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What's News

Business & Finance

◆ **Tesla's quarterly net** income slid 71% as the company struggled to overcome competitive pressure overseas and a reputational hit from CEO Musk's polarizing role in government. **A1**

◆ **Surging shares of** big tech firms and trade-sensitive companies lifted the Dow more than 1,000 points, or 2.7%, helping markets to partially recover. The S&P 500 and Nasdaq rose 2.5% and 2.7%, respectively. **A1**

◆ **Trump said he wasn't** planning to fire Federal Reserve Chairman Jerome Powell and the president signaled that tariffs on China could be lowered. **A2**

◆ **Boeing agreed to sell** portions of its Digital Aviation Solutions business to Thoma Bravo in an all-cash deal valued at \$10.55 billion. **B1**

◆ **The Davos forum is** investigating its founder, Klaus Schwab, after a new whistleblower letter alleged financial and ethical misconduct by the longtime leader and his wife. **B1**

◆ **Verizon reported a rise** in first-quarter earnings to \$5 billion but postpaid phone losses increased. **B1**

◆ **Roche plans to invest** \$50 billion in the U.S. over the next five years to fund new research hubs and new and expanded manufacturing facilities. **B3**



‘Ukraine will not legally recognize the occupation of Crimea’ by Russia, President Volodymyr Zelensky said in Kyiv on Tuesday.

Zelensky Resists U.S. Peace Proposal

Ukrainian president says Kyiv won't recognize Russian control over Crimea

“Ukraine will not legally recognize the occupation of Crimea,” Zelensky said on Tuesday. “There’s nothing to talk about here. This is against our constitution.”

Zelensky’s dismissal upends Trump’s latest proposal to halt the war in Ukraine—now in its fourth year—and casts new uncertainty on the future of the relationship between Kyiv and Washington, which Trump has made conditional on a quick deal. U.S. officials had presented

By Ian Lovett, Jane Lytvynenko and Benoit Faucon

a series of ideas for ending the war—including the Crimea proposal—to Ukrainian officials last week and expected an answer on Wednesday at a summit in London, where Ukrainian, U.S. and European officials are set to gather. Zelensky said Russia should agree to a cease-fire before further talks to demonstrate “seri-

ous steps, and not childishness.” He said Ukrainian officials in London on Wednesday would have a mandate to discuss a partial or full cease-fire, to which Ukraine agreed in March but Moscow rejected.

President Vladimir Putin of Russia announced on Saturday a unilateral 30-hour Easter cease-fire, but Zelensky said the Russians never fully stopped their attacks.

White House press secretary Karoline Leavitt said spe-

Tesla Profit Falls 71%, Hurt by Backlash

Musk to cut back on White House work after reaction to his role hurt earnings

By Sean McLain

Tesla’s net income slid 71% in the first quarter, as the company struggled to overcome competitive pressure overseas and a reputational hit from Chief Executive Elon Musk’s polarizing role in the Trump administration.

Musk said he would be devoting significantly less time to his cost-cutting work at the White House starting next month, but struck a defiant tone against critics. “I believe the right thing to do is to fight the waste and fraud and try to get the country back on the right track,” Musk said on a call with analysts after the earnings report on Tuesday.

The electric-vehicle maker reported adjusted earnings per share of 27 cents, which missed analysts’ expectations of 41 cents.

Tesla said shifting trade policies, exacerbated by the administration’s tariff regime, are stressing supply chains

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World-Wide

◆ **Zelensky pushed back** on a U.S. proposal to recognize Russia’s control of Crimea as part of a cease-fire agreement, casting doubt on Trump’s efforts to bring a quick end to the war in Ukraine. **A1**

◆ **Three prosecutors** who worked on the case against New York City Mayor Adams resigned, saying they refused a Justice Department directive to admit wrongdoing. **A3**

◆ **Secretary of State** Marco Rubio announced a plan to reorganize his department to shrink the bureaucracy. **A6**

◆ **Big U.S. consulting firms** offered billions in additional cuts to their government contracts after the administration told them to dig deeper. **A5**

◆ **Suspected militants** opened fire in a popular tourist valley in India-administered Kashmir, killing at least 25 people. **A16**

◆ **The administration** is moving to strip artificial food dyes from the American diet. **A3**

◆ **Defense Secretary** Hegseth lashed out at former aides he called leakers in a Fox News interview amid deepening turmoil at the Pentagon. **A5**

Colleges Pile Up Cash To Offset Trump Cuts

By Heather Gillers and Juliet Chung

Elite universities are drumming up cash as they deal with life in President Trump’s crosshairs.

Princeton University is issuing \$320 million in bonds, while Northwestern secured \$500 million and Harvard raised \$750 million. Yale University, which has flown under Trump’s radar so far, is trying to sell billions in its private-equity holdings.

Many colleges haven’t turned to such measures since

the 2008-09 financial crisis or the Covid-19 pandemic. “Most universities are not panicking but want to be prepared for the worst,” said Greg Dowling of investment consulting firm Fund Evaluation Group.

The Trump administration has pulled, paused or placed under review more than \$10 billion in funding as part of its push for sweeping changes to how universities operate, which the schools argue amounts to massive overreach by the federal government into private institutions.

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INSIDE



PROPERTY REPORT

Ballooning costs are making condo owners in Florida desperate to sell. **B6**

Volatile Stocks Rally On Trade-Deal Hope

By Krystal Hur

Surging shares of big tech firms and trade-sensitive companies sent the Dow Jones Industrial Average up more than 1,000 points on Tuesday, helping markets recover after a bruising start to the week.

The rally continued the most-turbulent stretch for stocks since the Covid-19 crash, with the S&P 500 and Nasdaq Composite volatility on pace for its highest calendar month since March 2020, according to Dow Jones Market Data. Tuesday’s rise came de-

spite the International Monetary Fund slashing its U.S. and global economic forecasts.

