aside as the U.S. military imposed a strategic ceiling the Islamic Revolutionary Guard Corps couldn't breach.

The civilian infrastructure of Iran—the power grid, water systems, and oil export terminals—has largely been spared. When U.S. forces hit Kharg Island, the strikes focused on military assets rather than facilities that keep tankers moving.

This reflects a deliberate calculation: The U.S. has turned Iran's civilian infrastructure into a bargaining chip. By sparing the power grid and

oil facilities, the U.S. has preserved a survival incentive for the regime. This isn't only humanitarian restraint; it's the construction of a "golden bridge" across which a crippled leadership can eventually retreat while saying all hasn't been lost. It also serves U.S. interests. As Iranian opposition leader Reza Pahlavi puts it, targeting the regime's "machinery of slaughter" is meant to weaken the regime enough for the Iranian people to finish the fight from within.

Which brings us to a crucial question: What does the exit look like?

The first round of Islamabad talks, the highest-level U.S.-Iran engagement since the 1979 Islamic Revolution, lasted 21 hours and produced nothing. That led to a U.S. naval blockade, which is the second phase of America's evolving new doctrine.

Having dismantled the military infrastructure, the U.S. shifted to a static siege. This blockade is the new

proportionality, overwhelming in economic effect while retaining the strategic leverage of those spared oil terminals.

The exit will require architecture, not only negotiation. Iran's new supreme leader is presiding over a regime widely described as paralyzed and consumed by internal power

Cold War military doctrine restrained the U.S. from taking advantage of its military superiority.

struggles. This isn't a government capable of unconditional surrender. It needs a story to tell loyalists about why it can stop.

There are deals to be made. Prisoner releases. A structured *hudna*—a temporary truce that classical Islamic law explicitly contemplates—

could be used to secure concessions. The U.S. should seek the expulsion of young political prisoners to save them from execution, which would relieve pressure on a strained prison system and give the opposition diaspora something it wants. These need not be capitulations. They form the architecture of an exit that both sides can survive politically.

The deeper story, the one that will matter long after any eventual peace settlement, is what this conflict has demonstrated about the future of American military power. The post-Cold War assumption was that U.S. military superiority had become self-detracting; so overwhelming that using it would trigger a global crisis, making it essentially unusable. Iran spent 30 years constructing a strategic architecture of proxies, asymmetric capabilities, and nuclear ambiguity, all designed to exploit that self-restraint. The IRGC crept toward nuclear capability not because it believed it could win a direct war, but because it calculated America would never start one. That calculation has been proved wrong.

Whatever one thinks of Operation Epic Fury, the signal is unambiguous: The U.S. is willing to apply overwhelming force, with deliberate restraint toward civilian infrastructure and without escalation anxiety. That is a different America from the one Iran and China have been modeling. They are updating their models now.

The media will keep covering this war as a story about Donald Trump. That is their prerogative and their loss. The actual story is bigger than any one president and will outlast this news cycle by a generation.

Mr. Lyons, a retired U.S. Army major, writes on defense policy and national security.

Notable & Quotable: AI

Science-fiction author Orson Scott Card writing for the *May* issue of *Commentary*:

When AI became a buzzword in the past few years, I was astonished at the seemingly educated and intelligent people who sounded the alarm: *AI is going to destroy us!* This implies a belief that anybody in our defense establishment would be stupid enough to connect our weaponry to an automated system. That is also the backstory of the *Terminator* films. The *Matrix* films were based on the idea that machine-addicted humans would put

their bodies in suspended animation while computers provided a virtual reality that replaced real life.

In truth, all these fears are based on the premise, not of the existence of artificial intelligence, but of humanity's natural stupidity. While there is plenty of evidence, in the past and in the present, to justify a low estimation of human wisdom, haven't we had enough sci-fi movies and books about this idea that anybody who has it in his power to put forward such a proposal in the real world would be slapped down instantly before any steps were taken to put it into effect?

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SPORTS



Mendoza Gets a Head Start On Becoming the Raiders' QB

The Indiana quarterback has been a lock to be the top selection in the NFL draft for months. He used that time to learn the offense that new coach Klint Kubiak is bringing to Las Vegas.

By ANDREW BEATON

Even as Fernando Mendoza rose to superstardom as a Heisman Trophy winner, a national champion and the top quarterback in the country at Indiana, he didn't act anything like a jock who was about to make tens of millions by throwing a football. In fact, he acted like any other college graduate preparing to sit in a cubicle all day.

Mendoza, a business student, spent his summers interning at commercial real estate and investing firms. He's a proud finance wonk. And the only social media he bothers keeping on his phone is LinkedIn.

So it made sense that he would go to extreme lengths to prepare for his next job before his first day. Which is why Mendoza spent recent weeks finding ways to practice like a Las Vegas Raider before he officially became a Raider.

There was no mystery surrounding his destination. When the NFL draft began on Thursday

At Indiana, Fernando Mendoza took nearly every snap out of the shotgun. The Raiders offense will rely heavily on under-center snaps.

night, Commissioner Roger Goodell hardly needed to glance at an index card to know that the Raiders intended to use the first overall pick on Mendoza.

With that in mind, Mendoza has been working independently with former NFL quarterback Brian Griese, and the two haven't just been going over footwork. They've been practicing the offense that new coach Klint Kubiak is bringing to Vegas after he won a Super Bowl as the offensive coordinator of the Seattle Seahawks.

For Mendoza, it's an invaluable head start. The learning curve for rookies is steep when they're suddenly taking a crash course on complex NFL schemes, and that's especially acute for quarterbacks. But with Griese, who was teammates with Raiders minority owner Tom Brady at Michigan and



worked with Kubiak when they were both assistants with the San Francisco 49ers, he has immersed himself in the Raiders' playbook even before he ever pulls on the silver-and-black.

"My goal is to be the best quarterback come September," Mendoza said on the Up and Adams show. "Those learning curves that might take the first week, week and a half for rookie quarter-

backs—to try to eliminate that so I can be best fitted to the system I'm in."

Once Mendoza is actually on the team, his education will only accelerate, guided by a whole collection of notable football minds. Kubiak, who electrified Seattle's offense in only one season there, will be leading the show. And Kirk Cousins, the 37-year-old quarterback the Raiders signed this off-season, will be there to impart veteran wisdom.

Then there's a retired quarterback, whose brain Mendoza is especially excited to pick. He just happens to be a minority owner of the team—with seven Super Bowl rings to his name.

"That opportunity would be fantastic," Mendoza said of Brady. "To have, potentially, a mentor like that would be pretty impressive and pretty meaningful."

But getting started as early as possible with Griese makes sense—especially given the jarring difference between the offense the Raiders are expected to run and the one Mendoza knew so well in Bloomington.

At Indiana, Mendoza took nearly every snap out of the shotgun and hardly ever threw the ball after starting a play under center. While NFL offenses these days operate out of the shotgun more often than not, the mix is more even in the pros—and especially in Las Vegas. Kubiak runs a version of the West Coast offense that relies heavily on under-center snaps.

That makes it a completely new version of the same sport. Which is why Raiders general manager John Spytek said the most difficult part about evaluating college quarterbacks is figuring out "if they can take a snap from under center."

"So much is required of those guys," Spytek said.

Mendoza isn't leaving anything to chance. Even though he's already armed with the poise, accuracy and decision-making to thrive in an NFL-style offense, he recognized the need to start learning how to operate in unfamiliar spots. The mechanics of dropping back, handing off the ball, and running play-actions all change depending where the quarterback lines up.

But the way Mendoza sees it, all that extra work isn't so different from how he might have prepared to interview for a job where the numbers are in spreadsheets, not

painted on grass. "Right now I'm unemployed. I have no job," he said at the scouting combine. "I'm just trying to do everything to hopefully get employed April 23rd."

The Quick Surgery That Saved Celtics' Season

By ROBERT O'CONNELL

WHEN THE FUTURE of the Boston Celtics came crashing to the court in Madison Square Garden last May, Martin O'Malley was just like any other basketball fan watching on TV.

As he watched Celtics superstar Jayson Tatum roll on the floor gripping his ankle, O'Malley's worst fear—and professional opinion—was that Tatum had torn his Achilles tendon. In one agonizing moment, Boston's hopes of repeating as champions crumbled on the hardwood.

The difference between O'Malley and the millions of others who happened to witness Tatum's moment of misery was that O'Malley, a surgeon at the Hospital for Special Surgery, would soon be in a position to do something about it.

Minutes after the tear, his phone lit up with a call. The Celtics needed him to salvage the face of their franchise.

"As soon as the Achilles ruptures, things are going the wrong way," said O'Malley. "You get atrophy, change in physiology from the minute you rupture it. The best thing to do is to fix it faster."

Sixteen hours after Tatum was writhing on the court against the New York Knicks, he was stretched out on O'Malley's operating table on the West side of Manhattan. Today, less than a year after suffering basketball's most dreaded injury, he has done more than simply return to the court sooner than anyone expected.

Tatum has soared back to the peak of his powers just in time to

lead the Celtics, tied 1-1 in their opening series with the Philadelphia 76ers, on another championship chase.

"A lot of things had to go right," Tatum said after he scored 25 points in Boston's Game 1 win, "to even have the opportunity to come back and play."

The first thing that had to go right was an unbelievable stroke of luck on the unluckiest night of Tatum's life.

Achilles tears are known throughout the NBA as injuries that turn players into shadows of their former selves, demoting an All-Star into a role player and a role player into a retiree.

But Tatum happened to be in the best place to sustain basketball's worst injury. That's because O'Malley operates less than two miles from the Knicks' arena—and he has spent his professional life studying how to give highflying athletes their superpowers back as quickly as possible.

Long before O'Malley stitched together the Achilles tendons of the likes of Kevin Durant—the first All-NBA player in recent history to return to his peak after rupturing the ligament—he honed his craft on a different sort of leaper. As a young doctor, O'Malley had trained under the go-to surgeon for the American Ballet Theatre.

That meant that his first prominent patients weren't point guards or centers but New York's premier ballerinas.

It was while operating on those aerial artists that he learned an approach that left the repaired tendon tighter than the one in the



Celtics star Jayson Tatum tore his Achilles during a game against the New York Knicks on May 12, 2025.

healthy leg, so that the rehabilitation process wouldn't stretch it slack.

"Those are not easy ones," O'Malley said. "To get them where they can walk on their toes for six months."

Years later, after a career spent studying the 10-inch tendon that can ruin an athlete's life, O'Malley came to live by one idea: The earlier you can get the player under the knife, the better their odds of recovery.

So when a despondent Tatum was wheeled into his hospital the morning after his injury—accompanied by his mother and Celtics president Brad Stevens—the surgeon stressed the importance of acting as soon as possible. While O'Malley showed Tatum's team slides detailing the benefits of immediate surgery, the Celtics forward sat slumped with his hood

pulled up over his head.

"Jayson, this is you and me," O'Malley told him. "You gotta look at it."

O'Malley convinced Tatum to have the operation right there and then instead of waiting even one more day—a decision that is already rewriting basketball history.

When O'Malley repaired Durant's tendon back in 2019, Durant had the benefit of a long road back to recovery. By the time he returned to the court in 2020, he had changed teams, weathered a global pandemic, and given himself 18 months to work back to full strength.

The Celtics were so prepared for a similarly long layoff that they sold off huge portions of their roster after Tatum's injury, content to reset their finances while their leader spent the whole

season rehabbing. But instead, Tatum became the ultimate test of O'Malley's fix-it-fast approach—by diving headlong into rehab to return before the playoffs in true All-Star form.

"I had a motivated, freak athlete," O'Malley said. "So that really helped me a lot."

In March, only 10 months after the Celtics rang O'Malley in a panic, the surgeon received another call. This time it was good news: Tatum would return to the court that night.

In the first half of his first game back, Tatum flubbed a dunk and O'Malley winced. But with each subsequent outing, he looked more and more like himself. To O'Malley, the ultimate testament to his work is that, when Tatum drives and leaps, there's no sign the surgeon ever did a thing.

"I can't tell," O'Malley said.

Intel Sales Climb 7% on AI Boom

Company's chips are back in vogue to power the new wave of machine learning

By **ROBBIE WHELAN**

The rise of artificial-intelligence agents and a host of new partnerships are helping breathe new life into chip maker **Intel**, which just a year ago had been left for dead. On Thursday, Intel reported sales of \$13.6 billion for the March quarter, up 7% from the year-earlier period and beating estimates from analysts polled by FactSet by 11%. Shares traded as much as 18% higher

after markets closed. Intel had largely sat out the AI revolution because it failed to develop a processor that could rival **Nvidia's** signature graphics processing units, or GPUs, and because its advanced chip-fabrication business couldn't keep pace with rival **Taiwan Semiconductor Manufacturing**.

But over the past year, as AI firms have deployed large language models and other tools that are operated by auto-

nomous AI "agents," the humble CPU—a more basic kind of computer brain that Intel specializes in—has come back into vogue.

Also helping is a 10% stake that the Trump administration unveiled last summer, and an announcement that Intel will join **Tesla** and **SpaceX's** Terafab project, which includes a major chip-fabrication plant in Austin, Texas, as a strategic partner.

Intel raised guidance for sales in the current quarter to

a range of \$13.8 billion to \$14.8 billion, higher than the \$13 billion analysts had projected.

"The next wave of AI will bring intelligence closer to the end user, moving from foundational models to inference to agentic," said Lip-Bu Tan, Intel's chief executive, in a statement. "This shift is significantly increasing the need for Intel's CPUs and wafer and advanced packaging offerings."

The company reported a net loss of \$3.7 billion, or 73 cents a share, however, compared with the profit of \$2.5 million analysts had expected. The loss was the result of two one-time charges: one related to Intel's 78% stake in autonomous vehicle company **Mobileye**, which

announced a \$3.8 billion charge Thursday morning, and the other from derivative payments related to the U.S. government's 10% stake in Intel.

Excluding these charges, Intel earned \$1.5 billion, or 29 cents a share, in the March quarter. Analysts had expected the company to break even on this financial measure.

Since the Trump administration announced the stake in August, Intel's shares have nearly tripled, rising to \$66.78 at Thursday's market close.

One particularly bright spot in the earnings was the \$5.1 billion in quarterly revenue produced by Intel's data-center segment, which relies largely

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Meta Layoffs Take Aim At Rising AI Costs

By **MEGHAN BOBROWSKY**

Meta Platforms will lay off 10% of staff, or roughly 8,000 people, in May as it seeks to streamline its operations and pay for massive investments in artificial intelligence, the company said Thursday in an internal memo.

In the memo sent to current employees that was viewed by The Wall Street Journal, Chief People Officer Janelle Gale said the cuts were necessary to allow the company to operate more efficiently and offset its investments.

"This is not an easy trade-off and it will mean letting go of people who have made meaningful contributions to Meta during their time here," Gale wrote.

The company said it would also cancel plans to hire for 6,000 open roles, the memo said. Affected employees will be notified on May 20.

A Meta spokesperson declined to comment.

Meta plans to spend as much as \$135 billion on AI infrastructure this year as it seeks to build what it calls personal superintelligence for its 3.5 billion daily users. The company released its first new AI model in a year, called **Muse Spark**, this month, and said it has plans for more releases soon.

To train its new models, Meta rolled out a tool this week that will track employees' keystrokes, mouse movements and click locations to

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The airline estimates fuel costs will rise by \$4 billion.

American Warns Fuel Cost Threatens To Cause 2026 Loss

By **DEAN SEAL**

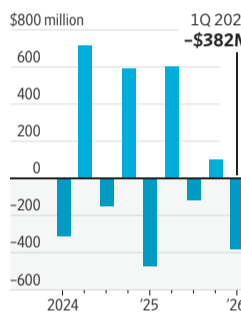
American Airlines' plan to catch up to its rivals on profitability this year has been upended by the war in Iran.

The Fort Worth, Texas, carrier estimated that its fuel costs would jump by \$4 billion after conflict in the Middle East spurred a run-up in crude-oil prices. As a result,

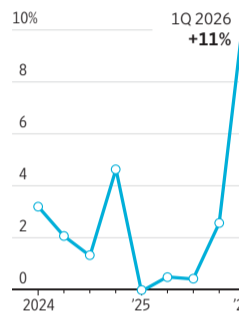
the airline warned Thursday that it could lose money in 2026.

In its updated financial outlook, American said it could lose as much as 40 cents a share on an adjusted basis, or turn a profit as high as \$1.10 a share. Three months earlier, it projected adjusted earnings between \$1.70 and \$2.70 a share.

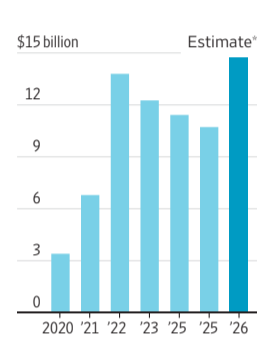
American Airlines, quarterly net profit/loss



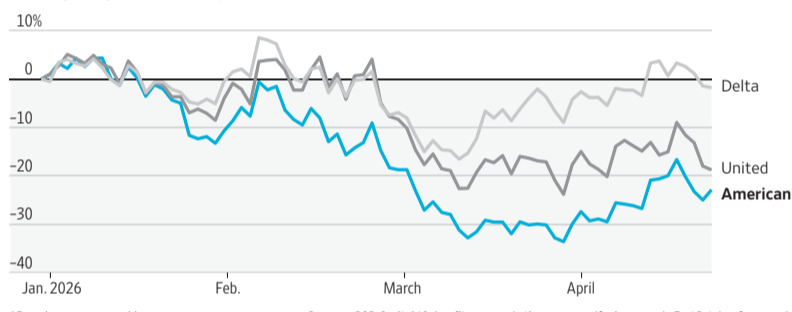
Quarterly revenue, change from a year earlier



Annual fuel expense



Share-price performance, year to date



*Based on company guidance

Sources: S&P Capital IQ (profit, revenue); the company (fuel expense); FactSet (performance)

Wall Street may have been bracing for a deeper cut. Analysts polled by FactSet had been forecasting an adjusted loss of 65 cents a share.

American's stock rose 2.35% Thursday.

"We still anticipate modest profitability for the year assuming the current forward fuel curve," Chief Executive **Robert Isom** said.

The fuel price run-up has complicated growth plans for passenger airlines, though for now, executives said demand for flights is steady. American said it had record revenue in the first quarter, rising 11% from a year earlier.

United Airlines pared back its full-year guidance, while **Alaska Air** suspended its outlook. **Delta Air Lines** and

Southwest Airlines have indicated they could adjust their estimates when jet fuel-price volatility eases.

But American is also trying to win over investors after a difficult 2025 and convince them that it is a solid bet for growth. Last week, it said it wasn't interested and hadn't had talks with United Airlines

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Tom LoSavio is the lead plaintiff in a class-action suit seeking a refund and damages from Tesla. Some customers say Tesla misled them about the timeline for autonomous driving.

Tesla Customers Receive Pledge For Upgrades of Older Vehicles

By **BECKY PETERSON**

Tesla said it would offer hardware upgrades or trade-in discounts to the millions of customers who own its older vehicles that don't have the technology to drive autonomously.

Chief Executive **Elon Musk** said on a call with investors that the older technology, known as **Hardware 3**, isn't capable of handling fully autonomous rides, as the company previously promised.

Tesla has said those vehicles, which were produced before 2024, had the computer and cameras necessary to drive autonomously once Tesla's software became sophisticated enough.

"Unfortunately, **Hardware 3** simply does not have the capability to achieve unsupervised FSD," Musk said, referencing the company's driver assistance software, which is called **Full Self-Driving (Supervised)**. "We did think at one point it would have that."

The matter has galvanized many Tesla owners, some of whom paid thousands of dollars for lifetime access to FSD with the expectation that they would eventually have a self-driving car. The company previously offered lifetime access to the technology, connected to a specific vehicle, for a one-time fee in the thousands of dollars.

Now, Musk said, the company will need to set up "mi-

cro factories" in major metro areas capable of updating the older cars with the latest computers and cameras. "If it's done just at the service center, it's extremely slow to do so and inefficient," Musk said. "So we basically need many production lines to make the change."

Musk also said owners would be offered a "discounted trade-in" for a newer car, but he didn't say whether the company would let owners transfer their lifetime FSD access to the new car, as many Tesla owners have hoped.

The company has emphasized the importance of FSD for the future of its business as it moves away from elec-

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New Polymarket Pain: Suspect Weather Bets

By **ALEXANDER OSIPOVICH AND SAM SCHECHNER**

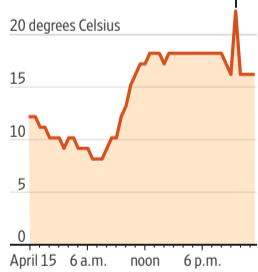
Prediction markets have spurred repeated allegations of skulduggery in recent months, ranging from insider trading by politicians to suspected rigging of bets on the Ukraine war.

Now, controversy has erupted in one of their more sedate corners: wagers on the weather.

France's national weather service is investigating irregularities at a monitoring station at Paris Charles de Gaulle Airport after it reported anomalous temperature spikes. The spikes led to lucrative payoffs for some traders on Polymarket, the crypto-based betting platform.

The spikes drew the attention of local weather enthusi-

Temperature reading at Charles de Gaulle airport on April 15



Note: Figures in half-hour intervals rounded to the nearest whole degree. 20 degrees Celsius equals 68 degrees Fahrenheit. Source: Weather Underground

asts. Suspecting that traders had tampered with the data, they alerted the service, called **Météo-France**, which in turn

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By **SEBASTIAN HERRERA**

Microsoft Offers Buyouts to 7% of Staff

Microsoft is offering long-tenured employees voluntary buyouts, a first for the software giant as it continues to reorganize staff around its push to accelerate its artificial-intelligence efforts.

The voluntary retirement program, as Microsoft calls it, is part of a broader shift by Microsoft to alter its performance system and how it awards bonuses and stock options, according to a memo to employees from Chief People Officer **Amy Coleman** viewed by The Wall Street Journal.

"Across the company, we're looking at where we can simplify to move faster and deliver the solutions our customers count on," Coleman wrote. "To sustain this pace, we have to stay focused on doing great work, trusting and empowering our managers, and simplifying to support everyone." Coleman wrote that the voluntary buyout is being offered to a small percentage of long-serving U.S. employees.

Roughly 7% of the company's U.S. employees are eligible, according to a person familiar with the matter. To be eligible, employees must be at a senior director level or below, and their years of employment and age must add up to at least 70. The company is also changing the way it awards stock, with it no longer being directly tied to bonuses.

Microsoft employed about 125,000 people in the U.S. as of June 2025.

The AI boom, and Microsoft's urgency to respond to it, have set off a cascade of changes in the past year at the 51-year-old company. After striking gold

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American Warns on Fuel Prices

Continued from page B1 about a potential merger.

American's market valuation stood at \$7.9 billion as of Thursday, sharply lower than Delta and United Airlines, despite being the world's largest airline by seats flown. The carrier lost ground after a failed effort to overhaul its business-travel strategy and has been hamstrung by slow-

ing growth in domestic air travel. Earlier this year, some of its employees called for Isom, who has been CEO since March 2022, to step down. The first quarter got off to a bumpy start when January's winter storm Fern hit its major operations hubs in Texas and North Carolina. Thousands of its customers were stranded, while some of its flight attendants and pilots slept on airport floors.

For the first quarter, American posted a loss of \$382 million, or 58 cents a share. That narrowed from \$473 million, or 72 cents a share, a year ago. Its revenue of \$13.9 billion topped analysts' forecasts, according to FactSet.



For the first quarter, American posted a loss of \$382 million.

Hyundai Motor Profit Falls Despite Higher Revenue

By KWANWOO JUN

Hyundai Motor posted weaker first-quarter earnings amid sluggish global vehicle sales, as U.S. tariffs, though reduced, continued to weigh on the South Korean auto giant. The tariff hit to the carmaker's profit eased but remained significant in the first three months of 2026 following the trade deal Seoul reached with Washington that lowered duties on most Korean exports to 15% from November.

Net profit fell 24% from a year earlier to 2.585 trillion won, equivalent to \$1.75 billion, for the January-March period, the company said Thursday. The decline slowed from the 52% plunge in the previous quarter. Hyundai executives said on an earnings call that the tariffs cost the company roughly 860 billion won in the quarter.

Revenue rose 3.4% to 45.939 trillion won, while operating profit dropped 31% to 2.515 trillion won.

Analysts had expected net profit of 2.480 trillion won on revenue of 45.866 trillion won in the first quarter, according to FactSet.

Global vehicle sales fell 2.5% during the period, reflecting challenging market conditions amid slowing global demand and intensifying competition. The U.S. and Indian markets bucked the trend, with sales rising 0.3% and 8.5%, respectively.

Higher oil prices amid Middle East tensions led to increased demand for hybrid-electric cars—alongside sport-utility vehicles—in the U.S., Hyundai said.

The company had earlier flagged a tough business environment ahead, projecting a similar earnings hit this year after U.S. tariffs cost the company an estimated 4.1 trillion won in 2025.

Despite the downbeat earnings outlook, shares of the automaker have climbed about 80% this year. Analysts say the company's push into artificial intelligence and robotics has helped drive the stock higher.

BUSINESS & FINANCE

Lawsuits Charge AI Startup Wrongly Shared Private Data

By KATHERINE BINDLEY

Training artificial-intelligence models demands massive amounts of fresh data. Mercor, a \$10 billion startup that hires contractors to provide AI training feedback, is among those leading the high-stakes hunt.

Sometimes that quest for data leads to contentious territory.

The San Francisco startup, whose clients have included OpenAI, Anthropic and Meta, has been hit with at least seven class-action lawsuits in recent weeks following a third-party data breach. Allegedly, it exposed Mercor contractor information ranging from recorded job interviews to facial biometric data and screenshots of workers' computers. The suits offered a window into how Mercor allegedly acquires the data used to serve its customers.

A class-action suit filed Tuesday in Northern California alleged that Mercor accumulated applicant-vetting data, including background checks, which it shared with partners, in breach of federal regulations.

According to plaintiffs, the company's practices include monitoring its contractors' computers and sharing that data with clients, using recorded candidate interviews to train AI models, and training client models on materials potentially owned by other companies.

"We strongly dispute the speculative claims in these lawsuits and look forward to presenting the facts at the appropriate time and place," Mercor said in a statement.

"We take the privacy of our customers, contractors, employees and those we interview very seriously, and we comply with all relevant laws and regulations," the statement continued, adding that the company acted promptly to remediate the data breach, and that the breach affected many other companies as well. "We are conducting a thorough investigation with leading third-party forensics experts and are communicating directly with affected stakeholder groups as we have findings," it said.

Previously, The Wall Street Journal reported that Mercor sought to buy prior work materials from people on LinkedIn: Those people said they didn't own the rights to such work. Mercor has been offering to pay \$100 each for contractors' personal-finance documents, such as spreadsheets and PowerPoint presentations, according to postings online. The company has offered \$100 for people's Google Maps histories.

Seeking out and handling so much data comes with complications: As workers' screenshots are alleged to be included in the breached data, contractors are suing Mercor not only for exposing their own personal information but also the information of their other employers.

Meta has paused its work with Mercor and is investigating the incident, a company spokesman said. (Meta's Mercor pause was earlier reported by Wired.) Anthropic declined to comment. OpenAI didn't respond to requests for comment.

To train the first generation of large language models,

subscribers. That is up 16.4% compared with the prior quarter, and a 51% increase from the year before. Tesla currently only offers a subscription for the service that costs \$99 a month.

Musk didn't give a cost estimate or timeline for when Tesla would provide these upgrades. Executives previously said that the company would wait to upgrade old hardware until it has stabilized the development of its autonomy software.

At the end of June, the company plans to release a software update for drivers using the old hardware, which will give them many of the features currently only available on the new hardware, Ashok Elluswamy, Tesla vice president of AI software, said on the call.

Today, Tesla's software can navigate most streets, change lanes and park, but it requires



Mercor CEO Brendan Foody has said contractors receive guidance not to use data or documents from other companies.

AI developers already identified and extracted most major readily available sources of the world's data. Now companies have to get specialized, said Shayne Longpre, an MIT Ph.D. candidate who researches AI.

"A lot of the data-acquisition strategies seem to be moving towards more specialist sources," he said, pointing to those who are "extremely knowledgeable and have executed complex tasks in finance, healthcare, law, the sciences."

Mercor hired 30,000 contractors in 2025. Its competitors include Handshake AI, Microl and Surge. Recently, LinkedIn started testing its own AI training marketplace. The testing was earlier reported by Business Insider. Handshake co-founder Garrett Lord recently posted to LinkedIn that his company was looking to purchase code bases, internal databases and more.

"We anonymize everything," he wrote. "The stuff that's not on the internet is what we need."

The way big AI labs work with Mercor and other intermediaries who use contractors can make responsibility for data provenance more ambiguous,

Longpre said. Industry-wide, he added, "There's an incentive right now to figure out the rules and regulations after, and to capture as much of the market in the short term first."

Thitipun Srinarmwong, a plaintiff in the class-action suit filed Tuesday, alleged that project managers and reviewers at Mercor encouraged workers to use real data from their firms, so long as the source was redacted or slightly changed. When Srinarmwong wrote in a way so as to protect confidential information, reviewers criticized the work as too short and vague, the suit said.

David Bevvino-Berv, a Mercor contractor who previously worked at Goldman Sachs, alleges in the same suit that he saw financial models and prompts that he suspected came from workers sharing proprietary information from other companies.

Brendan Foody, Mercor's chief executive, said last fall at the TechCrunch Disrupt conference that while contractors are given guidance not to use data or documents from other companies, "there are things that happen." He added, "That's doing everything that we can on our side."

Tesla Aims To Upgrade Older Cars

Continued from page B1

tricycles to focus on autonomy, artificial intelligence and robotics. Chief Financial Officer Vaibhav Taneja said on the call that the company changed its car sales strategy to "emphasize FSD as the product, and the vehicle as only the delivery mechanism."

Despite this shift, revenue grew 16% in the first quarter compared with the same period last year. Vehicle sales were up 6.3%, though it was the company's second-worst sales quarter since 2022.

Tesla also increased FSD subscriptions, to 1.28 million

the driver to pay attention and be prepared to take over. In some jurisdictions, such as Europe, customers paid for the service but didn't get access because of regulatory restrictions on the software.

In areas such as the U.S., customers with older hardware aren't able to use the most-advanced version of the software, which is designed to run on a newer hardware setup now called AI4.

The company has faced pushback from customers who said Tesla misled them about the timeline for autonomy. Tom LoSavio, a retired lawyer in California, told the Journal that he paid \$100,000 for his car in 2019, including an \$8,000 upgrade for lifetime access to FSD, expecting that full autonomy was just around the corner.

LoSavio is the lead plaintiff in a class-action lawsuit seeking a refund and damages

from Tesla for false advertising. Tesla has appealed the lawsuit's class-action status.

The company also faces a class action in Australia, as well as a campaign to organize Tesla owners in Europe who paid for FSD but never got it because of regulatory restrictions and technology updates.

Still, Tesla executives continue to promote the technology as just around the corner. Tesla has rolled out a small number of fully autonomous vehicles as part of its Robotaxi ride-hailing app in Austin, Texas, Houston and Dallas. Musk said on Wednesday that everyday customers could have access to the unsupervised version of Tesla's software by the end of the year.

He added that once the older Hardware 3 car owners get the promised upgrades, they too will be able "to enter the Robotaxi fleet and have unsupervised FSD."

Microsoft Offers Staff Buyouts

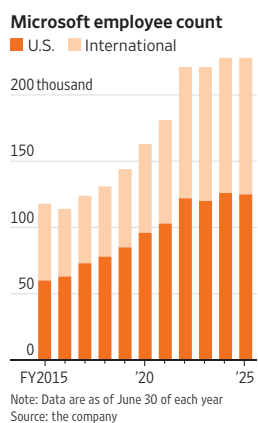
Continued from page B1

with its investment in OpenAI, Microsoft has been on the defense lately. Investors have sent its shares down about 20% in the past six months due to a mix of issues, including the company's dependence on OpenAI, its struggles to build its own AI models and products, and broader industry worry about the costs and payoffs of building out AI data centers.

In the past several months, Chief Executive Satya Nadella has made changes to the leadership of its Copilot AI and gaming teams while also dealing with several high-profile departures.

This week, Microsoft named Dan Shaper as its new CEO of LinkedIn, succeeding Ryan Roslansky, who recently became part of a new group in charge of its Microsoft 365 apps. In October, Nadella promoted Judson Althoff to head the company's commercial business, putting him in charge of a swath of operations.

Nadella has also made changes aimed at sorting out



Note: Data are as of June 30 of each year. Source: the company

challenges with Copilot, its family of AI products. Copilot has struggled with problems, The Wall Street Journal reported.

In March, Nadella created a unified Copilot team led by Jacob Andreou, who headed product and growth for Microsoft AI. Microsoft AI Chief Executive Mustafa Suleyman, a splashy hire in 2024, saw his remit shrink to focus on the company's proprietary AI models.

Rajesh Jha, who worked closely with Copilot teams and oversaw Windows products, announced his retirement in March. Another notable departure this year was Phil Spencer, who served as CEO of gaming.

Last year, Microsoft laid off more than 15,000 employees.

Meta to Cut 10% of Its Workforce

Continued from page B1

teach "the next generation of our AI models to use computers," according to another internal memo viewed by the Journal.

Several employees posted questions and complaints about the new tool on an internal discussion board. The top comment: "This makes me super uncomfortable. How do we opt out?"

In a separate memo earlier this week, Meta Chief Technology Officer Andrew Bosworth said the company is building toward a vision where agents primarily do the work. "Our role is to direct, review and help them improve," he said.

The new layoffs come on top of 1,500 jobs Meta already cut in January from its Reality Labs division. Meta did layoffs for the first time in company history in 2022 after nearly doubling its staff during the pandemic to a peak of 87,000. At the time, Meta faced a slumping digital-ads market and a falling stock price and cut 11,000 roles.



CEO Mark Zuckerberg has raised the bar on performance.

The following year, Chief Executive Mark Zuckerberg declared 2023 Meta's "year of efficiency" and said the company would cut 10,000 more jobs. By year-end, Meta's head count had shrunk to 67,000.

In the subsequent years, the number of employees climbed again, and in early 2025, Zuckerberg announced cuts again, saying he had "decided to raise the bar on performance management and move out low performers faster." The company cut 5% of its workforce, at the time about 3,700 jobs.

As of December 2025, according to Meta's latest reported data, head count had reached 78,865.

BUSINESS & FINANCE

Iger Returns to Thrive Capital

Ex-Disney CEO takes advisory role at firm founded by brother of president's son-in-law

By JESSICA TOONKEL AND KATE CLARK

Bob Iger is returning to venture capital as he charts his next act after running Walt Disney.

The former chief executive officer of Disney, who stepped down from his role last month after a nearly two-decade run, has taken an advisory role at Thrive Capital, the venture firm founded by Joshua Kushner, according to people familiar with the matter. He will work with the firm's staff on investments and with founders of companies in Thrive's portfolio, one of the people

said. Thrive, which recently raised \$10 billion for a new set of funds, has backed the likes of Instagram, Spotify, A24 and OpenAI.

Kushner is a former Goldman Sachs banker and son of real-estate developer Charles Kushner. He is also the younger brother of Jared Kushner, the son-in-law of President Trump.

Iger's next move has been the subject of much speculation in Hollywood. The longtime media executive, whose previous attempt at retirement ended abruptly when he returned to the top Disney job, has invested personally in startups and at one point toyed with the idea of running for public office. He is expected to remain on Disney's board of directors through December.