The mayhem has divided investors scrambling to navigate the market upheaval. Some jittery investors piling into a

Please turn to page A2

Trump Shifts Tone on Powell

President says he has ‘no intention’ of firing Federal Reserve chairman..... **A2**

Drama Brews Over Baristas’ Cup Doodles

At Starbucks, animals are out, smiley faces are in

By Heather Haddon

When Conor Ireland picked up his cold brew at a Starbucks in London, Ontario, last month, he discovered a drawing of a sausage-shaped creature saying “neigh.”

“Why is there a salamander neighing at me,” the 32-year-old truck driver posted on Reddit, where his query drew thousands of responses. “I fear my baristas have reached mandatory cup-message psychosis.”

Starbucks baristas are indulging their inner artists, drawing smiley faces, dogs and other doodles on cups and

Please turn to page A9

Pope Leaves Church More Global, Divided

Transformed senior leadership exposes growing differences over teachings

By Stacy Meichtry and Marcus Walker

ROME—Pope Francis accelerated the transformation of the Catholic Church into an institution that reflects the unruly diversity of its global flock. His successor will have to make it work.

When cardinals from around the world gather in the Sistine Chapel in early May to elect a new pontiff, following Francis’ death on Easter Monday, they will bring with them a greater-than-ever range of views on Catholic teaching and practice.

The Catholic Church has become more culturally heterogeneous than at any point in its 2,000-year his-

tory. Nearly half of the voting cardinals will come from the global south, compared with just over one-third at the 2013 conclave that elected Francis.

The church has always defined itself as “universal,” but its power was long centered in Europe. Over the course of his 12-year pontificate, Pope Francis sought to reorient the church toward Asia and the global south, broadening the faith beyond its traditional strongholds in the West.

The Argentine pope transformed the demographics of Roman Catholicism’s senior

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◆ **Pope failed to stem slide** in Americas..... **A7**

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U.S. NEWS

Trump Says ‘No Intention’ to Fire Powell

President also states that the 145% tariffs he put on China will be cut ‘substantially’

WASHINGTON—President Trump said he isn’t planning to fire Federal Reserve Chairman Jerome Powell and he signaled that tariffs on China could be lowered, prompting relief from investors who had been spooked by the White House’s aggressive moves in recent weeks.

By Brian Schwartz, Nick Timiraos and Tarini Parti

“I would like to see him be a little more active in terms of his idea to lower interest rates...but, no, I have no intention to fire him,” he told reporters in the Oval Office. U.S. stock futures and the dollar rallied following Trump’s remarks. Gold futures dropped, pulling back from record highs. Trump’s softer tone on Powell came after he lashed out at the Fed chair, writing on social media last week, “Powell’s termination cannot come fast enough!” But on Tuesday, Trump played down recent comments by Kevin Hassett, the director



Trump wrote last week that the Fed chairman’s ‘termination cannot come fast enough!’

of the National Economic Council, that the administration was studying whether the president could fire Powell. “This is a perfect time to lower interest rates. If he doesn’t, is it the end? No. It’s not,” Trump said. Trump has privately raised the possibility of firing Powell to advisers in recent months. Last week, he expressed confidence that he had the authority to oust Powell. “If I want him out, he’ll be out of there

real fast, believe me,” Trump said. And he renewed his criticism of Powell on Monday. Trump’s social-media posts about Powell have triggered market volatility. Trump’s public attacks on Powell unnerved some of his advisers, who made the case to the president that attempting to fire the Fed chair would result in a market downturn and prompt a messy legal fight, according to people familiar with the matter.

Treasury Secretary Scott Bessent was among those who raised concerns to the president about the market impact of Trump’s comments about Powell, some of the people said. The Treasury Department didn’t respond to a request for comment. In the Oval Office on Tuesday, the president also said 145% tariffs on China are “very high.” “It won’t be that high,” Trump said. “It will come down

U.S. Lists Goals in U.K. Tariff Talks

The U.S. is preparing its terms for trade negotiations with the U.K., according to people familiar with the plans, aiming for London to reduce levies and other non-tariff barriers on a variety of U.S. goods. The U.S. will aim for the U.K. to reduce its automotive tariff from 10% to 2.5%, according to people with knowledge of a draft document the Trump administration circulated this week outlining goals for trade talks with the U.K. Washington will also push the U.K. to relax rules on

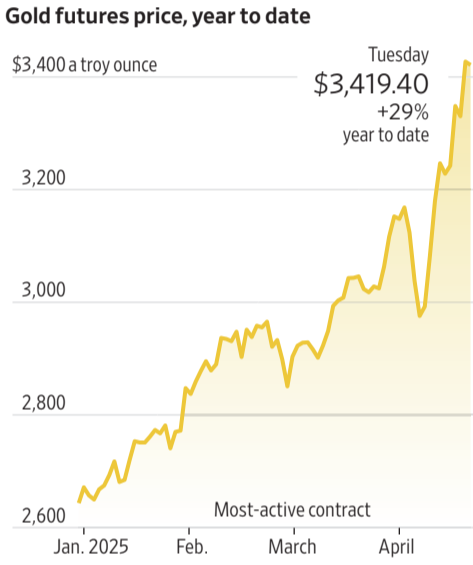
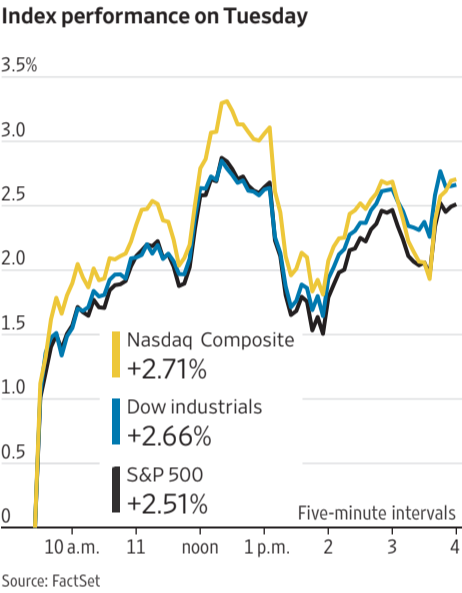
agricultural imports from the U.S., including beef, and revise rules of origin for goods from each nation, the people said, among other aims. The people emphasized the terms aren’t final. It remains unclear if the U.S. will consider reducing its 10% tariff on the U.K. if London agrees to trade demands. A White House spokesman said tariff decisions “will come from President Trump and President Trump only.” —Gavin Bade