For Iger, who owns a stake

in Thrive, the move is something of a homecoming.

He first stepped down as CEO of Disney in 2020 after a 15-year stint to make way for handpicked successor Bob Chapek. Iger briefly joined Thrive as a venture partner in 2022, but relinquished the role when he returned to lead Disney later that year after Chapek's firing by the board of directors.

During his time at Thrive, Iger met OpenAI CEO Sam Altman. Last year, Iger helped orchestrate a \$1 billion deal with OpenAI, by which Disney agreed to license more than 200 of its characters so users

could create AI-generated content with OpenAI's text-to-video offering Sora. That deal fell apart after OpenAI decided to scrap Sora.

News Corp, owner of The Wall Street Journal, has a content-licensing partnership with OpenAI.

Between his two stints running Disney, Iger was also involved in a number of entertainment and technology startups.

He and his wife Willow Bay, dean of University of Southern California's communication and journalism school, bought a controlling stake in women's soccer team Angel City FC in 2024.

Bob Iger has dabbled in technology and media investing before.

Nestlé Reports Drop in Sales Amid Overhaul

By AIMEE LOOK

Nestlé reported a drop in sales for the first quarter, as its new Chief Executive Philipp Navratil continues to undertake a sweeping overhaul of the food company's structure.

The maker of KitKat chocolate bars and Nescafe coffee reported a 5.7% drop in sales to 21.32 billion Swiss francs, or \$27.17 billion. Nestlé's reported sales beat company-compiled analyst expectations of 21.27 billion Swiss francs.

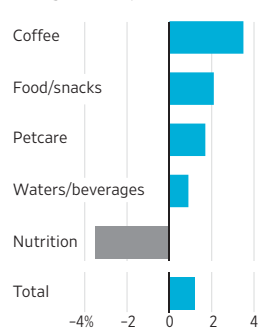
Nestlé had a string of setbacks in recent years, marred by weaker-than-expected results, management upheaval and an infant-formula recall. Navratil has initiated a string of changes since taking the helm, reorganizing the business around four main categories, cutting about 16,000 jobs, and selling off brands.

Real internal growth, which measures the volume of products sold, is a priority for Nestlé going forward, and for the first quarter it rose 1.2% on-year—exceeding analyst expectations of 0.1%. Growth was led by the Nespresso maker's coffee businesses, and its confectionery business.

The company said it was in negotiations with potential partners for its waters and premium beverages business, and is looking at buyers for its mainstream vitamins, minerals and supplements arm. This comes after Nestlé said it would unload the rest of its ice-cream business.

Leaner businesses are in vogue for the industry as consumers tighten their spending habits and trade down to white-label brands in lieu of branded products. Fears of rising food prices are being further amplified by heightened energy costs, as a supply

Nestlé's real internal growth, change from a year earlier*



*A measure of sales by volume Source: the company

crunch brought on by the Iran war increases the cost of oil.

The packaged foods conglomerate's efforts to focus its operations come as many of its peers are also slimming down brand offerings and shifting away from large, sprawling portfolios.

Dove soap maker Unilever spun off its ice-cream business last year into the Magnum Ice Cream company, and recently clinched a deal with spice-maker McCormick to combine food businesses. U.K. sugar-to-clothing business Associated British Foods said earlier this week it would separate its budget retail Primark business from its food business.

Simultaneously, packaged food companies such as Nestlé are grappling with a growing cohort of health-conscious consumers who have lost their appetite for ultraprocessed foods.

Meanwhile, though sales fell on a reported basis, they grew 3.5% in the first quarter on an organic basis. Organic sales growth exceeded company-compiled consensus of analyst expectations at 2.4%.

Nike to Cut Workers By 2%, Mostly in Tech

By INTI PACHECO

Nike will reduce its workforce by 1,400 workers, or 2%, as part of a plan to simplify global operations.

The reduction will mostly affect employees in Nike's technology department, the company said Thursday.

"This is not a new direction. It is the next phase of the work already under way," said Chief Operations Officer Venkatesh Alagirisamy in a note to employees.

The layoffs come as the sneaker maker works through the turnaround plan laid out by Nike Chief Executive Elliott

Hill. The company cut about 800 workers in January and it said in March it expected to record a \$300 million charge related to cost cutting.

The Beaverton, Ore., company had 77,800 employees as of May of last year.

It has been struggling with increasing competition and slower consumer demand for its products. The company has made some progress mending relationships with retailers in the U.S., where sales have improved. But it has faced challenges in China, in particular.

Earlier this month, Nike shares fell to their lowest level in more than a decade after

Nike plans to reorganize how its materials supply chain operates.



Nike has been struggling with increasing competition and slower consumer demand for its products.

company executives forecast lower revenue for the year and warned that sales in China could fall as much as 20% for the quarter ending May 31. Its stock has fallen 30% since the start of the year.

Nike said it would reshape its technology team and streamline processes in its Beaverton manufacturing facility that works with its pro-

proprietary Air technology.

The sneaker maker will move some of the Converse footwear manufacturing resources closer to factory partners, and it will reorganize how its materials supply chain operates.

Alagirisamy said in his note the changes were meant to make the company more resilient.

BUSINESS WATCH

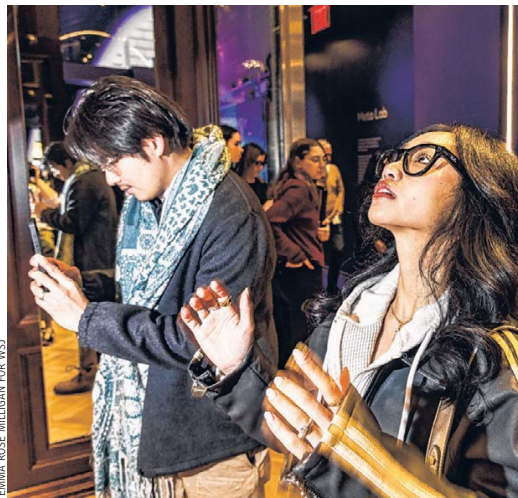
ESSILORLUXOTTICA

Eyewear Giant's Sales Growth Eases

Shares of EssilorLuxottica fell after revenue growth eased at the start of the year following a boom in smart-glasses sales last year.

The Franco-Italian eyewear giant booked 11% organic growth in its top line over the first three months of the year, slowing from the 18% it recorded in the final months of 2025, it said in an update late Wednesday. Last year's exceptional growth was boosted by sales of 7 million pairs of smartglasses over the full year, a huge jump from the 2 million pairs it sold in 2023 and 2024 combined following the launch of the first Ray-Ban model in partnership with tech group Meta Platforms, which provides the software.

That initial explosion in sales is now fading, with the smartglasses category contributing an increase in the mid-single digits over the



Eyewear maker sold 7 million pairs of smartglasses in 2025.

first quarter, finance chief Stefano Grassi told analysts in a call following the update. There have also been questions of supply bottlenecks, with Meta saying at the start of the year it would pause

European rollout of smart Ray-Bans on the back of surging demand from Americans.

Paris-listed shares of EssilorLuxottica fell 4.8% Thursday. —Joshua Kirby

HEINEKEN

Dutch Beer Maker Is Upbeat on Profit

Heineken said it was confident that it would increase its bottom line, booking higher revenue at the start of the year despite a continued slide in beer-sales volumes.

The Dutch brewer said Thursday that it made net revenue of 6.7 billion euros (\$7.84 billion) between January and March, matching analysts' forecasts, according to a consensus of estimates provided by the company.

The increase in revenue came as total volumes turned positive, rising 1.2% on an organic basis from the prior-year period.

Still, beer volumes remained down on a year earlier, with the total boosted by the group's smaller nonbeer portfolio of mixers and ciders.

Heineken said it expected operating earnings to grow between 2% and 6% this year, backing guidance it set out earlier in the year.

—Jonathan Kirby

LOCKHEED MARTIN

Production Boost Hits Cash Flow

Lockheed Martin is working to rapidly expand munitions production in the face of surging demand, as the U.S. responds to ongoing conflicts and heightened geopolitical tensions.

Those investments in production—coupled with the timing of some billings, long-term debt repayments and cash dividends—caused the defense contractor to burn through more money than expected in the latest quarter.

The company reported \$291 million of negative free cash flow in the recent first quarter.

Lockheed also posted a profit of \$1.49 billion, compared with \$1.71 billion in last year's comparable period. Quarterly earnings of \$6.44 a share were below the \$6.74 a share that analysts polled by FactSet expected.

Sales ticked up 0.3% to \$18.02 billion. —Connor Hart

L'OREAL

Shares Climb as Revenue Recovers

Shares of L'Oreal surged after sales recovered from a period of slow growth despite difficult market conditions.

The beauty giant late Wednesday reported sales of €12.15 billion, or \$14.22 billion, for the first quarter. This was 7.6% higher year over year on a like-for-like basis. The result beat expectations and was better than the 6% increase posted for the fourth quarter of 2025.

The stock climbed 9% to €373.20 in European trading. "L'Oreal has returned to form, delivering solid underlying growth," analysts at RBC Capital Markets Wassachon Udomsilpa and James Edwards Jones write in a note, adding that the strong performance trend is likely to continue.

L'Oreal and the wider beauty industry have been grappling with a slowdown in demand over the past few years. —Andrea Figueras

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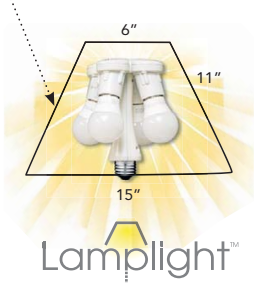
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TECHNOLOGY & MEDIA

Comcast Revenue Rose in Quarter

Shares climbed as subscriber losses in residential broadcast business slow down

BY KELLY CLOONAN

Comcast stemmed subscriber losses for its critical domestic residential broadband business in its latest quarter and saw increased advertising revenue from the Olympics and Super Bowl.

Those trends helped the cable-and-entertainment company log higher revenue in the first quarter, beating Wall Street's estimates. Comcast's Peacock streaming service was a bright spot, with revenue surging as it added 5 million paid subscribers.

"Legendary February showcased the strength of our Media portfolio, leveraging the unmatched reach of the Milan Cortina Winter Olympics and the Super Bowl to drive record advertising and strong Peacock growth, while also powering our ability to market our connectivity products at scale," said Brian L. Roberts and Mike Cavanaugh, co-CEOs of Comcast.

Shares of Comcast climbed 7.7% to \$31.64 in Thursday's trading.

Comcast said it lost 65,000 customers for its domestic broadband residential business, compared with the 173,700 such customers that analysts had expected to exit, according to FactSet.

The quarterly broadband subscriber losses narrowed year over year for the first time in five years, which Comcast attributed to its new go-to-market strategy. The company's broadband business has been under pressure since mobile carriers began to offer their own home-internet plans a few years ago. Domestic broadband revenue fell 5.1% in the quarter to \$6.34 billion.



The cable-and-entertainment company cited record advertising from this year's Super Bowl and Winter Olympics.

The company also continued to lose domestic video customers, as viewers continue to turn away from cable TV, driving video revenue down 5.2% to \$6.26 billion.

Its Xfinity Mobile wireless business, meanwhile, attracted more customer lines, boosting domestic wireless service revenue up 15% to \$977 million.

Comcast's content and experiences segment posted growth, with revenue up 40% to \$11.94 billion, with double-digit gains across media, studios and theme parks. Results in its media business were particularly strong as domestic advertising revenue more than

doubled due to the Olympics and Super Bowl.

Profitability fell in the content and experiences segment due to increased spending on content rights in a quarter when Comcast aired the Olympics, Super Bowl and National Basketball Association games. Comcast finalized a \$27 billion deal with the NBA in 2024 to carry a package of games.

Comcast's Peacock streaming service was also a source of strength, with revenue growth of 71%, to \$2.1 billion, from a year earlier. Peacock's tally of paid subscribers climbed 12% to 46 million.

Overall, the company posted

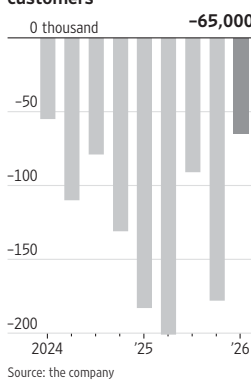
a quarterly profit of \$2.17 billion, or 60 cents a share, compared with \$3.38 billion, or 89 cents a share, a year earlier.

Adjusted earnings per share were 79 cents, compared with estimates of 72 cents a share according to analysts polled by FactSet.

Revenue rose 5.3% to \$31.46 billion, compared with analyst estimates of \$30.41 billion. On a pro forma basis, excluding the assets it spun off earlier this year into a company called Versant, revenue rose 11%.

Comcast divested cable channels including MSNBC, CNBC, USA and Syfy into Versant earlier this year.

Comcast's net broadband customers



DOJ Meet With TV Station Executives

BY JOE FLINT AND DANA MATTIOLI

Justice Department officials met with broadcast-television station operators this week as part of its antitrust investigation into the sports-media marketplace, according to people familiar with the matter.

During an industry conference in Las Vegas, officials sought feedback from local TV stations about the growing migration of sports away from broadcasting to streaming, attendees said.

Both the Justice Department and the Federal Communications Commission are investigating how sports leagues are moving more games to streaming services and how the transition is potentially harming consumers and the broadcast-television industry.

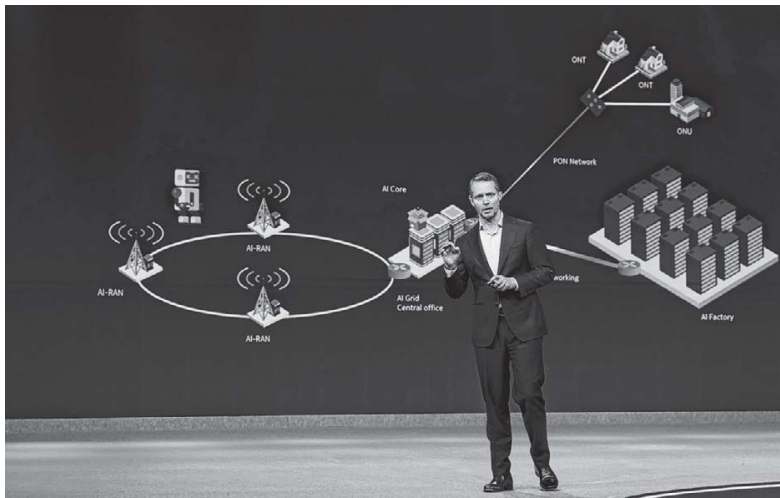
The Justice Department officials and executives discussed the economic power that sports, particularly the National Football League, has on their TV station businesses.

The meetings with local television station owners and operators are a sign of the far-reaching nature of the Justice Department's investigation. Local stations help finance the deals networks including NBC, CBS, ABC and Fox sign for the NFL and other sports. TV stations pay networks for content both by giving up ad inventory as well as cash compensation.

Sports are vital for local stations because the large audiences it draws help boost other programming such as local news. Local television stations also sell commercials in their sports coverage, which is a major source of revenue.

The probe is still in its early phases but people familiar with the investigation expect civil investigation demands to be issued to sports leagues, TV networks and local station owners.

BUSINESS WATCH



Nokia CEO Justin Hotard at the Mobile World Congress in Barcelona in March.

NOKIA

AI, Data-Center Business Sales Rise

Nokia backed full-year guidance as it reported rising sales of its network-infrastructure equipment on strong demand from artificial intelligence and data-center customers.

The Finnish telecom-equipment provider has repositioned itself to seek growth outside of its traditional telecom-operator market and take advantage of the explosive growth in AI and data centers.

To aid the strategy, the company now operates through

two main business divisions: a mobile infrastructure unit that houses its traditional mobile-communication technology and services business; and a network infrastructure segment that provides AI and data-center networking technology.

The company said first-quarter sales of network infrastructure rose 12% on year, driven by demand from AI and cloud customers in the Americas.

It booked 1 billion euros, equivalent to \$1.17 billion, of orders from AI & Cloud customers in the quarter and now sees overall sales in the network-infrastructure business growing 12% to 14% this year,

having previously expected 6% to 8%. The company had previously said it was investing in additional manufacturing capacity to support growth and maximize the opportunity in this accelerating market.

Sales of the company's mobile infrastructure equipment fell 3% on year, where network growth in Europe, Middle East and Africa and Latin America was offset by a decline in North America.

Chief Executive Justin Hotard noted that the scale of investment underway across AI and cloud is creating shortages of key components.

—Dominic Chopping

STMICROELECTRONICS Shares Rally as Sales Top Outlook

STMicroelectronics shares surged after the European chip maker posted strong first-quarter sales and said revenue growth from artificial intelligence should accelerate in coming months as tech giants plow billions into data centers.

The company said revenue climbed 23% on year to \$3.10 billion, above company guidance of about \$3.04 billion and analysts' forecast of \$3.06 billion, according to Visible Alpha.

STMicroelectronics shares in Paris jumped 14% in Thursday's trading.

—Mauro Orru

ASML

TSMC Remarks Send Stock Lower

ASML shares fell after chip giant Taiwan Semiconductor Manufacturing Co. said it has no plans to buy the Dutch group's high-end lithography machines because they are too expensive.

Shares of ASML slid 2% in Amsterdam.

The Taiwanese group's new A13 node doesn't require it to purchase ASML's most advanced ultraviolet lithography units, known as High-NA EUV machines, TSMC's co-Chief Operating Officer Kevin Zhang said, according to a Bloomberg report.