Stocks Rally on Trade Hope

Continued from Page One “Sell America” trade have dumped U.S. stocks, bonds and the dollar, threatening to upend the U.S.’s financial primacy and “exceptionalism” that had market watchers optimistic about U.S. growth prospects earlier this year. Other traders have dived headfirst into the market carnage to snap up beaten-down stocks. “It’s really hard to watch as an investor and as a manager of assets. You can’t really trade this, to a certain degree,” said Ayako Yoshioka, portfolio consulting director at Wealth Enhancement. “If you’re following the news and trying to make longer-term decisions, it is a little unnerving.”

On Tuesday, investors saw some reprieve from the market’s recent selloffs. The tech-heavy Nasdaq jumped 2.7%, leading the session’s gains. The Dow Jones Industrial Average rose nearly 2.7%, or 1,016.57 points, and the S&P 500 gained 2.5%. Stocks continued to rise in Asia early Wednesday. Japan’s Nikkei Stock Average was up 1.6%, while Hong Kong’s Hang Seng Index was up 1.9%. U.S. stock futures were also higher. Traders were cheered by optimism from the White House on tariff negotiations. Treasury Secretary Scott Bessent said at an investor summit that he expects the trade war with China to de-escalate and believes a deal can be reached, according to people in the room for his remarks. Bloomberg reported the news earlier.

After the market closed, President Trump told reporters that 145% tariffs on China are “very high” and that could change. Financials were the biggest gainers Tuesday among the S&P 500’s sectors. Consumer discretionary stocks, among the hardest hit this year due to their exposure to import duties, trailed closely behind, climbing 3.2%. Home builder Lennar saw its shares rise



The G1 Humanoid from Unitree Robotics at the Nvidia GPU Technology Conference last month.

4.1%, McDonald’s gained 3.4% and DoorDash rose 2.8%. Big tech shares also rallied. The Magnificent Seven stocks—Alphabet, Amazon.com, Apple, Meta Platforms, Microsoft, Nvidia and Tesla—all added more than 2%. The bounceback came despite fresh fallout from Trump administration tariffs that have knocked the Dow so far this month to its worst April since 1936, according to DJMD. The International Monetary Fund slashed its U.S. and global economic forecasts, warning that tariffs were ush-

ering in a new era of slower growth. U.S. economic growth in 2025 is now projected at 1.8%, down from the fund’s 2.7% forecast in January. Goldman Sachs Chief Executive David Solomon said uncertainty was “too high,” holding back corporate decision-making and keeping asset prices under pressure. And the IIF, a finance-industry trade group, said the U.S. faced a likely recession later this year. Defense contractor RTX said it was bracing for an \$850 million financial hit, while Huggies maker Kimberly-Clark said

a shifting “global geopolitical landscape” was partly to blame for a lower profit outlook. Gold, meanwhile, retreated after surging early Tuesday to a record above \$3,500 a troy ounce. The precious metal, coveted in times of uncertainty and stress, has cemented its status as the undisputed winner from this month’s tariff-fueled market turmoil. Jim Lebenthal, chief equity strategist at Cerity Partners, said that he and his colleagues remain sanguine that it is just a matter of time before Trump will dial down tariffs.

In Fed Leader, President Sizes Up A Target of Blame

By Nick Timiraos

In stating that he has “no intention” to fire Federal Reserve Chair Jerome Powell on Tuesday, President Trump underscored how he will make the central bank a scapegoat for any economic weakness that results from his trade war if it doesn’t cut interest rates soon. In the process, he might also be seeking to delegitimize the historically independent institution in a way that could undermine its effectiveness. In a social-media post on Monday, Trump repeated last week’s demand that the Fed reduce interest rates now. “There is virtually no inflation,” he said, blasting Fed Chair Jerome Powell as “Mr. Too Late” and “a major loser.” He also accused the central bank of lowering interest rates last fall to influence the 2024 election. “Powell has always been ‘To [sic] Late,’ except when it came to the Election period when he lowered in order to help Sleepy Joe Biden, later Kamala, get elected,” he wrote.

On Tuesday, Trump said he wasn’t going to attempt to remove Powell. “I would like to see him be a little more active in terms of his idea to lower interest rates...but, no, I have no intention to fire him,” he told reporters. By Trump’s account, Powell worked to help Biden during his term and is now unwilling to provide the same support to his own second-term agenda. He put no weight on the fact Trump appointed Powell to the role in 2018, that Powell worked closely with his administration in 2020 to provide unprecedented support when the pandemic hit, or that the Fed was prepared to saddle Biden with a recession in 2023 by raising rates sharply to bring inflation down. Powell and colleagues have said the central bank doesn’t take political considerations

into account when setting policy. Powell has spent much of his seven years as chair trying to shore up the institution’s apolitical DNA after bruising political attacks following the 2008 global financial crisis. “We will only make our decisions based on...our best analysis of the data,” Powell said last week. Monday’s presidential broadside focused on one episode in particular. In September, after holding interest rates at a two-decade high of around 5.3% for more than a year, the Fed cut rates by a half percentage point amid concerns that the labor market was weakening while inflation was falling. After Trump won the election in early November, the Fed went on to cut rates twice more by a quarter percentage point each time. Many Wall Street economists see the Fed’s decision to cut rates then and hold rates steady for now as the logical response to actual and expected economic developments, not politics. Some analysts said the president’s attacks on the Fed simply represent an effort to scapegoat the central bank for impending economic weakness. “It’s tempting to want somebody else to ride to the rescue, or at least have someone else to blame,” said former Sen. Phil Gramm (R., Texas). By arguing that the economy didn’t need lower rates last year but requires even lower rates now, Trump and his advisers haven’t adopted an intellectually consistent argument for easier monetary policy, said Neil Dutta, head of economic research at Renaissance Macro Research. “The Fed didn’t cut last year to help Biden. They cut to help the labor market, which was, in fact, slowing down” as a result of high rates, said Dutta.