—Joe Stonor

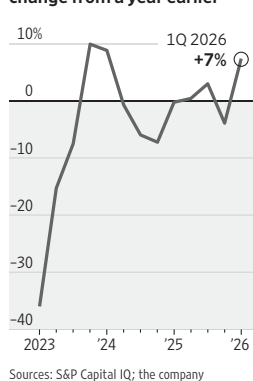
Intel's Sales Increase

Continued from page B1

on sales of CPUs to power the servers used to train and run AI models. The company had previously signaled high demand in the segment because of the high number of customers planning to replace older servers with new hardware. Analysts polled by FactSet had expected \$4.5 billion in sales for the March quarter.

Tan, the CEO, said during an earnings call with investors that the ratio of CPUs to GPUs needed today is 1 to 4, versus 1

Intel's quarterly revenue, change from a year earlier



company's bread-and-butter product—to be restrained for the rest of the year because widespread shortages of memory chips have driven up prices for laptops and other devices. But the company expects those slow sales to be offset by rising demand for data center chips to run AI agents.

One of the flashiest news announcements Intel has made in recent months is that it is joining Elon Musk's Terafab project, although the extent and exact nature of the chip maker's involvement remain unclear. Intel has said it would offer its resources to help design, manufacture and package chips at the Terafab's foundries—also known as "fabs" in the chips industry.

"Terafab is very important. Lip-Bu and Elon are still working out exactly what the busi-



The company reported a net loss of \$3.7 billion, or 73 cents.

ness will entail," Zinsner said. Intel bet heavily on its foundry business over the last decade but has struggled for years to produce consistent profits and attract major new customers. It has fallen badly behind rivals like Nvidia and Advanced Micro Devices that

DeepSeek Is Tapping External Investors

Chinese artificial-intelligence startup DeepSeek is tapping external investors for the first time since it became a household name, looking to raise funds for research and development, people familiar with the matter said.

In recent weeks, DeepSeek has held talks with potential investors, including Chinese technology giants Alibaba and Tencent, seeking to raise at least \$300 million, the people said. The funds will be denominated in Chinese yuan, they said.

Beijing-based venture-capital firm Shunwei Capital—backed by Lei Jun, founder of Chinese consumer-electronics maker Xiaomi—also has held talks with the AI startup, some of the people said.

Preliminary discussions value the Chinese AI heavyweight at between \$10 billion and \$30 billion, the people said. Several prospective investors are benchmarking DeepSeek against another Chinese AI startup, Moonshot AI, which was valued at \$18 billion in its latest financing round, some of the people said.

DeepSeek hasn't raised outside funds from investors even after it turned heads in Silicon Valley and Wall Street with a powerful AI model early last year that rivaled those of titans such as OpenAI. So far, the Hangzhou-based firm has been largely bankrolled by founder Liang Wenfeng's own cash and profit from High-Flyer, the hedge fund that he co-founded.

Investors have struggled to put a price on DeepSeek, mainly because the startup, derived from an AI lab at High-Flyer, has focused on open-source AI technologies but hasn't established a proven revenue model, the people said.

Some investors are pegging DeepSeek's worth to its long-awaited next-generation AI model, some of the people said. If the release disappoints market expectations, that will weigh heavily on the company's valuation, they said.

In recent months, competition in the AI sector has intensified as computing power and talent costs mount. Founder Liang had turned down prospective investors before, fearing that outsiders would interfere in DeepSeek's decisions. The Wall Street Journal has reported. Now, DeepSeek has a more urgent need for capital than before to retain top talent and keep advancing its AI capabilities.

Other Chinese startups such as Minimax and Zhipu AI have gone public after multiple fundraising rounds.

Insatiable investor appetite for companies seen as the future stars of the Chinese AI scene has also significantly lifted the valuation of private firms.

Moonshot's valuation has more than quadrupled in three months, and it is considering a public offering in Hong Kong, the Journal has reported.

Alibaba, Tencent, Shunwei and DeepSeek didn't respond to requests for comment.

The Information earlier reported on DeepSeek's fundraising efforts.

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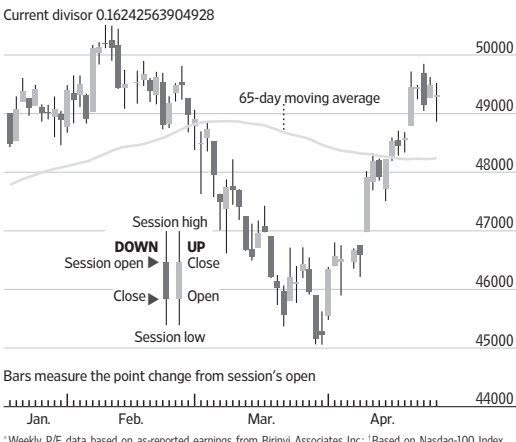
THE WALL STREET JOURNAL.

MARKETS DIGEST

EQUITIES

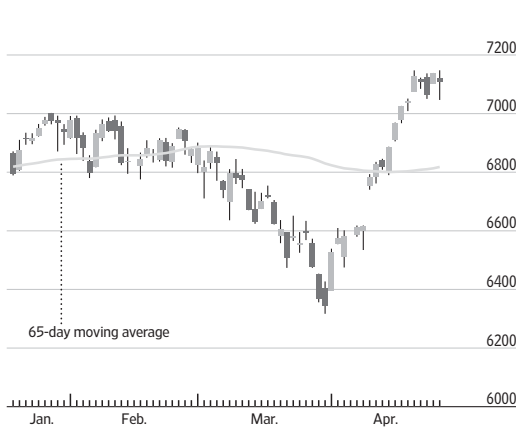
Dow Jones Industrial Average

49310.32 ▼179.71, or 0.36%
 High, low, open and close for each trading day of the past three months.



S&P 500 Index

7108.40 ▼29.50, or 0.41%
 High, low, open and close for each trading day of the past three months.



Nasdaq Composite Index

24438.50 ▼ 219.06, or 0.89%
 High, low, open and close for each trading day of the past three months.



Major U.S. Stock-Market Indexes

	High	Low	Close	Net chg	% chg	52-Week High	52-Week Low	% chg YTD	% chg 3-yr. ann.
Dow Jones									
Industrial Average	49522.94	48861.31	49310.32	-179.71	-0.36	50188.14	40093.40	23.0	13.4
Transportation Avg	21929.18	20935.45	21090.93	-832.18	-3.80	23933.14	13497.05	53.3	13.5
Utility Average	1158.62	1134.66	1157.38	27.34	2.42	1190.23	1003.40	12.8	6.1
Total Stock Market	70785.79	69748.76	70394.66	-308.79	-0.44	70703.45	54167.13	30.0	19.5
Barron's 400	1527.31	1505.96	1520.64	-4.76	-0.31	1533.27	1173.50	29.6	18.0
Nasdaq Stock Market									
Nasdaq Composite	24664.87	24209.74	24438.50	-219.06	-0.89	24657.57	17166.04	42.4	26.5
Nasdaq-100	27007.87	26540.32	26782.62	-154.65	-0.57	26937.27	19214.40	39.4	27.2
S&P									
500 Index	7147.78	7046.55	7108.40	-29.50	-0.41	7137.90	5484.77	29.6	19.8
MidCap 400	3648.49	3591.75	3633.36	-0.90	-0.02	3668.67	2831.67	27.8	9.9
SmallCap 600	1657.31	1631.13	1649.97	-0.80	-0.05	1656.83	1219.01	35.3	12.4

	High	Low	Close	Net chg	% chg	52-Week High	52-Week Low	% chg YTD	% chg 3-yr. ann.
Other Indexes									
Russell 2000	2796.10	2741.54	2775.10	-10.28	-0.37	2792.96	1957.59	41.8	15.7
NYSE Composite	23027.60	22745.79	22952.74	-49.05	-0.21	23524.84	18895.41	21.5	4.3
Value Line	659.63	649.05	655.79	-3.84	-0.58	664.88	548.90	19.4	4.4
NYSE Arca Biotech	7241.62	7023.84	7093.08	-148.54	-2.05	7711.58	5301.83	27.2	-0.8
NYSE Arca Pharma	1105.45	1094.79	1099.35	2.45	0.22	1209.27	864.14	17.8	-2.4
KBW Bank	170.84	167.49	169.52	-0.38	-0.22	176.41	116.95	44.4	3.3
PHLX [®] Gold/Silver	384.75	369.08	376.76	-11.05	-2.85	470.37	175.36	98.9	10.1
PHLX [®] Oil Service	102.40	100.21	101.51	1.07	1.06	101.51	54.62	79.8	38.4
PHLX [®] Semiconductor	10206.18	9923.43	10078.57	169.30	1.71	10078.57	4196.75	139.5	42.3
Cboe Volatility	21.56	18.70	19.31	0.39	2.06	31.05	13.47	-27.0	29.2

Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; *Based on Nasdaq-100 Index
 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
Intel	INTC	34,631.1	79.70	12.92	19.35	79.88	65.27
iShares iBoxx \$ HY Cpb	HYG	9,754.4	80.37	...	unch.	80.46	80.26
AT&T	T	7,186.6	26.58	-0.03	-0.11	26.70	26.53
Direxion Semicon Br 3x	SOXS	6,559.0	15.02	-0.68	-4.33	16.02	15.00
Advanced Micro Devices	AMD	4,305.5	324.06	18.73	6.13	326.74	211.84
NVIDIA	NVDA	3,926.6	198.90	-0.74	-0.37	206.55	193.34
Allied Gold	AAUC	3,892.2	31.81	...	unch.	32.00	31.81
Skillz	SKLZ	3,779.2	11.00	-1.45	-11.65	13.40	9.53

Percentage gainers...

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
GrShr 2x Long INTC Daily	INTW	246.1	158.30	44.28	38.84	159.87	113.96
Direxion INTC Bull 2X	LINT	80.3	99.00	27.39	38.25	100.00	72.75
MaxLinear	MXL	985.0	45.00	10.75	31.39	45.66	34.13
World Kinect	WKC	111.6	28.76	5.22	22.18	29.00	23.54
Intel	INTC	34,631.1	79.70	12.92	19.35	79.88	65.27

...And losers

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
Skillz	SKLZ	3,779.2	11.00	-1.45	-11.65	13.40	9.53
Courserra	COUR	777.1	5.29	-0.68	-11.39	5.97	4.67
Defiance Tgt 2X Shrt AMD	DAMD	642.8	7.59	-0.88	-10.40	8.47	7.36
System1	SST	1,208.8	3.56	-0.27	-7.05	4.47	3.38
James Hardie Industries	JHX	326.2	20.45	-1.45	-6.62	21.90	20.45

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	1,142,698,068	21,338,364
Adv. volume*	438,455,215	5,963,211
Decl. volume*	689,447,114	15,322,060
Issues traded	2,839	292
Advances	1,262	95
Declines	1,496	188
Unchanged	81	9
New highs	130	5
New lows	29	9
Closing Arms*	1.40	0.20
Block trades*	3,769	185

*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.

Percentage Gainers...

Company	Symbol	Close	Net chg	% chg	52-Week High	52-Week Low	% chg
Skillz	SKLZ	12.45	8.77	238.32	20.00	2.23	159.4
EUDA Health Holdings	EUDA	11.46	5.42	89.74	86.00	5.26	-84.6
Trio-Tech Intl	TRT	13.78	5.52	66.83	16.35	2.31	432.0
Direxion Dly TXN Bull 2X	TXNU	50.15	13.95	38.54	50.86	22.90	...
System1	SST	3.83	1.03	36.79	15.00	1.35	14.6

Percentage Losers

Company	Symbol	Close	Net chg	% chg	52-Week High	52-Week Low	% chg
ASGN	ASGN	19.53	-20.90	-51.69	60.75	19.31	-62.3
Texxon Holding	NPT	1.83	-1.86	-50.41	22.38	1.82	...
Avis Budget Group	CAR	229.14	-214.80	-88.38	847.70	85.86	150.7
Grace Therapeutics	GRCE	2.35	-1.96	-45.48	5.18	1.79	-1.3
GrShr 2x Long NOW Daily	NOWL	3.61	-1.99	-35.54	29.01	3.49	...

Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	52-Week Low
Nuburu	BURU	356,007	1246.6	0.37	31.80	4.24	0.15
Cheetah Net Supply Chain	CTNT	308,180	621.9	0.03	-17.25	2.31	0.03
Direxion SC Bear 3x	TZA	225,662	69.8	5.09	0.99	17.81	4.86
Direxion Semicon Br 3x	SOXS	185,851	262.3	15.70	-6.55	435.00	15.06
Nokia ADR	NOK	176,672	207.8	10.33	4.77	10.86	4.00

Volume Movers

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	52-Week Low
EUDA Health Holdings	EUDA	4,678	5371.4	11.46	89.74	86.00	5.26
Trio-Tech Intl	TRT	31,125	45257	13.78	66.83	16.35	2.31
Rithm Acquisition CI A	RAC	2,233	7533	10.42	...	10.47	9.93
Travelzoo	TZOO	5,202	3067	9.48	26.57	16.56	4.72
Nayax	NYAX	391	2945	66.24	3.07	66.80	37.95

International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
World	MSCI ACWI	1067.31	-4.00	-0.37	5.2
	MSCI ACWI ex-USA	453.97	-1.40	-0.31	7.8
	MSCI World	4613.01	-16.57	-0.36	4.1
	MSCI Emerging Markets	1599.31	-7.76	-0.48	13.9
Americas	MSCI AC Americas	2698.60	-11.065	-0.41	4.0
Canada	S&P/TSX Comp	33912.93	-42.18	-0.12	6.9
Latin Amer.	MSCI EM Latin America	3255.10	-26.911	-0.82	20.1
Brazil	Ibovespa	191378.43	-1510.53	-0.78	18.8
Chile	S&P IPSA	5617.05	-5.13	-0.09	3.6
Mexico	S&P/BMV IPC	68631.16	-205.76	-0.30	6.7
EMEA	STOXX Europe 600	614.20	0.32	0.05	3.7
Eurozone	Euro STOXX	632.04	-0.77	-0.12	3.2
Belgium	Bel-20	5392.03	5.24	0.10	6.2
Denmark	OMX Copenhagen 20	1446.38	-11.64	-0.80	-10.1
France	CAC 40	8227.32	70.89	0.87	1.0
Germany	DAX	24155.45	-39.45	-0.16	-1.4
Israel	Tel Aviv	4419.65	-9.82	-0.22	21.7
Italy	FTSE MIB	47907.41	121.95	0.26	6.6
Netherlands	AEX	1014.08	-7.18	-0.70	6.6
Norway	Oslo Bors All-Share	2348.30	12.16	0.52	21.0
South Africa	FTSE/JSE All-Share	116449.09	-1619.24	-1.37	0.5
Spain	IBEX 35	17885.90	-120.50	-0.67	3.3
Sweden	OMX Stockholm	1093.73	-3.41	-0.31	4.6
Switzerland	Swiss Market	13248.06	180.43	1.38	-0.1
Turkey	BIST 100	14335.49	...	Closed	27.3
U.K.	FTSE 100	10457.01	-19.45	-0.19	5.3
U.K.	FTSE 250	22764.52	-207.49	-0.90	1.3

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
Asia-Pacific	MSCI AC Asia Pacific	254.34	-1.31	-0.51	11.7
Australia	S&P/ASX 200	8793.40	-50.16	-0.57	0.9
China	Shanghai Composite	4093.25	-13.01		

COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Metal & Petroleum Futures					
	Contract	Open	High	Low	Open interest
Copper-High (CBT)-25,000 lbs.; \$ per lb.					
April	6.0230	6.0270	6.0210		1,860
July	6.1990	6.2085	6.0700	6.0755	-0.0445
Gold (CMX) -100 troy oz.; \$ per troy oz.					
April	4711.50	4732.40	4711.50	4705.10	-27.40
May	4744.30	4747.20	4664.50	4707.40	-28.90
June	4759.20	4771.30	4680.10	4724.00	-29.00
July	4770.00	4776.60	4700.00	4741.00	-29.10
Aug	4796.90	4806.20	4716.30	4759.80	-29.20
Sept	4816.30	4820.00	4748.00	4776.70	-29.30
Palladium (NYM) -50 troy oz.; \$ per troy oz.					
April	1587.00	1587.00	▲ 1580.50	1484.60	-62.50
June	1564.50	1565.50	1464.50	1493.60	-62.60
Platinum (NYM) -50 troy oz.; \$ per troy oz.					
April	2003.00	2003.00	2003.00	2022.60	-50.00
July	2093.00	2095.90	2003.80	2038.40	-49.70
Silver (CMX) -5,000 troy oz.; \$ per troy oz.					
April	76.305	76.325	76.255	75.465	-2.428
July	78.285	78.945	74.775	76.060	-2.468
Crude Oil, Light Sweet (NYM) -1,000 bbls.; \$ per bbl.					
June	92.90	98.39	92.30	95.85	2.89
July	88.19	92.94	87.59	90.82	2.44
Sept	81.33	84.90	80.84	83.34	1.83
Dec	76.32	78.90	75.87	77.85	1.39
June*27	72.31	73.86	72.02	73.32	0.87
NY	70.68	71.71	70.26	71.28	0.65
NY Harbor ULSD (NYM) -42,000 gal.; \$ per gal.					
May	3.9187	4.0673	3.8137	3.9882	.0503
June	3.8143	3.9432	3.7022	3.8677	.0516
Gasoline-NY RBOB (NYM) -42,000 gal.; \$ per gal.					
May	3.3364	3.4990	▲ 3.3195	3.4621	.1042
June	3.2311	3.3710	▲ 3.2104	3.3342	.0858
Natural Gas (NYM) -10,000 MMBtu; \$ per MMBtu.					
May	2.718	2.740	2.568	2.614	-1.08
June	2.850	2.878	▼ 2.709	2.760	-1.01
July	3.121	3.147	▼ 3.001	3.051	-0.82
Sept	3.176	3.202	▼ 3.066	3.117	-0.74
Oct	3.246	3.273	▼ 3.136	3.188	-0.72
Jan*27	4.685	4.718	4.610	4.697	-0.12
Agriculture Futures					
Corn (CBT) -5,000 bu.; cents per bu.					
May	453.50	456.75	452.50	455.50	1.25
July	462.00	465.25	461.00	463.75	1.00
Oats (CBT) -5,000 bu.; cents per bu.					
May	318.75	321.75	317.00	320.50	4.25
July	332.50	337.50	331.00	333.50	2.50
Soybeans (CBT) -5,000 bu.; cents per bu.					
May	1165.00	1168.50	1157.50	1159.75	-4.75
July	1180.25	1183.75	1172.50	1174.75	-4.75
Soybean Meal (CBT) -100 tons; \$ per ton.					
May	322.30	323.90	320.10	320.60	...
July	317.90	319.30	315.80	316.50	...
Soybean Oil (CBT) -60,000 lbs.; cents per lb.					
May	71.64	72.03	70.75	71.66	-0.02