CORRECTIONS & AMPLIFICATIONS

U.S. airstrikes on Yemen’s capital killed 12 and wounded 30 people early Monday. An item in the World-Wide column on Monday’s Page One incorrectly gave the number of wounded as i30.

Accounting firms Baker Tilly and Moss Adams agreed to merge in a deal valued at roughly \$7 billion. In some editions Tuesday, an article originally published online on April 9 about advanced talks for a merger between the firms was

published incorrectly in the Business & Finance section, as was a What’s News item on Page One that referred to the outdated article. The intended article, which appeared in some editions, is available at WSJ.com/Corrections.

The name of Velux, the company that makes skylights used in a Seattle backyard shed project, was misspelled as Vexel in an Off Duty article on Saturday about backyard renovations.



Fed Chair Jerome Powell at a Chicago event last week.

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U.S. NEWS

RFK Jr. Sets Plan to Cut Food Coloring

FDA plans to work with the industry to remove dyes by the end of next year

By **JESSE NEWMAN**

The Trump administration is moving to strip artificial food dyes from the American diet. The Health and Human Services Department and Food and Drug Administration unveiled measures Tuesday to eliminate petroleum-based synthetic dyes in food, including Red 40, Yellow 5 and 6, Green 3, and Blue 1 and 2. The FDA said it would work with the food industry to remove those dyes from the food supply by the end of next year. The agency said it is authorizing four new natural color additives in the coming weeks, as well as speeding the review and approval of others. Health and Human Services Secretary Robert F. Kennedy Jr. said the agency has “an understanding” with the food industry regarding the removal of food dyes. FDA Commissioner Marty Makary said it has numerous regulatory tools to achieve its aim. “Kids have been living in a toxic soup of synthetic chemi-

cals,” Makary said at a press conference. “For companies using red dye, try watermelon juice, or beet juice. For companies combining yellow and red dyes together, try carrot juice.” Kennedy supporters, some in “Make America Healthy Again” caps, cheered the announcements in the headquarters of the Health and Human Services Department in Washington, D.C. The plan to phase out the dyes is one of Kennedy’s first efforts to overhaul the nation’s food supply. He has blamed artificial dyes and other food additives for a litany of health problems, and said they are poisoning American children. Big food companies and industry groups have pushed back, saying the artificial dyes they use have been deemed safe. “FDA and regulatory bodies around the world have deemed our products and ingredients safe, and we look forward to working with the Trump Administration and Congress on this issue,” said Christopher Gindlesperger, senior vice president for public affairs and communications for the National Confectioners Association, a trade group representing chocolate and candy companies. Still, some food companies have already begun reformulat-



Cereal giant WK Kellogg, maker of Froot Loops, shown, said it plans to work with health officials to find ways to remove artificial dyes from all of its products. Health Secretary Robert F. Kennedy Jr. has said dyes and other food additives are poisoning children.

ing products from candy to plant-based meat alternatives. Dairy companies have pledged to cut seven artificial dyes from milk, cheese and yogurt supplied for national school breakfast and lunch programs by July 2026, according to the International Dairy Foods Association. Cereal giant WK Kellogg said Tuesday it plans to work with HHS and FDA to find ways to remove artificial dyes from all of its products. While the Froot Loops maker said 85% of its cereal sales already come from products without artificial dyes, Kellogg won’t launch new products with artificial colors beginning in January 2026.

White House Immigration Crackdown Faces New Roadblocks From Judges

By **MARIAH TIMMS AND JAMES FANELLI**

A trio of federal judges excoriated the Trump administration Tuesday over its immigration crackdown and threw up new legal roadblocks to the White House’s no-holds-barred approach. A Maryland judge overseeing the case of Kilmar Abrego Garcia, a man mistakenly deported to El Salvador, accused the administration of bad faith, falsehoods and willfully misreading a Supreme Court ruling in trying to avoid providing additional information under oath about its actions. Judges in Colorado and New York sharply questioned the legality of the administration’s use of wartime measures to speed deportations of alleged gang members and criticized the lack of legal protections for individuals who have been detained and are slated for removal. “This is not a secret court, an inquisition from medieval times. This is the United States of America,” U.S. District Judge Alvin Hellerstein said at a hearing in New York. “You gotta tell a person what he’s done.”

At issue in the New York and Colorado cases is the administration’s use of the Alien Enemies Act of 1798 to deport alleged members of the Venezuelan gang Tren de Aragua, bypassing normal immigration procedures. Trump in mid-March signed a proclamation declaring the gang equivalent to a hostile foreign government in wartime and ordering government agencies to immediately remove its alleged members. Hours after the proclamation was made public, immigration officials launched planes moving more than 200 migrants, most of them Venezuelans, to a notorious prison in El Salvador. More people currently detained in U.S. facilities have gone to court in a bid to block the administration from deporting them in the same fashion. In one of those cases, U.S. District Judge Charlotte N. Sweeney in Colorado expressed serious doubt Tuesday about the government’s claims that current events constitute “irregular warfare” in which gang members are immigrating to the U.S. to commit murders, kidnappings, drug trafficking and other offenses.

Sweeney all but said Trump’s invocation of wartime authority for the gang deportations was unlawful. To use the Alien Enemies Act, Trump would have to establish the U.S. is in a state of war, the judge said. To the extent Trump’s proclamation “relies on the Act’s invasion and incursion provisions to justify its removal powers, it does so improperly,” the judge wrote. Sweeney blocked the government from using the act to remove anyone detained in the state without at least 21 days’ notice. The Supreme Court this month said that detainees are entitled to notice of pending removal from the country and an opportunity to challenge their deportations but didn’t specify what notice was required, leaving that to the lower courts to decide. In New York, Hellerstein said he was skeptical the government could remove Venezuelan migrants just based on their alleged membership in the gang Tren de Aragua. Hellerstein ripped into the government’s current method of notifying detained migrants who were slated for deporta-

tion, saying the notices needed to come sooner, be in their native language and include more details about how to get a lawyer. The judge also raised concerns about the treatment of detainees who had been shackled and deported to a notorious maximum-security prison in El Salvador in March, saying that future detainees should be afforded more protections. The U.S. has paid El Salvador’s government at least \$6 million to incarcerate deported alleged gang members. In the case involving Abrego Garcia, who was mistakenly deported to El Salvador along with hundreds of other migrants in March, U.S. District Judge Paula Xinis expressed exasperation with the administration’s repeated delays in providing details about its efforts to return him. Xinis had ordered the administration to “facilitate” Abrego Garcia’s return, and the Supreme Court earlier this month affirmed her authority to do so. Xinis said in a written order Tuesday, “Defendants have failed to respond in good faith, and their refusal to do so can only be viewed as willful and intentional noncompliance.”

Three U.S. Prosecutors in Adams Case Resign

By **CORINNE RAMEY**

Three prosecutors who worked on the criminal case against New York City Mayor Eric Adams resigned Tuesday, saying they refused a Justice Department directive to admit wrongdoing in order to return to their jobs. The prosecutors, who had been previously placed on administrative leave by the Justice Department, said in a joint letter to Deputy Attorney General Todd Blanche that they wouldn’t abdicate their ethical and legal responsibilities. “It is now clear that one of the preconditions you have placed on our returning to the Office is that we must express regret and admit some wrongdoing by the Office in connection with the refusal to move to dismiss the case,” wrote prosecutors Celia V. Cohen, Derek Wikstrom and Andrew Rohrbach. “We will not confess wrongdoing when there was none.” The resignations underscore the continued tension between the U.S. attorney’s office for the Southern District of New York, which brought the brib-



New York Mayor Eric Adams no longer faces charges.

ery case against Adams, and the Justice Department. A top department official in February ordered the U.S. attorney’s office to drop the charges, prompting an earlier spate of resignations in both New York and Washington.

The Justice Department said the case needed to be dropped to free up Adams to work on President Trump’s priorities like immigration, and criticized the decision to indict the Democratic mayor as politically motivated. Prosecutors who previ-

ously resigned accused the Justice Department of seeking a quid pro quo and allowing the potential of future charges to hang over Adams’s head. The judge this month granted a motion to drop the charges, but denied the Justice Department’s request to allow the possibility of reviving the case in the future. The judge said he had reviewed the New York prosecutors’ communications and found no evidence of improper motives. Adams has maintained his innocence. The New York prosecutors in their letter accused their Washington counterparts of asking them to abandon the office’s principles of doing the right things for the right reasons. “Now, the Department has decided that obedience supersedes all else, requiring us to abdicate our legal and ethical obligations in favor of directions from Washington,” they wrote. Blanche said there was nothing illegal or unethical about seeking to dismiss the case. A spokesman for the U.S. attorney declined to comment. The three prosecutors couldn’t be reached.

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U.S. NEWS

U.S. WATCH



WELCOME: A woman, originally from Ecuador, who became an American citizen on Tuesday was embraced by her 4-year-old daughter after a naturalization ceremony in Lexington, Mass.

U.S. SUPREME COURT

Parents’ Religious Rights Case Heard

The Supreme Court’s conservative majority on Tuesday signaled support for the religious rights of parents in Maryland who want to remove their children from elementary school classes using storybooks with LGBTQ characters. The court seemed likely to find that the Montgomery County school system, in suburban Washington, couldn’t require elementary school children to sit through lessons involving the books if parents expressed religious objections to the material. The case is the latest involving religion to come before the court. The justices have repeatedly endorsed claims of religious discrimination in recent years. “I’m surprised this is the hill to die on in terms of not respecting religious liberty,” Justice Brett Kavanaugh said, citing the county’s diverse population and Maryland’s history as a haven for Catholics. A decision in *Mahmoud v. Taylor* is expected by early summer.

—Associated Press

MICHIGAN

Rep. Haley Stevens To Run for Senate

Fourth-term Democratic Rep. Haley Stevens launched a run for Michigan’s open Senate seat on Tuesday. “We absolutely need to put an end to the chaos agenda,” she said. Stevens is the fourth well-known candidate to join what is quickly becoming one of the nation’s most-watched Senate races, with the Republicans’ 53-47 majority at stake in a battleground state that President Trump won in November. A top possible contender after Democratic Sen. Gary Peters chose not to seek reelection, Stevens will oppose state Sen. Mallory McMorrow and former gubernatorial candidate and public-health official Abdul El-Sayed in the Democratic primary. On the Republican side, former Rep. Mike Rogers is trying again after losing to Democrat Elissa Slotkin in the state’s 2024 Senate race by just 19,000 votes.

—Associated Press

CALIFORNIA

Judge Is Convicted Of Killing His Wife

Jurors convicted a Southern California judge of second-degree murder on Tuesday for fatally shooting his wife while the couple argued and watched television at home. Orange County Superior Court Judge Jeffrey Ferguson, 74, was on trial for the 2023 death of his wife, Sheryl. Jurors reached their decision Tuesday afternoon on the murder charge after beginning their deliberations the previous afternoon. Ferguson attorney Cameron Talley said the defense plans to appeal. Authorities said Ferguson had been drinking when he and his wife began arguing over family finances during dinner at a Mexican restaurant. Prosecutors said the couple continued arguing after returning home and Ferguson reached for a gun he carried regularly in his ankle holster and shot his wife. Ferguson didn’t deny shooting her, but had said it was an accident.