Cash Prices | wsj.com/market-data/commodities

Thursday, April 23, 2026

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

Thursday		Thursday		Thursday	
Energy		Food		Fats and Oils	
Coal,Cplc,12500Btu,1.25O2-rw	87.000	BMI Lithium Carbonate, EXW China, ~95% w/w	25000	Beef,carcass equiv. index choice 1-3,600-900 lbs.-u	371.06
Coal,PwdrRvrBsn,8800Btu,0.85O2-rw	15.600	BMI Lithium Hydroxide, EXW China, ~56% w/w	22600	select 1-3,600-900 lbs.-u	366.52
Metals		Fibers and Textiles		Grains and Feeds	
Gold, per troy oz	4743.00	Burlap,10-oz,40-inch NY yd-rw	1.2000	Bran,wheat middlings, KC-u-w	83
Engelhard Industrial	4886.46	Cotton,11/16 std lw-mdMphs-u	0.7645	Corn, No. 2 yellow, Cent IL-bpu	4.3800
Krugerrand,wholesale-e	4933.45	Cotlook 'A' Index-t	*90.55	Cottonseed meal-u-w	n.a.
American Eagle-e	4933.45	Hides,lvh native steers piece fob-u	n.a.	Hominy feed, Cent IL-u-w	120
Mexican peso-e	5673.01	Wool,64s, staple, Terr del-u-w	n.a.	Meat-bonemeal,50% pro MnpIs-u-w	280
Austria crown-e	4608.49	Grains and Feeds		Oats,No.2 milling,MnpIs-u	3.7550
Austria phil-e	4933.45	Rice, Long Grain Milled, No. 2 AR-u-w	28.75	Soybean Meal, Cent IL,rail,ton48%-u	342.70
Silver, troy oz.		Soybean Meal, Cent IL,rail,ton48%-u	11.3800	Soybeans, No.1 yllw IL-bpu	0.7200
Engelhard industrial	76.7000	Wheat,Spring14%-pro MnpIs-u	7.7950	Wheat,No.2 soft red, St.Louis-u	6.1325
Handy & Harman base	76.0550	Wheat - Hard - KC (USA) \$ per bu-u	6.5675	Wheat-No.1Soft white,Portld,OR-u	6.2500
Handy & Harman fabricated	95.0690	Steel/EV metals			
Coins,wholesale \$1,000 face-a	53885				
Other metals					
Platinum,Engelhard industrial	2039.0				
Palladium,Engelhard industrial	1502.0				
Aluminum, LME, \$ per metric ton	*3652.0				
Copper, Comex spot	6.0755				
Iron Ore, 62% Fe CFR China-s	*108.0				
Steel, HRC USA, FOB Midwest Mills-	*1050.0				

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; D=CME; E=Manfra, Tordella & Brookes; H=American Commodities Brokerage Co; K=bi-weekly; M=monthly; N=nominal; n.a.=not quoted or not available; P=Sosland Publishing; R=SNL Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. *Data as of 4/22

Source: Dow Jones Market Data

Exchange-Traded Portfolios | wsj.com/market-data/mutualfunds-etfs

Largest 100 exchange-traded funds, latest session.					
Thursday, April 23, 2026					
ETF	Symbol	Closing Price	Chg (%)	YTD (%)	Chg YTD (%)
CapGrpDivVal	CGDV	46.01	0.37	5.4	
DimenUSCoreEq2	DFAC	42.00	-0.31	6.1	
FidTotalBd	FBNB	45.89	-0.13	6.3	
InvsqNasd100	QQQM	268.22	-0.52	6.0	
InvsqQQQ	QQQ	651.42	-0.56	6.0	
Invsq&P500EW	RSP	202.45	-0.06	5.7	
ISHBitcoin	IBIT	44.05	-1.50	-11.3	
ISHCoreDivGrowth	DGRO	73.15	0.32	5.4	
ISHCoreMSCIEAFE	IEFA	94.48	-0.80	5.6	
ISHCoreMSCIEM	IEMG	76.57	-1.71	13.9	
ISHMSCIntlDev	IDEV	87.37	-0.75	5.9	
ISHCoreMSCITotInt	IVUS	91.76	-1.13	8.4	
ISHCoreS&P500	IYV	711.74	-0.39	3.9	
ISHCoreS&P MC	IJH	72.64	...	10.1	
ISHCoreS&P SC	IUR	135.57	-0.04	12.8	
ISHCoreS&P TotUS	ITOT	155.24	-0.43	4.4	
ISHCoreS&PUSGrw	IUSG	175.06	-0.87	4.2	
ISHCoreUSAggBd	AGG	99.45	-0.16	-0.4	
ISHCoreIntlUSDBd	IUSB	46.33	-0.19	-0.5	
ISHEdgeMSCIASQUAQ	QUAL	205.89	-0.62	3.8	
ISHGoldTr	IAU	88.34	-0.95	8.7	
ISHBoxxS&PcBd	LQD	109.52	-0.27	-0.1	
ISHMBS	MBB	95.08	-0.22	0.6	
ISHMSCIACWI	ACWI	149.25	-0.61	5.5	
ISHMSCIEAFE	EFA	101.24	-0.72	5.4	
ISHMSCIEM	EEM	62.35	-1.63	14.0	
ISHMSCIEAFEValue	EFV	76.45	-0.46	7.0	
ISHNatlNumBd	MUB	107.33	0.02	0.2	
ISHL-3YTreasBd	SHL	82.48	-0.05	-0.4	
ISHRussMC	IWR	103.83	-0.04	7.9	
ISHRuss1000	IWB	387.93	-0.44	3.9	
ISHRuss1000Grw	IWF	473.05	-1.22	-0.1	
ETF					
Symbol	Closing Price	Chg (%)	YTD (%)	Chg YTD (%)	
iSHRuss1000Val	IWR	227.49	0.41	8.2	
iSHRuss2000	IWD	275.52	-0.35	11.9	
iSHS&P500Grw	IWV	127.78	-1.00	3.7	
iSHS&P500Value	IWE	220.85	0.31	4.1	
iSH7-10YTreasBd	IEF	95.37	-0.16	-0.8	
iSHSilver	SLV	68.38	-2.83	6.1	
iSH20+YTreasBd	TLT	86.55	-0.22	-0.7	
iSHUSEqFactRotat	DYFN	63.49	-0.42	4.4	
iSHO-3M TreasuryBd	GOV	22.89	-0.15	-0.6	
iSHO-3M TreasuryBd	SGOV	100.61	0.01	0.2	
JPMNasdaqEqPrem	JEQ	58.83	-0.10	1.2	
JanusHendersonAAA	JAAA	50.63	0.02	0.1	
JPMEqPremIncome	JEPI	57.59	0.51	0.6	
JPM UITSnlncm	JPST	50.57	0.02	-0.0	
ProSharePQQQ	TQQQ	59.22	-1.64	12.3	
SPDRGoldMini	GLDM	92.89	-0.98	8.8	
SPDR Gold	GLD	431.04	-0.97	8.8	
SchwabIntlEquity	SCHF	26.14	-0.98	8.7	
SchwabUS BrdMkt	SCHB	27.38	-0.36	4.4	
SchwabUS Div	SCHD	31.42	1.32	14.5	
SchwabUS LC	SCHX	37.94	-0.36	3.8	
SchwabUS LC Grw	SCHG	32.44	-1.25	-0.6	
SSEnergySel	XLE	56.98	0.78	27.4	
SSFinSel	XLF	51.80	-0.79	-5.4	
SSHtCrSel	XLV	146.24	-0.10	-5.5	
SSIndSel	XLI	174.07	1.77	12.2	
SSSPDRBj1-3M	BIL	91.59	0.02	0.2	
SS SPDR DJIA	DIA	493.00	-0.36	2.6	
SSSPDRDevUS	SPDW	48.22	-0.86	8.6	
SSSPDRS&P500	SPY	83.38	-0.41	3.9	
SSSPDRS&P500G	SPVG	119.59	-1.06	3.6	
SSSPDRS&P500V	SPV	59.16	0.32	4.1	
SSIMSPDRS&P500	SPY	708.45	-0.39	3.9	
Closing Price					
Symbol	Price	Chg (%)	YTD (%)	Chg YTD (%)	
SSSPDRS&P400	MDY	663.01	-0.01	9.9	
SSTechSel	XLK	155.84	-1.42	8.2	
SSUTILSel	XLU	46.09	2.72	8.0	
VanEckGoldMin	GDV	92.19	-2.42	7.5	
VanEckSemicon	SMH	481.85	1.05	33.8	
VangdSCVal	VBR	231.46	0.04	9.3	
VangdExtMkt	VXF	225.35	-0.61	7.8	
VangdDivApp	VIG	227.79	0.31	3.6	
VangdFTSEAWXUS	VEU	79.98	-0.95	8.2	
VangdFTSEDevMkt	VEA	67.69	-0.97	8.4	
VangdFTSEEM	VWG	57.92	-1.43	7.7	
VangdFTSE Europe	VGE	86.47	-0.77	3.4	
VangdGrowth	VGM	82.04	-1.18	0.9	
VangdIntl	VYM	155.83	0.65	8.6	
VangdInfoTech	VIT	101.57	-1.42	7.8	
VangdIntermBd	BIV	77.30	-0.17	-0.7	
VangdIntCorpBd	VIGT	83.14	-0.20	-0.7	
VangdIntermTrea	VCI	59.48	-0.13	-0.8	
VangdLC	VG	325.74	-0.46	3.5	
VangdMegaGrwth	MVG	82.87	-1.39	0.4	
VangdMkt	VO	76.80	0.26	5.9	
VangdRealEst	VNO	95.49	1.03	7.9	
VangdRuss1000Grw	VONG	121.69	-1.23	-0.0	
VangdS&P500ETF	VOO	651.26	-0.40	3.8	
VangdST Bond	BSV	78.38	-0.05	-0.5	
VangdSTCPBd	VGSX	79.34	-0.10	-0.5	
VangdShorTrea	VESH	58.48	-0.03	-0.4	
VangdSC	VW	283.25	-0.36	9.8	
VangdTaxExemptBd	VTEB	50.45	0.04	0.3	
VangdTotalBd	BND	73.73	-0.18	-0.5	

MARKETS & FINANCE

Software Stocks Lead Benchmarks Lower

Oil prices fall for fourth straight day as tensions escalate in U.S., Israel and Iran

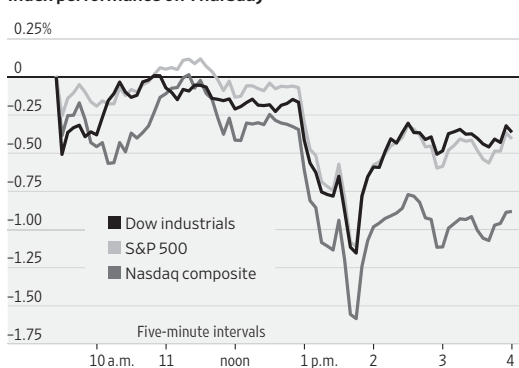
By HANNAH ERIN LANG

Stocks edged lower, with investors weighing the latest batch of corporate earnings against a geopolitical backdrop fraught with tensions among the U.S., Israel and Iran.

Software stocks were among the worst-performing in the S&P 500 index. Investors remain skeptical of the sector, concerned that the industry could be disrupted by the advent of artificial-intelligence tools.

On Thursday, **ServiceNow** plunged 18% after the cloud-based software company cut its projection for operating margin. "Anything that is adjacent to software or SaaS as a whole

Index performance on Thursday



Source: FactSet

is getting dragged," said Clayton Allison, portfolio manager at Prime Capital Financial, referring to software-as-a-service. "Right now, software is in the penalty box."

By midafternoon, the U.S. war with Iran had returned to the spotlight. Israel is prepared to escalate military operations

against Iran, the country's defense minister, Israel Katz, said in a recorded statement on Thursday. President Trump also said he has ordered the Navy to "shoot and kill any boat" laying mines in the Strait of Hormuz, as the U.S. and Iran jostle for control of the vital waterway.

The Nasdaq composite led losses, falling 0.9%. The S&P 500 fell 0.4%. The Dow industrials also dropped 0.4%, or 180 points.

IBM stock slumped 8.3% after the company disappointed investors by keeping its revenue guidance the same. One software-sector exchange-traded fund, the iShares Expanded Tech Software ETF, suffered its biggest one-day percentage decline since April 2025.

Falling shares of megacap tech names also weighed on major benchmarks. **Microsoft** stock closed 4% lower after announcing it would offer voluntary buyouts to 7% of its workforce. Shares of **Meta Platforms** slid 2.3% after the company said it would lay off roughly 8,000 people.

And **Tesla** shares declined 3.6% after it outlined plans to plow \$25 billion into capital expenditures this year as it pursues its AI and robotics ambitions—a spending strategy so

aggressive that a team of analysts dubbed it "capexmaxxing."

Oil futures rose for the fourth straight session, with global benchmark crude prices advancing 3.1% to \$105.07 a barrel.

Stocks tumbled last month as the conflict in the Middle East escalated, threatening to raise fuel costs worldwide and jolting global energy markets. Indexes rebounded rapidly, however, after Trump announced a cease-fire.

But with peace talks in limbo and the Strait of Hormuz still effectively shut, the threat of a renewed conflict was back in focus on Thursday. "I think it's a much-needed reminder that 'Hey, this is still going on. Let's not all feel like it's in the rearview,'" said JP Powers, chief investment officer at RWA Wealth Partners. But if the recent past is any indication, Powers noted, it might not take much to get the rally back on track.

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.

FOUR-WEEK BILLS

Applications	\$239,681,642,500
Accepted bids	\$81,064,512,500
" noncompetitively	\$6,021,592,700
" foreign noncompetitively	\$2,000,000,000
Auction price (rate)	99.720389 (3.95%)
Coupon equivalent	3.65%
Bids at clearing yield accepted	75.02%
Cusip number	912797TT4
The bills, dated April 28, 2026, mature on May 26, 2026.	

EIGHT-WEEK BILLS

Applications	\$219,263,122,000
Accepted bids	\$75,998,683,500
" noncompetitively	\$1,388,612,900
" foreign noncompetitively	\$1,400,000,000
Auction price (rate)	99.439222 (3.65%)
Coupon equivalent	3.67%
Bids at clearing yield accepted	27.93%
Cusip number	912797UB1
The bills, dated April 28, 2026, mature on June 23, 2026.	

FIVE-YEAR TIPS

Applications	\$70,081,938,000
Accepted bids	\$29,272,293,000
" noncompetitively	\$184,527,300
Auction price (rate)	99.674220 (1.367%)
Interest rate	1.250%
Bids at clearing yield accepted	32.09%
Cusip number	912820P99
The Treasury inflation-protected securities, dated April 30, 2026, mature on April 15, 2031.	

Hong Kong Fines PwC Over Evergrande Issue

By JIAHUI HUANG

PricewaterhouseCoopers has been penalized US\$166 million by Hong Kong regulators over its audit of China Evergrande Group, the real-estate developer whose collapse in late 2021 triggered the country's property crisis.

The city's Securities and Futures Commission said Thursday that PwC Hong Kong would set aside 1 billion Hong Kong dollars, equivalent to US\$127.7 million, to compensate eligible

independent minority shareholders of China Evergrande.

This is the first time an auditor of a defunct company is providing compensation to independent minority shareholders harmed by false and misleading financial statements, the SFC said.

Separately, Hong Kong's accounting regulator on Thursday levied a HK\$300 million penalty on PwC and fined two former partners HK\$5 million each. The Accounting and Financial Reporting Council also

imposed a six-month practice limitation on PwC, its first such sanction on a public-interest-entity auditor.

The coordinated actions came after investigations into Evergrande's financial statements for 2019 and 2020, which regulators said were materially misstated.

"The outcomes reached with the AFRC and SFC conclude regulatory matters related to the Evergrande audits from over five years ago with no impact for our existing cli-

ents," said Hemione Hudson, chair and chief executive of PwC China.

Earlier this month, Hui Ka Yan, founder of China Evergrande, pleaded guilty to financial misconduct and bribery charges in the Shenzhen Intermediate People's Court.

The China Securities Regulatory Commission in 2024 fined China Evergrande's flagship onshore unit, Hengda Real Estate, 4.175 billion yuan, equivalent to US\$611.5 million, for what it described as fraud-

ulent financial statements and their use in bond issuances.

Evergrande was ordered to liquidate that year after the property developer failed to reach a restructuring plan with creditors.

Evergrande defaulted on dollar bonds in 2021 after running up more than \$300 billion in liabilities, helping spark a broader property crisis in the world's second-largest economy. The company was delisted from Hong Kong last year.

Polymarket Weather Bets Probed

Continued from page B1

notified French police. One mystery trader, with the username "xX25Xx," made more than \$21,000 in profit from a bet of just under \$120 thanks to one such temperature spike on April 15, according to Bubblemaps, a blockchain analytics firm. The trader has since deleted their Polymarket username, meaning they now show up as an unlabeled anonymous account.