—Associated Press

Colleges Race to Raise Cash

Continued from Page One

The administration has said its actions are an effort to protect Jewish students in the wake of pro-Palestinian protests last school year. The Trump administration has also targeted diversity, equity and inclusion, or DEI, efforts. Last week, Trump, a Republican, threatened Harvard’s tax-exempt status and its ability to enroll international students after the school rebuffed the administration’s demands for major cultural change. Harvard sued the Trump administration on Monday, saying it had violated the school’s constitutional rights by endangering its academic independence. Schools are dealing with more uncertainty now than they did during prior market drawdowns or economic downturns, when they could expect the government to be supportive, said Matt Bank of Charlotte, N.C.-based outsourced investment office GEM. “In some respects, it feels like the intention here is to create disorder,” he said. University leaders and endowment chiefs also expect Congress to consider raising the tax on the richest endowments and expanding the number of schools affected. Competing proposals have been introduced in the House. Princeton’s bond deal, which closed Tuesday, follows similar moves by Harvard, Northwestern and Brown. Princeton didn’t specify in its bond filings exactly how it plans to use the money but said the Defense Department, the Energy Department, NASA and other federal agencies have suspended “several dozen” research grants. Like the other schools, Princeton is issuing taxable bonds, which carry higher interest rates than more typical tax-exempt university debt. But proceeds can be used to plug budget holes if needed.

The New Jersey university said it was among 60 colleges and universities that received a March 10 letter from the Education Department saying it would take action against schools that failed to protect against antisemitism. The department also said any practices it views as “unlawful racial discrimination” could lead to additional funding losses, according to Princeton. Northwestern in its \$500 million bond offering last month estimated that federal dollars accounted for more than three-quarters of its total research funding last year. The school said it is reviewing spending and cutting non-personnel budgets by 10%. Universities are issuing bonds in a rocky market where they are likely to pay higher interest rates. Moody’s Ratings lowered its outlook last month for higher education bonds to negative. Dowling, the investment consultant, said his firm’s public university clients have been reviewing their investment portfolios for ways to raise cash, even though they have largely escaped the Trump administration’s focus so far. In addition to cash reserves, some universities have large endowments—Harvard’s was more than \$50 billion as of June. But much of the endowment is locked up in long-term investments or

is restricted by donors for specific purposes. Some universities had already been trying to unload their private-equity holdings by selling stakes on the secondary market, as a dealmaking slump slows payouts to clients. The Trump administration’s actions have caused an uptick in schools’ interest in exploring such sales, according to agents involved in such deals. Universities typically expect to hold private equity for around a decade. Cashing out beforehand usually involves selling at a discount. Yale has been looking to sell a \$5.5 billion slate of private-equity investments for more than a year, people familiar with the sales effort said, largely to reshape its private-equity portfolio under new leadership. A firm marketing the slate has told potential bidders it is expected to sell in the range of 90 cents on the dollar. The Yale portfolio for sale includes fund stakes from firms including CD&R and Golden Gate Capital, people familiar with the offering said. A Yale spokeswoman said the Connecticut school is “committed to private equity investments as a major part of our investment program” and continues to make new such investments. The possibility of a sale was reported earlier by Secondaries Investor.

Schools are issuing bonds in a market where they’re likely to pay higher rates.



Yale University has been looking to sell a \$5.5 billion slate of private-equity investments for more than a year.

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U.S. NEWS

Hegseth Blasts Ex-Aides He Calls Leakers

Defense secretary strikes defiant tone as turmoil mounts in the Pentagon

By VERA BERGENGRUEN AND NANCY A. YOUSSEF

Defense Secretary Pete Hegseth lashed out at former aides he called leakers during a Fox News interview, amid deepening turmoil at the Pentagon and controversy over his use of Signal group chats to share

sensitive military information. “Those folks who are leaking, who have been pushed out of the building, are now attempting to leak and sabotage the president’s agenda,” Hegseth said. “They’ve come after me from day one.” Hegseth, a former Fox News host, is under investigation by the Pentagon’s inspector general over two group chats in the Signal messaging app—one with senior officials that inadvertently included a journalist, and another that included his wife, brother and

personal attorney. Hegseth sent details about a planned Yemen strike minutes after the commander in charge of the military campaign shared them, a U.S. defense official said. NBC News first reported that Hegseth received data that made it to a Signal group chat that included his wife, brother and personal lawyer. Hegseth denied again on Tuesday that he had shared classified information or war plans, characterizing the chat that included his family as “informal, unclassified coordina-

tions for media coordination and other things.” A wave of firings and departures has left his front office without a chief of staff, deputy chief of staff or senior adviser. After resigning last week, former Pentagon chief spokesman John Ulylyot spoke out about what he called a near collapse in the department’s senior ranks. A fired adviser, Dan Caldwell, on Monday denied being the source of the leaks and alleged the investigation had been “weaponized” against

the fired employees. Hegseth on Tuesday said the people responsible could be prosecuted by the Justice Department. “Once a leaker, always a leaker,” he said. President Trump said on Monday that he stood by Hegseth, saying he was doing “a great job” and calling the disclosures of the second Signal chat “just fake news.” Some Republican lawmakers want Trump to reconsider. “If it was me, I’d fire him,” Rep. Don Bacon, a Nebraska Republican on the House

Armed Services Committee, told The Wall Street Journal. “He should know better than to share operational details of imminent combat strikes on an unclassified application. A second lieutenant would have his career ended over doing this.” Sen. Mark Warner (D., Va.), vice chairman of the Senate Intelligence Committee, said on X: “When the Secretary of Defense screws up, servicemembers’ lives are on the line. Pete Hegseth has shown time and time again he screws up way too much to do this job.”

Pentagon Chief Is Embroiled In 3 Controversies

By BRETT FORREST

Defense Secretary Pete Hegseth is under pressure over what he contends are leaks by subordinates seeking to sabotage his agenda and what former aides and some lawmakers say is chaos at the Pentagon during his brief tenure. Hegseth came into office vowing to make deep changes in the armed forces to eliminate what he said was too much focus on ethnic and gender diversity at the expense of military readiness. But it has been Hegseth’s handling of sensitive information and a purge of top aides that has fed questions about his tenure. The former Fox News host went on the network Tuesday morning to defend himself, denying again that he had shared classified information improperly and claiming that “folks who are leaking” have “come after me from day one.” President Trump is standing behind Hegseth, dismissing the controversy Monday as “just fake news.”

sitive defense information. Hegseth and other senior officials played down the breach. But numerous news reports have underscored the sensitive nature of the information shared. The Wall Street Journal reported that Israel had provided sensitive intelligence on a Houthi operative targeted in the airstrikes that was described by national security adviser Mike Waltz in the chat. NBC reported that Hegseth received information from the head of U.S. Central Command, Army Gen. Michael Erik Kurilla, that was conveyed over a secure government system, and that Hegseth used his personal phone to share some of these details on the Signal chat.