Every day, Polymarket lists contracts that allow its users to bet on the maximum temperature in dozens of cities worldwide. Its Paris contract is based on the reading at Charles de Gaulle airport, as reported by Weather Underground, an online weather data provider.

On April 15, the temperature in Paris had reached 18 degrees Celsius in the afternoon and was cooling down in the evening when the airport gauge showed a brief, unexplained jump, hitting 22 degrees Celsius at 9:30 p.m. local time, Weather Underground data shows. Other nearby weather stations didn't show a similar spike.

Just before the anomaly, xX25Xx placed cheap, long-shot



The Paris contract for predictions on maximum temperature uses the reading at the city's Charles de Gaulle airport.

bets on Polymarket that the maximum temperature in Paris that day wouldn't be 18 degrees Celsius, when other bettors were more than 99% sure that the day's top temperature would remain at that level.

The airport weather station also registered a temperature spike around 7 p.m. on April 6. That day, a Polymarket account with username "Haoqin" made nearly \$14,000 in profit by betting that Paris temperatures would peak at 21 degrees Celsius, Polymarket data shows. Temperatures at Charles de

Gaulle had been hovering at around 18 degrees in the late afternoon, according to Weather Underground data.

Sébastien Brana was among several weather enthusiasts who noticed the unusual temperature activity and posted about it on an online weather forum run by Infoclimat, a non-profit where Brana is a board member.

"Someone apparently won \$14k with a bet," Brana wrote. He later added that his group had alerted contacts at Météo-France. Brana didn't immedi-

ately respond to a request for comment.

Météo-France confirmed the weather service had examined one of its monitoring stations and analyzed weather-sensor data. The service has since filed a complaint with police at Charles de Gaulle airport related to tampering with an automated data system, spokeswoman Elenie Alfera said.

A Polymarket spokesperson declined to comment. The traders behind the xX25Xx and Haoqin accounts couldn't be reached. Polymarket has a data

partnership with Dow Jones, the publisher of The Wall Street Journal.

The weather trades took place on Polymarket's international platform. The company recently launched a regulated betting platform for U.S. users, but its international platform remains largely unregulated.

Traders have periodically alleged attempts to rig the outcome of Polymarket's betting contracts by tampering with the sources used to determine answers to the yes-or-no questions that its users bet on.

Blackstone's Distributable Earnings Rise With Revenue

By CONNOR HART

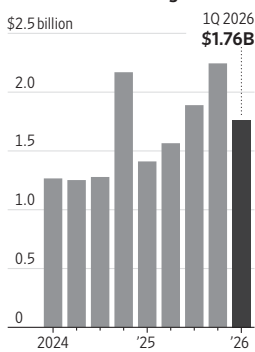
Blackstone's first-quarter distributable earnings climbed as the asset manager logged higher revenue and grew its assets under management.

Blackstone on Thursday posted quarterly net income of \$649.7 million, or 83 cents a share, compared with \$614.9 million, or 80 cents a share, a year earlier.

Distributable earnings, a closely tracked metric for publicly traded investment firms that pay dividends, rose to \$1.76 billion, or \$1.36 a share, from \$1.41 billion, or \$1.09 a share, in the same quarter last year.

Analysts polled by FactSet had forecast distributable earnings of \$1.34 a share.

Blackstone's quarterly distributable earnings



Source: the company

Fee-related earnings, another metric watched by analysts, climbed to \$1.55 billion, or \$1.26 a share, from \$1.26 billion, or \$1.03 a share, a year ago.

Total revenue grew 10% to \$3.62 billion, while total assets under management increased 12% to \$1.3 trillion.

Total dry powder, or unspent capital, stood at \$213.3 billion at the end of the recent quarter.

KPMG Cuts U.S. Audit Partners As Retirement Push Falls Short

By MARK MAURER

KPMG is cutting roughly 10% of its U.S. audit partners, people familiar with the matter said, following a yearslong effort to push more of them to voluntarily retire early.

Roughly 100 partners are exiting the Big Four accounting firm, some of whom volunteered to retire early, the people said. KPMG said the cuts are aimed at better aligning the number of partners with the size of the audit business, as opposed to addressing individual poor performance.

"This action is connected to a multiyear strategy to align the size, shape and skills of our team to the power of our audit platform to best serve our clients and protect the capital markets," KPMG said.

The affected partners will receive financial packages and

placement support, it said. KPMG said its U.S. audit business is growing. The firm audits about 10% of companies registered with the Securities

and Exchange Commission, according to an Ideagen Audit Analytics report from March. That is compared with 15% at Deloitte, 13% at Ernst & Young and 12% at PricewaterhouseCoopers.

The firm's partners and managing directors in the U.S. audit practice total about 1,400, according to a January audit-quality report. Managing directors aren't subject to the latest cuts.

Large accounting firms are working to undo the overhiring they did during the pandemic.

Firms have experienced slower-than-expected levels of voluntary attrition for years, which has contributed to layoffs. U.S. partners have been included in

cuts at firms such as EY and KPMG in recent years.

Cuts in the partner ranks are far less common than staff layoffs in the professional services industry. Firms generally have to buy out the partner's equity and make an additional payment based on seniority and tenure.

KPMG's cuts were earlier reported by the Financial Times.

Mark Maurer writes for WSJ Leadership Institute's CFO Journal.

Premium Customer Strength Lifts Amex Profit

By NICHOLAS G. MILLER

American Express reported a higher first-quarter profit on the back of continued spending from upper-income customers.

"We continue to see strong demand and engagement with our premium products across our customer base," said Chief Executive Stephen Squeri in a call with analysts.

The company said card-member spending increased 9% on a currency adjusted basis, the highest growth rate in three years.

Meanwhile, spending at luxury retail merchants was up 18% in the quarter, while restaurant spending rose 9%. Airline spending grew 8%, but the company said airline growth softened in March and April because of travel disruptions from the Middle East conflict.

American Express also said that spending growth among its Millennial and Gen Z clients, which have higher incomes than the rest of their age cohort, has remained robust.

"It's not every Millennial and Gen Z, it's the cream of the crop," Squeri said.

For the company's saving products, Millennials and Gen Z customers make up over half of the accounts and one-third of the balances.

"It tells you something about the profile of these younger customers that are joining the franchise. They have savings," said Chief Financial Officer Christophe Le Callec.

Last year, American Express unveiled its updated consumer and business Platinum cards with a higher annual fee. The company is seeing accelerated spend growth following the refresh while maintaining high retention rates, Squeri said Thursday.

For the first quarter, the company posted net income of \$2.97 billion, or \$4.28 a share, up from \$2.58 billion, or \$3.64 a share, in the prior-year period. Analysts polled by FactSet had expected \$4 a share.

Consolidated total revenue net of interest expense climbed 11% to \$18.91 billion. Wall Street had expected \$18.61 billion.

Consolidated expenses rose 11% to \$13.9 billion. The company said the increase was driven by higher customer engagement costs because of increased card member spending, the refresh of its U.S. Platinum Card and the usage of travel and lifestyle benefits.

The company reiterated its full-year guidance of 9% to 10% revenue growth and earnings of \$17.30 to \$17.90 a share. Analysts see full-year earnings of \$17.56 a share. American Express also said it had decided to increase its investments in marketing and technology.

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Microsoft Needs Copilot to Get Back in the Air

With its shares in a slump, the tech giant must show its own AI efforts are paying off

Even in the turbulent market of 2026, going from “AI winner” to “AI loser” status in six months seems excessive.

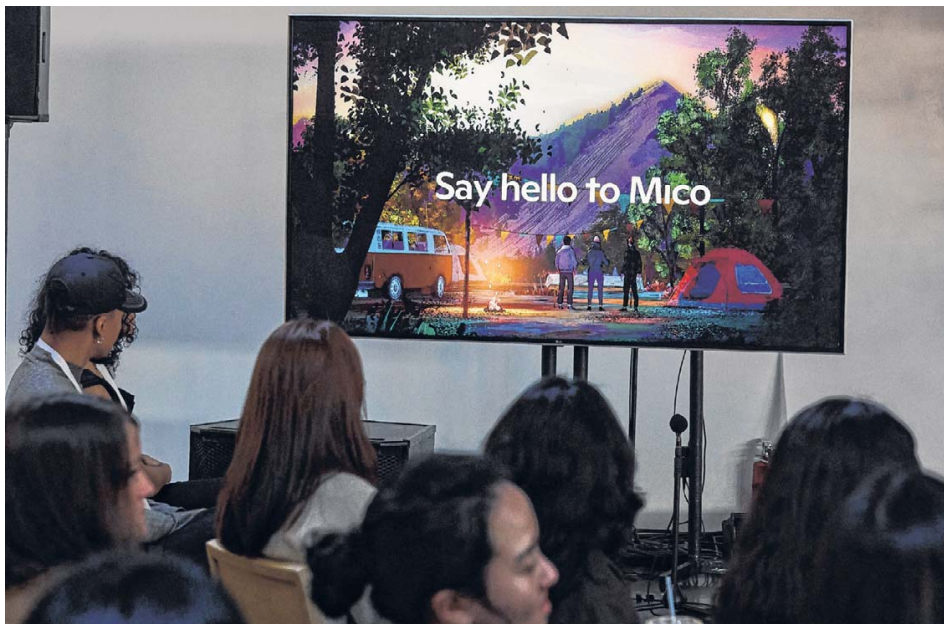
Unfortunately for **Microsoft**, the complexity of the company’s business model also means its new label can’t be shaken off quickly. But patient investors should be rewarded, as the world’s largest software company by revenue still has notable strengths in the artificial-intelligence world.

While Microsoft’s stock has rebounded some recently along with other megacap techs, it remains down about 20% over the past six months, including a 4% drop Thursday. The company has lost more than \$900 billion in market cap from its peak in late October, putting the stock at under 23 times projected earnings. That is a little below the multiple it fetched just before OpenAI launched its ChatGPT in late 2022, according to FactSet data.

That launch made Microsoft the presumed early winner of the AI race, given its prescient investment of billions of dollars in Sam Altman’s startup. But three years in, that race has racked up huge investment bills with less impressive business contributions—at least apparent ones.

Looming large among Microsoft’s concerns now is its suite of Copilot AI tools. Copilot got off the ground in late 2023, bringing AI features to Microsoft’s ubiquitous productivity software, among other offerings. But while paying users of corporate Copilot software have grown to about 15 million in its latest quarter, they represent only about 3.5% of its enormous user base, according to Bank of America analysts.

That isn’t tremendous 2½ years in, especially when considering how the competition is faring. AI developer Anthropic’s Claude Copilot AI tools, which automatically handle common corporate tasks like file management and compiling data, have taken off in



percentage point from the previous quarter and below Wall Street’s expectations. Analysts aren’t expecting a big acceleration this quarter, either.

The limiting factor there has been capacity. Microsoft hasn’t been able to build AI data centers fast enough to simultaneously run its own software offerings, develop its own AI models and lease out computing power at an accelerating rate. That isn’t a good thing, to be sure: It means competitors are eating its lunch in serving AI workloads. But it is far better than a slowdown caused by lagging demand. Microsoft is also working to develop its own AI models, which consumes computing resources now but should lead to greater independence from OpenAI later.

Given the time it takes to build new data centers and fill them with servers, Azure’s capacity issues aren’t likely to be resolved soon even as Microsoft further grows capital spending, Evercore ISI analysts said in a note last month. A return to acceleration for Azure revenue is likely in the second half of the year, they said.

Getting Copilot off the runway will also likely take time—years even. Investors will be looking impatiently at the strategy when Microsoft reports quarterly results next Wednesday.

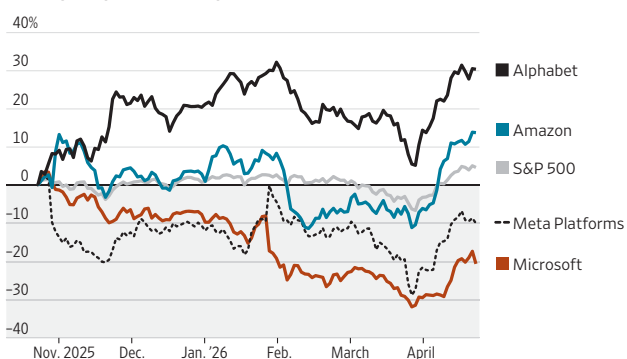
The good news is Microsoft has time to figure it all out. Its corporate software offerings are broad, and customers can’t readily abandon them for flashy AI alternatives. Its diverse stable of businesses, from cloud computing to the LinkedIn corporate social network, are collectively doing well enough to support more spending on its AI efforts.

After riding the crest of the first wave of the AI boom, Microsoft has lost momentum. But its prospects in the AI era haven’t faded as much as many investors seem to think.

— Dan Gallagher and Asa Fitch

Building more AI data centers remains one of the company’s limiting factors to push its suite of services.

Share-price performance, past six months



Source: FactSet

recent months—to the extent that Microsoft recently felt the need to add them to its Copilot suite. Paying fees to Anthropic when users

tap in to Cowork surely makes Copilot less lucrative for Microsoft. The trouble with Copilot is to some degree a consequence of Mi-

crosoft’s decision early in the boom to back OpenAI—a much-hyped mass-market AI developer that didn’t make corporate AI its top priority—instead of waiting for an Anthropic to emerge.

However, that is a mistake Microsoft can overcome. The company has already demonstrated its adaptability by integrating Anthropic models into software offerings despite its close ties to OpenAI. And Microsoft’s huge sales force and existing base of millions of customers gives it commercial leverage that upstart AI developers could only dream of. If and when Microsoft does find a successful formula for corporate AI, it will be off to the races.

Microsoft’s other big problem is that growth in its Azure cloud-computing business has been slowing. Azure revenue grew 39% in its most recent quarter, down a

Money Is Neither Red nor Blue

Party Poopers

American money is green, not red or blue, but that isn’t how some people invest their. A clear partisan tinge affects views of stocks and the economy.

In September 2024, for example, two months before the presidential election, the long-running University of Michigan survey of consumer sentiment topped 70—a decent report. But the number was an abysmal 49.7 among self-identified Republicans and a stellar 92.6 among Democrats. That flipped as soon as President Trump was re-elected.

A less-frequent Gallup survey specifically about whether the stock market will rise in the next six months hewed to the same pattern. This January, 81% of Republicans, but just 35% of Democrats, thought it would. Those numbers were 22% and 43%, respectively, two years earlier.

Has there actually been a difference in stock-market performance based on which party occupied the White House? For what it’s worth, yes. Returns on average have been far lower under supposedly pro-business Republicans.

Academics have dubbed this the “Presidential Puzzle,” but the reasons aren’t so mysterious: Presidents Roosevelt, Obama and Clinton got elected after recessions that were blamed on their Republican predecessors. Then they rode fabulous market rebounds.

The upshot is that presidents don’t affect stocks much themselves, but stocks might affect who’s president.

Your feelings about their party also might even impact how you remember them. The S&P 500 during Lyndon Johnson’s tenure did much better than under his successor, Richard Nixon. Its perfor-

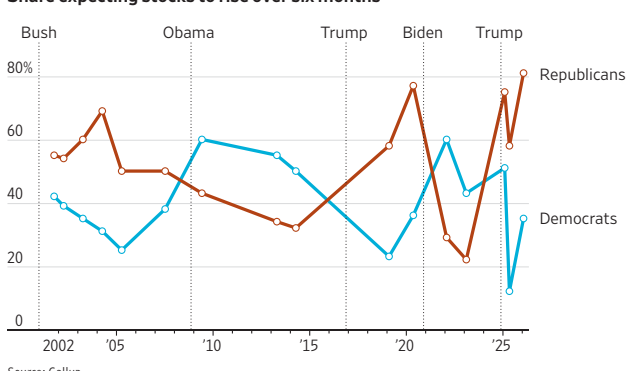
mance when Joe Biden was president was almost identical to that under Trump’s first term.

Picking winning and losing sectors was counterintuitive, too. Investors dumped healthcare stocks when Barack Obama, who promised to revamp the industry, was elected. But a popular fund tracking that business rose 218% during his presidency.

And when Trump was first elected in 2016, it seemed like oil-and-gas stocks would boom and green energy shrivel. Instead, a clean-tech fund trounced a leading energy fund by 336 percentage points during his first term. Then, energy beat the green fund by 213 points during Biden’s presidency.

Wall Street is only too happy to allocate your savings based on political leanings. An exchange-traded fund with the ticker symbol “MAGA” launched in 2017. It has trailed an S&P 500 ETF by 75 per-

Share expecting stocks to rise over six months



Source: Gallup

centage points with an expense ratio 26 times as high.

Another fund, “DEMZ,” launched in 2020. It’s only behind by a little, mostly because it was heavily overweight tech with no

energy stocks.

Purposely avoiding sectors or cutting exposure to stocks based on politics, or anything else, usually is a recipe for regret. Just stay invested.

MONEY & INVESTING

Spotlight On Stocks

Tesla

The EV maker reported better revenue and earnings in the first quarter—and surprised Wall Street with positive free cash—but its shares slid 3.6%. Investors are drilling down on the company’s announcement that it plans \$25 billion on capital expenditures this year as it pursues its AI ambitions.

IBM

The tech company reported rising revenue and a higher profit in the first quarter. But its shares declined 8.3% after the company disappointed investors by keeping its revenue guidance the same.

Nestlé

The owner of the KitKat chocolate bar brand and Nescafé coffee reported a

drop in sales, but said real internal growth—which measures the volume of products sold—exceeded expectations. The company’s new chief executive has prioritized that metric in his turnaround efforts. Shares jumped 5.9%.

Lululemon

The athletic apparel company announced that it is picking longtime Nike executive Heidi O’Neill to be its next leader as it works to shore up its U.S. business. Lululemon shares fell 9%.

Southwest Airlines

The airline carrier said its full-year profit guidance is at risk due to rising jet-fuel costs. Southwest’s shares closed down 4%.