Another Signal chat

On Sunday, the New York Times reported that Hegseth had posted nearly the same information about the Yemen attacks into another Signal group, which he titled “Team Huddle.” Participants included his wife, his brother, his personal lawyer

and others whose permission to view sensitive military information was unclear. Hegseth had created this second Signal chat group to prepare for his January Senate confirmation hearing, a person familiar with the chat said. Its revelation intensified scrutiny of the way Hegseth has included members of his family in Pentagon matters. The Wall Street Journal has reported that Hegseth’s wife, Jennifer Hegseth, a former Fox News producer who isn’t a government employee, has accompanied him to meetings with foreign military counterparts during which sensitive information was discussed, according to multiple people.



Defense Secretary Pete Hegseth’s handling of sensitive information and a purge of top aides has fed questions about his tenure.

In February, Hegseth’s wife joined a Brussels meeting of the Ukraine Defense Contact Group. Another meeting she attended at the Pentagon on March 6 between the secretary and U.K. Secretary of Defense John Healey took place a day after the U.S. cut off military intelligence sharing with Ukraine.

Hegseth’s younger brother, Philip Hegseth, a Homeland Security liaison to the Defense Department, has traveled with the secretary to Guantanamo Bay, Cuba, and to visit U.S. allies and bases in Asia. It couldn’t be determined if the Pentagon’s inspector general was aware of the second Signal chat, and if it would be part of the investigation. Its disclosure led to new calls for his resignation. “If it was me, I’d fire him,” Rep. Don Bacon (R., Neb.), a member of the House Armed Services Committee, told the Journal on Tuesday. Senate Minority leader Chuck Schumer called for Hegseth to be removed. “The details keep coming out,” Schumer said on X. “We keep learning how Pete Hegseth put lives at risk. But Trump is still too weak to fire him.” Sen. Tom Cotton (R, Ark.) wrote on X Sunday that Hegseth

was “working hard to implement the president’s agenda.” Dismissals While denying that he has mishandled classified information, Hegseth has focused on tracking down what he con-

tends are leaks, including from his own aides. Last week, the Pentagon said it put three Hegseth staffers, Dan Caldwell, Colin Carroll and Darin Selnick, on administrative leave, escorting them out of the building, amid what it said was an investigation

into leaks. In a post on X, the three said that “we still haven’t been told what exactly we were investigated for, if there is still an active investigation, or if there was even a real investigation of ‘leaks’ to begin with.”

Trump is standing behind Hegseth, calling the controversy ‘just fake news.’

Signal chat

Last month, Hegseth posted plans ahead of imminent strikes against Yemen’s Houthi militants in a chat group he created with other officials on Signal, a nongovernment messaging service. Jeffrey Goldberg, editor in chief of the Atlantic, was inadvertently included in the chat and subsequently revealed it. The chat spanned days and included specifics about the timing, weapons and targets to be used in the attack that lawmakers and former senior Pentagon officials say was a serious breach of procedures governing the handling of sen-

Consulting Firms Offer Billions In Savings on Federal Contracts

By CHIP CUTTER

Some of the biggest U.S. consulting firms have offered billions in additional cuts to their contracts after the Trump administration told firms that they needed to pony up deeper price concessions—or face consequences. Seven of the 10 largest consulting firms to the government have now offered up to \$20 billion in savings by proposing to either terminate existing contracts or reduce the scope of their work within federal agencies, according to a person familiar with the negotiations. Some firms are now proposing to offer credits toward their work or artificial-intelligence services free of charge. For weeks, officials within the General Services Administration, which helps oversee procurement for the federal government, have pushed companies including Accenture, Booz Allen Hamilton, Deloitte, IBM and others to justify their work with the government and to propose substantial cost savings. While companies met a

deadline last month to identify potential cuts to existing projects, administration officials later told firms they were unimpressed with the size and scope of the reductions proposed. “Faulty reasoning, financial obfuscations and gamesmanship” within the consulting proposals were called out in a letter to executives earlier this month sent by Josh Gruenbaum, the GSA’s procurement chief who is overseeing the review of contractors. If firms didn’t offer more meaningful cost savings, Gruenbaum’s letter noted, contracts could be terminated and put up for new bids to competitors. The Financial Times earlier reported on the letter to executives. Earlier proposed cuts were smaller, but some firms are now offering more substantial savings. “There were several firms that really leaned in and we were inspired by their second responses,” Gruenbaum said in a statement to The Wall Street Journal. Gruenbaum, a former director at private-equity firm

KKR, added that the cuts are necessary to “get the nation’s fiscal house in order.” Booz Allen Hamilton and Guidehouse, among others, have offered substantial savings as part of a second round of negotiations with the government, according to a person familiar with the proposals. Booz Allen, which generates nearly all of its \$11 billion in annual revenue from contracts tied to the U.S. government, previously told the Journal that the firm had proposed more than \$1 billion in savings related to its own projects. A spokeswoman for Guidehouse didn’t comment. At least two firms offered 7% to 10% discounts on their labor costs within existing contracts, while others provided credit proposals of \$100 million toward their work. Accenture and Deloitte didn’t comment. A Booz Allen spokesman said the company is “working productively with the GSA to accelerate outcomes-based contracting and technology innovation for the benefit of the American taxpayer.”

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U.S. NEWS

State Department to Cut 700 Jobs, Close 132 Offices

By MICHAEL R. GORDON

Secretary of State Marco Rubio announced a major plan to reorganize the State Department to shrink what he called a bloated bureaucracy and bring it in line with President Trump’s “American First” priorities.