American Airlines

The Fort Worth, Texas-based carrier estimated that its fuel costs would jump by \$4 billion, but its forecast

losses for the year weren’t as deep as Wall Street feared. American’s shares gained 2.4%.

Avis Budget

Shares plummeted 48% Thursday, following Wednesday’s 38% drop. The car-rental company’s stock is falling back to earth after an unusual short squeeze sent it surging earlier this month.

FRIDAY’S EVENTS:

◆ Economic data: The University of Michigan will release its final consumer sentiment figures for April at 10 a.m.

EARNINGS EXPECTED:

Procter & Gamble
Norfolk Southern
HCA Healthcare
Western Union

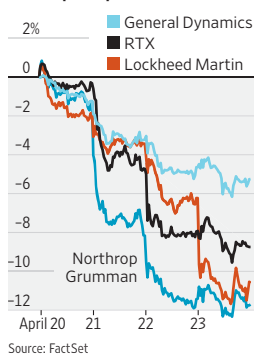
Caution Damps Defense Stocks

The weapon-making business is booming in a world full of conflict. But defense stocks suggest investors are growing cautious.

Major defense companies like Northrop Grumman, Lockheed Martin, General Dynamics and RTX have declined this week as traders assess what the Trump administration’s higher defense-spending request means for the industry. Investors had priced in significant growth in the industry during the first year of President Trump’s term.

Northrop on Monday reported a jump in profit and higher sales in the first quarter, while Lockheed Martin said in its earnings report on Thursday that it burned through more cash than expected over the same period.

Share-price performance



Source: FactSet

On Thursday, Northrop Grumman edged down 0.3%, while General Dynamics closed 0.6% lower. RTX

fell 0.9%.

Lockheed is working to rapidly expand munitions production in the face of surging demand.

Those investments in production—coupled with the timing of some billings, long-term debt repayments and cash dividends—caused the defense contractor to burn through more money than expected in the latest quarter. Lower-than-anticipated earnings sent shares down. The stock fell 4.6% on Thursday. Despite the loss, shares are up more than 6% since the beginning of the year.

— Jared Mitovich and Connor Hart

Today in Market History

On this day in 1956 the New York Stock Exchange allowed an outside guest to ring the opening bell for the first time. Leonard Ross,

who won \$100,000 on a TV quiz show largely on the strength of his knowledge of stock-market trivia, got the honor.



\$150,000
A brightly colored Denver living room has a retro look. **M4**

MANSION

Lena Headey
The 'Game of Thrones' star on her Brooklyn brownstone. **M12**



HOMES | MARKETS | PEOPLE | REDOS | SALES

THE WALL STREET JOURNAL.

Friday, April 24, 2026 | **M1**



Steel supports within the walls hold the stonework in place, left; Lyn Bannister relaxes on a terrace within the chapel walls. 'I feel very proud of the site, and I feel like its custodian,' she said.

Goin' to the Chapel

Their home felt too ordinary. So they tucked a modern house within the walls of a burned-out church and brought a circa-1893 structure back to life.

By RUTH BLOOMFIELD

For many years, Lyn Bannister and Russell Hindley walked past the imposing ruin of a Methodist chapel in their town outside Manchester, England, and wondered what lay behind its high stone walls and creaking iron gates. When the circa-1893 building

came up for sale in 2019, the couple agreed it was time to find out.

They bought the building, which had almost been destroyed by fire in the 1990s, for about \$135,500 and brought it back to life, putting a three-bedroom prefab house within its walls.

The project cost some \$800,000, and the result is an optical illusion. From the street, the chapel's facade looks much the same as it always

did: arched windows and a Grecian-style pediment surrounded by mossy gravestones. Behind its columned entrance, however, is a slick, pared-down modern house with white-plaster walls and huge windows.

"Every time I walk in the front I go, 'I can't believe this,'" said Bannister, 64, an artist-turned-event planner.

Bannister and Hindley moved in
Please turn to page M6



At left, a picture window in the living room provides views of the Peak District National Park beyond. Above, decked or paved seating areas wrap around the prefab house.

A growing number of doctors are leaving the U.S. for the remote town of Timaru

By NANCY KEATES

Timaru, New Zealand

FOUR YEARS AGO, Dr. Brandon Williams, an internal-medicine doctor at a hospital in La Jolla, Calif., reached a breaking point. An increase in patients, not enough medical staff, the threat of malpractice lawsuits and distress about patients' inability to pay for healthcare got so bad that he developed post-traumatic stress disorder. One of his colleagues died by suicide.

He didn't want to stop practicing medicine—but he wanted to stop practicing medicine in the U.S. He and his wife, Ellen Williams, 38, started looking in Europe



Want to See an American Doctor? Try New Zealand.



Dr. Kate Ropp and her husband, Mark Ropp, on their 26-acre Timaru property.

for a better option. Then he got a letter from a medical recruiter in New Zealand.

"As crazy as it sounded to go all the way to the middle of nowhere, the more I thought about it, the more it made sense," said Brandon, 39, a California native.

The family sold their house
Please turn to page M8

KEVIN FEDDE FOR WSJ

PRIVATE PROPERTIES

Bain's Gross Buys Guess CEO's L.A. Pad

Bain Capital's David Gross is the buyer of a Beverly Hills, Calif., mansion that just sold for \$41.25 million in an off-market transaction, according to people familiar with the sale. The deal is one of the priciest in Los Angeles County this year.

Guess Chief Executive Carlos Alberini and his wife, Andrea Alberini, have owned the property since 2014, when they bought it from a trust tied to actor Bruce Willis for \$16.5 million, property

the L.A. area has been squeezed by a new mansion tax, higher interest rates and global uncertainty. But Beverly Hills, which isn't subject to the tax, has seen strong demand and not enough supply, said listing agent Adam Rosenfeld of Resident Group, who marketed the property with colleagues Jon Grauman and Bennett Bidwell.

Last month, another Beverly Hills mansion sold for \$47 million.

Carl Gambino and John Bercsi of Compass represented the buyer; they declined to comment.

—E.B. Solomont



SOLD
\$41.25
MILLION

14,700 sq. ft., 11 bedrooms, tennis court, guesthouse

records show. Carlos Alberini, who was previously co-CEO of Restoration Hardware, didn't respond to a request for comment.

Gross became the sole managing partner at Bain, an investment firm, in January. He declined to comment.

The circa-1928 estate sits on 0.92 acre with a tennis court. There are 11 bedrooms and roughly 14,700 square feet of living space between the main residence and a guesthouse.

The luxury housing market in



Ken Griffin Adds NYC Co-op To His Collection of Homes

Billionaire hedge-fund manager Ken Griffin has a reputation for assembling multiple homes in some of the country's most sought-after neighborhoods. The storied Manhattan cooperative 740 Park Avenue is no exception.

Earlier this month, the Citadel founder paid \$38 million for a duplex apartment in the prewar building in an off-market deal, according to a person familiar with the situation. The unit is adjacent to the apartment he bought last year for \$45 million from Julia Koch, widow of billionaire industrialist David Koch.

The identity of the seller, who used a trust to buy the apartment for \$20.5 million in 2019, couldn't be determined.

When the duplex was on the market for \$22.5 million in 2018, a

listing touted about 7,500 square feet of space with five bedrooms, as well as 41 windows, 21 closets and three wood-burning fireplaces. Photos showed a library,

SOLD
\$38
MILLION

7,500 sq. ft., 5 bedrooms, 21 closets, library, dining room

formal dining room, private elevator vestibule and a foyer with a sweeping curved staircase. It isn't clear if the most recent owners made significant changes to the apartment since 2018, however.

Despite declining demand for high-end Manhattan co-ops, 740

Park is still one of the city's most coveted buildings. Developed around 1930 by James T. Lee, the grandfather of Jacqueline Kennedy Onassis, it has been home to billionaires including cosmetics heir Ronald Lauder.

Griffin's plans for the apartment aren't clear. The financier presides over a personal property empire estimated to be worth billions, including an apartment a few blocks away at 220 Central Park South, widely considered the city's best condo building. He paid about \$238 million for that unit in 2019.

In recent years, he has also purchased a \$122 million London mansion near Buckingham Palace, an \$84.45 million Hamptons compound, and multiple properties in Miami Beach and Palm Beach, Fla.

—Katherine Clarke



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PRIVATE PROPERTIES

Ken and Julia Lowe's home on Georgia's Sea Island is located directly on the Atlantic Ocean, but it looks nothing like a typical beach house. Inside, parts of it look like they could have been transplanted from a Parisian salon.

That was the whole idea, said Julia, a self-declared Francophile and former pastry chef, who studied at Le Cordon Bleu, the school of culinary arts, in Paris before working in Parisian

FOR SALE
\$42 MILLION
 11,000 sq. ft.,
 4 bedrooms, 2 kitchens



restaurants in the early 2000s. For instance, a private study off the primary bedroom was modeled in Louis XVI neoclassical design with French blue walls.

The property, known as Lowe Tide, is now coming on the market for \$42 million, a potentially record-breaking price for Georgia. The record was set in December 2025, when a Sea Island home sold for \$30 million after a bidding war, according to listing agent Susan Imhoff of DeLoach Sotheby's International Realty, who said she sees strong demand for ocean-front homes on Sea Island.

It's no surprise that the Lowes also have a distinct architectural style: Ken co-founded the TV network HGTV, which stands for Home & Garden Television, in 1994. He is also the former chief executive of the E.W. Scripps Co. However, he said, it was Julia who oversaw the design of the house.

HGTV Creator Lists Home On Georgia's Sea Island

The Lowes bought the Sea Island house for \$9.1 million in 2017 as a retirement home, they said. They'd previously split their time between New York City and Knoxville, Tenn., where HGTV is based.

Sea Island, where they had plenty of friends, offered a laid-back lifestyle, upscale restaurants and golf, they said.

They hadn't initially planned on doing much work to the roughly 11,000-square-foot, four-bedroom

property, which was move-in ready at the time of purchase, but a few small tweaks quickly spiraled into a gut renovation that cost millions.

Some of the home's main living spaces were influenced by the couple's travels. The dining room, for instance, has a skylight inspired by the restaurant Lasserre in Paris. Guests can communicate with the chef through an interactive television monitor hidden in an oversize mirror.

There are two kitchens: the primary one with an orange La Cornue range and a chef's kitchen for entertaining.

An entry hall has a custom iron staircase and an ornate domed ceiling, while a powder room has bespoke wallpaper featuring pastoral scenes.

Julia said one of her favorite features is her three-story closet. "It's like Bergdorf Goodman," she said, noting that she jokingly calls part of it "Club J-Lowe."

A former professional chocolatier, she also has a room for making chocolate.

Outside, the property includes an outdoor pool shaped as a quatrefoil, the unofficial symbol of Sea Island, as well as a bocce court, a putting green and a rooftop terrace.

The work took about four years, and the Lowes moved into the house in 2021.

Ken said the couple is selling because they want to travel more and intend on splitting their time between Paris, London and New York, where they own an apartment at the Billionaires' Row megatower One57. They originally built the Sea Island home with a view toward Ken's parents' pending time there, but his parents have since died, he said.

—Katherine Clarke



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SOUND IT OUT

MANSION

ANNOTATED ROOM

Trading Neutrals for Nostalgia

This bold-yet-cozy Denver living room, which has its own breakfast nook, features pieces that bring the owners back in time

By BINDU GOPAL RAO

When two doctors from Colorado moved into this Denver house during the pandemic, they loved the Platt Park neighborhood but struggled to connect with the home itself. It was chopped up, dark in all the wrong places, and didn't reflect their personalities at all. The couple hired Duet Design Group to bring the space to life.

This was the owners' first time designing a house together after years of training, residency and long hours. They were ready to invest in a home that felt personal and joyful. "They are drawn to color and art and wanted to live with pieces that feel energetic rather than neutral," says Duet Design Group founder Devon Tobin. While they didn't ask for a retro look specifically, they wanted pieces with character and a sense of history, giving the room "a playful, slightly nostalgic feel," explains Tobin.

Here's a closer look at the roughly \$150,000 living room.



1. Window shades // Price:

\$7,800 for the pair. These cheerful woven shades are from Boeme Design. The material introduces softness and organic movement, balancing the room's geometry, Tobin says.

2. Lounge chair reupholstery //

Price: \$5,600 for the pair. Duet reupholstered the homeowners' chairs in deep-blue

leather. "Preserving the original tufting and seam details maintained the chairs' character while elevating them for long-term use," says Tobin.

3. Green table // Price: \$4,900

This green marble cocktail table is from Eternity Modern. It's sturdy enough for everyday family use while introducing a sculptural focal point, Tobin says.

4. "Hubba Bubba" artwork //

Price: \$4,000. This mixed-media piece by artist Greg Creason was part of the client's existing collection and felt like a natural focal point for the room. The rest of the design, including the palette of bold colors, evolved around it, Tobin says.

5. Fireplace // Price: \$30,000

Duet updated the existing fire-

place with bespoke wall sconces and custom walnut millwork. The same walnut is used for the built-ins, creating continuity and warmth, and reinforcing the room as a place for everyday gathering rather than formal display.

6. Area rug // Price: \$15,000

The custom rug from Jamie Stern grounds the circular seat-

ing arrangement. The rounded shapes help make the space feel welcoming and encourage conversation, which was important to the clients, Tobin says.

7. Pendant // Price: \$1,500

This delicate chrome light fixture with white globes is from Pablo Designs. It was added to clearly define the breakfast nook without visual heaviness.

DAVID PATTERSON/DUET DESIGN GROUP; STYLING BY NATALIE WRABDY

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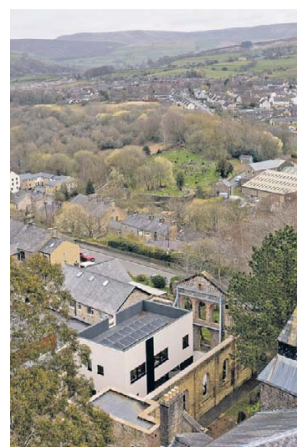
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MANSION



When seen from above, the home's windows form the shape of a cross.

Old Church, New Tricks

Continued from page M1
 2007 to the town of New Mills, about 15 miles southeast of Manchester, buying a Victorian house there. They chose the town for its proximity to family and good transport links, since Hindley's work as a control-systems engineer takes him around the country. It was impossible not to notice the Mount Pleasant Methodist Chapel, which occupies a prime and elevated site in the center of New Mills. With dwindling congregation numbers, the chapel had sat empty since its final service around 1980, according to an Archaeological Research Services report on the



Lyn Bannister and husband Russell Hindley on the chapel steps.

building. Years later, the fire devastated the main building and adjacent Sunday school, and only the exterior walls were left standing. Bannister found their Victorian "a bit too ordinary," so when the chapel came on the market, she was thrilled. It was being sold by a local businessman who had purchased it with a view to redeveloping it before deciding to sell. "I had always wanted to convert a church," Bannister said. "It is something I have been interested in forever." The couple were also in the mood to seize an opportunity. Hindley had just finished treatment for stage-three cancer which, said Bannister, had given them a sobering insight into just

how short and unpredictable life can be. And Bannister had just received an inheritance from her sister; it felt like fate, she said.



The church before its transformation.

The deal closed in August 2020. The couple, who sold their previous home to fund the move, rented an apartment in town. By then, the third-of-an-acre site was well on its way to being reclaimed by nature. "It was like a forest," said Hindley, 67. The first task was to clear the site of the trees and undergrowth that had grown during its long period of neglect. Then, they were able to appreciate the full scale of the building for the first time. "We had no real idea how high the walls were or how large the windows were until we did that," Bannister said. Preserving the original yellow gritstone walls and making them a feature of

DYLAN THOMAS FOR WSJ; PHI ARCHITECTS (BEFORE)

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MANSION



Above, Russell Hindley in the monochrome kitchen. The walls of the house are white, with gray concrete floors.



flower beds, and lintels and sills for the chapel's open windows. "Do I find it spooky? Not at all," said Bannister. "It is the most peaceful place I know."

While designing the landscape, Bannister has tried to reuse as much as possible. Organ pipes discovered when the chapel site was being cleaned are now pressed into the flower beds as structural garden ornaments.

Before the work commenced, Hindley worried that building a house behind the high walls of the chapel could result in a gloomy, depressing space. His fears proved to be unfounded. An oversize picture window in the living room provides views across the rooftops of New Mills and the hills of the Peak District National Park beyond.

The couple brought their collec-

tion of books, plants, paintings and antique furniture with them. "We didn't buy a single new thing to come here," said Bannister. "People often say it is surprisingly cozy considering it is a modern house with lots of windows, and I think that is probably why."

When seen from above, the modern home's windows form the shape of a cross.

This was entirely unintentional, according to the owners and architect. When asked about the coincidence, the owners quipped: "Divine intervention?"

The house does cause a certain amount of confusion among tourists. Passersby often walk through the graveyard, and one couple had a picnic on a bench in front of the house, laughed Bannister. "They come and look through the living room windows. I say: 'Feel free.'"



The primary bedroom's picture window overlooks the facade.



the site was always part of the plan. Jeremy Poulter, of Phi Architects, drew up plans to tuck a 1,302-square-foot, timber-framed house neatly within them.

"The house is deliberately simple," said Poulter. "Partly that was about cost, and partly that was about the amount of space we had within the chapel walls."

The couple was required by law to inform the local community they planned to make alterations, albeit modest ones, to the graveyard outside the chapel. They also had to

notify the Commonwealth War Graves Commission, which maintains graves of servicemen killed in the First and Second World Wars.

Work began in March 2023. First, concrete foundations were laid, while the house was manufactured in a factory. It was then craned onto the site in panels and fitted together over the course of a week.

The back wall of the building had to be taken down entirely so that machines and materials could get inside. Once it was complete,

the wall was put together again.

By October 2023, Bannister and Hindley were able to move in and get to work on their unconventional backyard.

Wrapped around the new house is a series of decked or paved seating areas, one featuring a hot tub. Beyond the chapel walls, the 150-or-so graves remain in place, though the couple removed edging stones around each memorial to make room for hundreds of spring bulbs. The stones have been repurposed as borders for new



The former Sunday school is now an open-air events space.

DYLAN THOMAS FOR WSJ

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MANSION

Newest Kiwis: U.S. Doctors

Continued from page M1
and moved in November 2024 to the coastal town of Timaru on New Zealand's South Island, which has become a hub for American doctors relocating to the country. They bought a new home there last year for around \$1.7 million. "I'd never thought of leaving the U.S.," said Brandon. "I'd never even thought of leaving California."

Since Covid-19, many doctors say the U.S. healthcare system has become increasingly untenable for them, with many looking to leave the country. Interest from American doctors in New Zealand—where English is the prominent language, healthcare is free and many specialties require no extra training or certification—has boomed in the past five years, said Prudence Thomson of Christchurch-based Accent Health Recruitment. New Zealand hospitals are eager to have American doctors because there aren't enough Kiwi physicians to meet the country's needs, Thomson said, while the Americans tell her they are looking for a more sustainable pace of work and a better balance between career and personal life.

"We may not have gunshot wounds, but we have plenty of bungee-jumping accidents," she said.

After Covid, the firm started getting 80 inquiries a week from Americans, up from around two, with about 20% actually making the move, Thomson said.

In 2025, New Zealand announced changes to make it faster and easier for overseas-trained doctors to register and work in the country. There are currently about 530 American doctors working in New Zealand, up 29% from six years ago, according to the country's health minister.

While there are now American doctors spread across the country, some small towns have clusters, said Sarah Dalton of the Association of Salaried Medical Specialists, a union that represents doctors and dentists across New Zealand. That is due partly to



Katie and James Steele with their kids. Their house is near the beach and within walking distance of downtown.



Brandon and Ellen Williams told one of their daughters she could have a pony when they moved to New Zealand.




DR. BRANDON WILLIAMS, 39
Internal medicine
Moved from: California
Timaru home purchase: five-bedroom house for \$1.7 million in 2025



DR. KATIE STEELE, 44
Emergency-medical physician
Moved from: Virginia
Timaru home purchase: five-bedroom house for \$529,000 in 2022

New Zealand-trained doctors wanting to work in the larger cities, partly to American doctors seeking lifestyle changes and partly to what she calls the "shoulder-tap effect": One American doctor tells colleagues back in the U.S. about their move, and others follow.

One such hub is Timaru, population 29,000, located about two-hour drive south of Christchurch. At Timaru's public hospital, about 11 out of a total of 58 doctors are American, local doctors said.

One of the first American physicians to move to Timaru was Dr. Camille Hemlock, 66. Hemlock first went to Timaru in 2010 for a short-term stint while she was living in Austin, Texas. She loved it so much, she went back permanently and began encouraging other American doctors to move there. A small group formed, and they started holding Tuesday-night dinners.

It was one of those dinners that enticed the Williamses to move to Timaru after visiting various hospitals in New Zealand. "There's a feeling of support," Brandon said.

The Williamses sold their five-bedroom house in San Diego for \$3.2 million and moved to Timaru, renting a home at first. There are so many Americans living there that the Williamses now hold Thanksgiving dinners for about 50 people.

Their parents were devastated that they were moving so far away, and the move was a career hit for Ellen, a lawyer, who would have to take a number of different exams to practice in New Zealand. But "I wanted my husband back," she said. Once they arrived, she found that the people were "aggressively friendly" and helpful, especially after she had their fifth child in December 2024.

Many of the doctors said their move was tough on family members. Until recently, Dr. Katie Steele, and her husband, lawyer James Steele, were living and working in Roanoke, Va., where they both had family nearby. "I felt like we'd won the game in the U.S.," said Katie, 44. "I'm a doctor, he's a lawyer—we should be set."

But stress and long hours started to take a toll on Katie. Patients told

KEVIN FEDDE FOR WSJ



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MANSION



Mark and Kate Ropp and their sons on their property, which is a short drive from the hospital. Their family also now includes 22 cows, six chickens, two cats and a dog.



DR. KATE ROPP, 44
Anesthesiologist
Moved from: Oregon
Timaru home purchase: four-bedroom, 2,600-square-foot house on 26 acres for \$700,000 in 2025

her they'd go bankrupt if they had to pay for the treatments they needed. "The system felt nonfunctional, and that was stressful," Katie said.

In December 2021, they sold their Roanoke home and moved to Timaru. "It was a real leap of faith because we'd never been there," said Katie. They paid around \$529,000 for their house, more than the sale price of their Roanoke home, and Katie's salary

is 35% less than it was in Virginia. But she works far fewer hours in New Zealand, gets six weeks of paid vacation and unlimited sick days and no longer feels like her care is bankrupting patients.

James has to work remotely as a lawyer as he studies to get his New Zealand certificate, but his brother and his family moved to Timaru recently, and he's working on his parents. "They had a hard time when we left," he said.

When Dr. Kate Ropp moved to Timaru from Portland, Ore., in 2025, her mother, Jane Young, was also upset at first. "It threw me for a loop," said Young, 78. "It's a long way to go to see your grandchildren." But she now travels to New Zealand for three weeks at a time, which gives her more quality time with her grandsons, she said.

Kate's husband, Mark Ropp, also took some time to get on board

when Kate brought up the idea. "I didn't know anything about New Zealand," said Mark, 45. He decided the move would give him a chance to reinvent himself too: Instead of working remotely as a lawyer, he became a stay-at-home dad for their two sons.

The Ropps paid \$700,000 for their house. In Portland, they had a gardener, a housecleaner and an au pair. "We paid other people to live our lives for us," Mark said. Now, he has assumed all those responsibilities, including taking care of their 22 cows, six chickens, two cats and a dog.

Kate, 44, said working fewer hours means "I'm more present for my children, and I'm discovering hobbies again." The whole family is so happy, Mark said, "I

think this will be forever." When Dr. Kelly Sweerus, 44, moved to Timaru with her family in 2021, she kept her house in Seattle just in case. "We kept saying, 'Nothing is permanent,'" she said. But the shift from extreme stress to a better quality of life was so dramatic that they sold the U.S. house in 2023.

There are some aspects of life in New Zealand the American doctors complain about. Katie has

nightmares where she is driving on the wrong side of the road. A can of pumpkin purée for making pies on Thanksgiving is \$5 on the American food store website, and it's difficult to find a turkey. It can take months for a container of goods to arrive from the U.S.

Gabby

Tu'itufu, 34, a midwife at Timaru Hospital, said she likes that all the OB-GYN doctors there are American. "They bring good humor and good candy," she said.



ANNA DEEN/WSJ



KEVIN FEDDE FOR WSJ, JOHN BLUNDEN

DR. KELLY SWEERUS
Pulmonologist
Moved from: Washington state
Timaru home purchase: five-bedroom, 3,500-square-foot house for \$500,000 in 2023



The Sweerus house was built in 1919 by prominent local architects.

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PRIVATE PROPERTIES



On Florida's Gulf Coast, a private island with an inventor's 1920s mansion is listing for \$89 million. Burgess Island spans 104 acres off the northern tip of Pine Island, about 20 miles west of Fort Myers. It has a circa-1928 home that played host to Thomas Edison, plus a nine-hole golf course, a sports court and a helipad, according to listing agent Michael McCumber of Waterfront Realty Group.

Owner Mark Pentecost, founder of the wellness-products company It Works!, bought the estate for \$14.5 million in 2015. He spent millions upgrading it, adding the golf course and sports court and updating the four-bedroom, Mediterranean Revival house.

Mark lives about 60 miles north in Bradenton, Fla., with his wife, Cindy Pentecost, near the It Works! headquarters in Palmetto. The island became a multigenerational sanctuary during Covid-19, he said, and he used trips to the island as an incentive for his company's sales force.

Florida Private Island Goes on the Market

The roughly 6,200-square-foot, stucco house was built by inventor and electrochemist Charles Freder-

ick Burgess, who helped pioneer dry-cell battery technology. Burgess paid \$31,000 to build the house be-

cause his wife disliked winters in their home state of Wisconsin, according to Lee County's Historic

Preservation Board. Visitors included Edison, who wrote "Return trip wanted—please" in the guest book, according to the book "A Romance in Research." Burgess died in 1945, and his family inherited the estate. It has traded hands only a few times since then.

Now, the Pentecosts don't visit as much as they once did, he said. It Works! merged earlier this year with the wellness company Zinzino, which paid about \$30 million, so Mark no longer needs the

FOR SALE
\$89
MILLION

104 acres, 6,200 sq. ft., 4 bedrooms, golf course

property for business. He spends more time at his ranch in Myakka City, Fla., he said. He also owns properties in North Carolina.

McCumber has the listing with colleague Anthony Caraballo. The island has the potential to be divided into 29 developable lots, but McCumber said an individual looking to build a family compound is the most likely buyer.

There is strong demand for large, private estates in Florida, the agents said. Last year, they were the listing agents on the \$225 million sale of a beachfront property in Naples, the most expensive ever to trade in Florida.

—Sarah Paynter



Billionaires' Row Penthouse Finds a Buyer

A penthouse on Billionaires' Row in Manhattan is in contract for roughly \$42 million. If it closes at that price, it will be one of New York's most expensive sales of the year, according to

IN CONTRACT

\$42
MILLION

6,500 sq. ft., 4 bedrooms, terrace space, elevator

Nikki Field of Sotheby's International Realty, the listing agent on the deal.

The four-bedroom condo unit at 111 W. 57th St. was first listed for \$54.6 million in 2023. Its most recent price was \$45 million.

Field declined to identify the buyer, but said he is a European billionaire with a family who plans to make the building his primary



home. The buyer is bringing his own designer, architect and decorator to the finished unit, she said.

The developers, JDS Development Group, Property Markets Group and Apollo Commercial Real

Estate Finance, finished the building in 2022. The building, which includes the restored 1925 Steinway Hall, is 98% sold, said Field.

The roughly 6,500-square-foot duplex has floor-to-ceiling win-

dows with views of Central Park. It also has about 300 square feet of terrace space and a private interior elevator between floors.

Field said she is seeing an increase in European buyers in this price range because of the strength of the euro and the pound against the dollar, as affluent Europeans build out their property portfolios.

The penthouse deal "reinforces that truly irreplaceable product, scale, craftsmanship, and views, continues to command global demand, even in a more selective market," JDS Development Group founder Michael Stern said in a written statement.

New York City's most expensive sale of the year so far was a \$57 million penthouse in Tribeca, according to Field. Last year, billionaire Christian Candy purchased a unit at 111 W. 57th for \$46.9 million.

—Sarah Paynter



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MANSION

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What's in Your Storage Unit?

From the practical to the mundane to the sentimental, it's all treasure—until it's not

By FRED A. BERNSTEIN

LAST WEEK, I wrote about a storage space I held onto for more than 30 years, spending \$100,000 to keep items I knew, deep down, I'd never really need. In a country where 12% of households rent self-storage spaces, the story struck a nerve. Hundreds of people wrote in to share their own experiences, including what they saved and why.

We have filled a space with the story of our daughter's life—from the day she was born to the moment she left for college in California. Every doll, every toy, every report card, every artwork she proudly brought home from school and Sunday school, her bike, hundreds of photos, and boxes upon boxes of keepsakes. Each item holds a memory, a moment in time we can never get back. Sometimes it feels like this isn't just storage—it's a place

where time stands still.
—Santos Juarez, Sarasota, Fla.

We have five or six units. I don't know for sure how much we spend on them, but it's more than our house payment, even including taxes and insurance. Storage lockers are the suburban equivalent of crack cocaine.
—Wesley Becker, Evanston, Ill.

I had a storage unit in the desert in California. It took me 15 years

to clear it out. Everything needed to be tossed. Why did I keep this stuff? I have no idea.
—Paula Brancato, Livingston, N.J.

Cat litter box (cat deceased). Books for nonexistent grandchildren.
—Peter Breslin, White Plains, N.Y.

We also had a 10-by-30-foot storage unit and faced regular price increases. For 12 years, everything was in there: car booster seats for our now high-school-age boys, old clothes and shoes, you name it. Finally, we paid junk removers to haul it all away and were relieved. We're now down to a 10-by-10 foot unit. No firm timeline on getting rid of that one.
—Matt Samuelson, Palm Harbor, Fla.

After one year of storage, I built a 144-square-foot shed in my backyard that cost \$4,000. Best investment I ever made.
—Dean Graves, Reno, Nev.

When I had to sell my mother's house to fund her Alzheimer's care, I stored all of her heirlooms. My mother and her mother had placed a lot of importance on these treasures. I felt that if I sold or threw them away I was



disposing of my mother and her mother, and their significance in my life. After storing things for eight years, spending thousands of dollars, I was forced to part with some of them. It was bitter-sweet, but I had a huge smile on my face. Lesson learned. If you can't take it with you, get rid of it; you'll be doing your children a huge favor.
—Julie Gautier, Boerne, Texas

When my wife and I moved to a smaller house, we stored stuff that was precious to us and important to our two adult sons. We told the boys that we were storing things for just 12 months and that if they didn't retrieve their trea-

sures in that time, then they weren't treasures and would be tossed. We kept to that commitment. The boys took some things, and some were donated or tossed.
—Sam Knight, Poway, Calif.

I own a storage facility in the Houston area. Some tenants have been renting for over 30 years. We have to get access to units occasionally for pest control and I'm always astonished with what's inside. Trash, broken Christmas ornaments, useless trinkets. My fortune depends on people moving in and forgetting about it, but paying me consistently. It becomes another bill, like a utility.
—Michael Burns, Nashville, Tenn.

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MANSION

HOUSE CALL | LENA HEADEY

She Used to Escape Her Home to Watch Movies

The 'Normal' and 'Ballistic' actress on her 'Rocky Horror Picture Show' obsession, her childhood rebellion and her many tattoos

During my teens, I jumped out of nearly every window in our house. My mother and I clashed, and I yearned for expression and freedom. I couldn't sit still. Once on the ground, I usually went up the road to my friend's house to watch movies. Her stepdad was a film buff. Seeking refuge there gave me peace and an early film education.

The movie that had the biggest impact on me then was "The Rocky Horror Picture Show." I'd never seen anything like it.

I was born in Bermuda. My parents relocated there in a British youth program as volunteer police cadets in their early 20s. They soon married and had me.

When I was 5, they returned to England, and we lived in Burnham-on-Sea, Somerset, in southwest England. Our home was a compact, two-story terraced house with a back garden and a little lean-to greenhouse. By then, my father, John, left the police force and worked for Cadbury selling chocolate. He was often away.

My parents enrolled me in ballet lessons when I was about 8. I loved it, but I was terrible. The teacher said to my mom, "It's a waste of my time and your money, so I don't want her here anymore."

When I was 11, we moved about 220 miles north to a two-story, yellow-brick house in Shelley, in West Yorkshire. My father and mother, Susan, started a business importing glassware from Spain. They had a little plant where I'd go with my dad on weekends to help pack boxes.

LENA'S FIELDS

Who do you play in your new films? In "Normal," I am a tough, psychotic local bartender. In "Ballistic," I play a mother who's falling apart after her son is killed in combat in Afghanistan.

What are your favorite home spots? Our brownstone's living room. The light is gorgeous. Upstate, I love cooking in the

kitchen or being out in our fields.

How are you raising your kids?

My son is 16 and my daughter is 11. I give them space, and we get together on my bed to chat. They're open, and that creates freedom.

How many tattoos do you have? My daughter recently counted 52.



At school, I wasn't trouble. I just hated the rigidity and culture, and wasn't a good student. I'd often hide in the bathroom or wander around. I also had lots of forced fights. In middle school, they'd put a boombox in an overgrown field, and you'd be told who to fight. I just closed my eyes and swung for the hills.

To escape all of this, I became adventurous. After school, a friend and I would travel 45 minutes by train to Manchester. We were mad about the Stone Roses band and other local groups. At 16, in high school, I had to choose an art or drama class. I picked drama, since it sounded like there wouldn't be homework.

In 1991, when I was 17, my first school play was an overly emotional musical about Vietnam at the Royal National Theatre's Connections competition in London. After years of watching films, acting felt good and came naturally.

Casting director Susie Figgis saw me in the musical and decided I'd be right for a movie she was casting. The film happened to be "Waterland," with Jeremy Irons and Ethan Hawke.

Susie was wonderful and unlocked my passion for performing. I had no fear in front of the camera and learned on the fly. Despite my rebelliousness, my parents' work ethic had rubbed off. I had



Above, the 'Game of Thrones' star in Los Angeles last year, and at left, at home in England at age 11.

no training in acting, but I was a meticulous observer.

My big visibility break didn't come until I was 38-ish, playing Queen Cersei Lannister in eight seasons of HBO's "Game of Thrones," from 2011 to 2019. Being an actor is a chaotic, sometimes wonderful, sometimes soul-destroying experience. No matter how things work out, though, you're truly living.

Today, my husband, actor Marc Menchaca, and I live with my two kids in New York. A year ago, we rented the top three floors of a Brooklyn brownstone. We also own an 18th-century stone house with two stand-alone barns about two hours north of the city. We shot a music video and got mar-

ried in one of the barns in 2022.

The brownstone has fireplaces, and all the woodwork is original. Our upstate house has lots of land and is peaceful, like Yorkshire.

Recently, my dad sent me a random text: "I wish I'd spent more time with you. I'm really sorry, but we were just trying to make a good life." I thought, "Wow, I'm at that point now with my kids." I had a good cry.

—As told to Marc Myers

Lena Headey, 52, is a British actress known for the series "Game of Thrones" and "Terminator: The Sarah Connor Chronicles," as well as the "300" action-film franchise. She stars in the new films "Ballistic" and "Normal."

FROM LEFT: HEADEY FAMILY; MICHAEL BUCKNER/VARIETY/GETTY IMAGES

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