The overhaul will result in the elimination of 700 positions and the closure of 132 of the agency’s offices.

It doesn’t cover the network of U.S. diplomatic missions abroad, which are expected to be pared back as the State Department grapples with the White House’s looming spending cuts.

The restructuring will eliminate a high-ranking post that focused on human rights: the

Under Secretary for Civilian Security, Democracy, and Human Rights. Rubio complained in a Substack post that the office had become a “fertile environment for activists” to promote a left-wing agenda.

The State Department is retaining bureaus that deal with human rights and refugees, but is subordinating them under a newly established office that will coordinate foreign assistance and humanitarian affairs.

“In its current form, the Department is bloated, bureaucratic and unable to perform its essential diplomatic mission,” Rubio said in a statement, adding that it was “more beholden to radical political ideology than advancing America’s core national interests.”

The White House push to cut the federal government has already reshaped the foreign policy and defense establishment.

The U.S. Agency for International Development, which oversees foreign aid, has been dismantled and is being folded into the State Department. The Defense Department has shut its Office of Net Assessment, which was established during the Nixon administration to serve as the Pentagon’s in-house think tank on future military competition.

Some former State Depart-

ment officials said that one advantage of the bureaucracy Rubio is moving to overhaul is that it creates a system in which the secretary of state can draw on a variety of perspectives.

“The State Department is designed to be careful more than efficient, and if you are the secretary of state that is not necessarily a bad thing,” said Richard Haass, the former president of the Council on Foreign Relations who served as the director of the State Department’s office of policy planning during the George W.

Bush administration.

Haass added that it wasn’t surprising that bureaus that focused on human rights or refugees often became proponents for their issues. But, he added, that input was balanced by policy recommendations from regional offices within the State Department focused on relations with nations with governments around the globe.

Rubio took a different view, noting that his restructuring would strengthen the role of the regional bureaus within the agency. “Until now, overlapping mandates paired with conflicted responsibilities created an environment ripe for ideological capture and meaningless turf wars,” he wrote in his Substack post.

The State Department’s hu-

man-rights bureau, Rubio wrote, had become “a platform for left-wing activists” to criticize Israel and “anti-woke” leaders in Poland, Hungary and Brazil. The Bureau of Population, Refugees and Migration, he said, had funneled money to international organizations “that facilitated mass migration around the world, including the invasion on our southern border.”

Ronald Neumann, president of the American Academy of Diplomacy and a former U.S. ambassador, said Rubio’s criticism was exaggerated but that he was right to try to make the department more efficient. “Under all the red meat language about a bloated bureaucratic swamp, it is a fairly moderate reform,” said Neumann.

A high-ranking post that focused on human rights will be eliminated.

Synapse Records Must Be Released, Senate Group Says

By ALEXANDER SAEEDY

A group of Democratic senators is demanding that the Federal Reserve release records it has related to the failure of Synapse, a fintech firm that collapsed last year and left thousands of people without access to their savings.

Synapse was a Silicon Valley startup that wanted to revolutionize consumer finance, helping connect startups that marketed savings apps with banks that stored their customers’ funds. The middleman oversaw billions of dollars at its peak, and primarily kept funds at Evolve Bank, a Tennessee bank regulated by the Fed.

In a letter to Federal Reserve governor Michelle Bowman, four senators including Sen. Elizabeth Warren (D., Mass.) and Sen. John Fetterman (D., Pa.) say the Fed failed to properly oversee Evolve and should have caught the missing funds scandal.

losing their life savings.

Synapse’s chief executive has accused Evolve Bank of mishandling customer funds. Evolve has said the fault lies with Synapse.

Federal prosecutors have opened a criminal investigation into the scandal and have interviewed a Synapse executive who raised alarms about missing funds before the startup went bankrupt, the Journal previously reported.

Wake-up call

The debacle has been a wake-up call for customers using smartphone apps that market themselves as alternatives to traditional savings accounts.

Evolve and Synapse’s other bank partners are insured by the Federal Deposit Insurance Corp. But since the banks aren’t the ones that failed, customers’ missing funds aren’t covered by deposit insurance.

In their letter, the senators criticized Bowman for promoting fintech partnerships with small banks while the Synapse fiasco was brewing.

President Trump in March nominated Bowman as the Fed’s vice chair for supervision, its top regulatory role.

“Instead of appropriately policing Evolve’s compliance with federal consumer financial laws, you were publicly championing small bank partnerships with fintech companies, and warning against placing any additional regulatory or supervisory ‘burden’ on these arrangements,” the senators wrote.

‘Warning signs’

“There were several troubling warning signs that should have prompted immediate supervisory and enforcement intervention from the Federal Reserve,” the letter said.

When Synapse filed for bankruptcy about a year ago, thousands of people who used apps like Yotta or Juno to earn interest on their savings couldn’t access their funds. A court-appointed mediator later disclosed that as much as \$96 million in customer funds might be missing, and some people have reported

Radio City Rockettes Auditions Kick Off



HIGH HOPES: Dancers warmed up Tuesday in the lobby of Radio City Music Hall in New York City before their tryout. Over a thousand people from around the country were expected to take their shot at joining the famed dance company.

Tesla Profit Slides Amid Backlash

Continued from Page One

while adding to the automaker’s costs. Tesla imports some of its battery cells from China, but said it was looking to source them from the U.S.

The trade fight and “changing political sentiment” could weigh on demand for its vehicles, the company said, leading it to potentially revisit its sales forecast for the year. Tesla previously said it expected vehicle sales to rise this year, after reporting a rare drop in 2024.

Musk sighed deeply on Tuesday’s call before addressing the Trump administration’s trade war. The CEO said he advocated for lower tariffs and would continue to do so.

“I just want to emphasize that the tariff decision is entirely up to the president of the United States,” Musk said. “Whether he will listen to my advice is up to him.”

Tesla shares were up more than 3% in after-hours trading on Tuesday, after gaining 4.6% ahead of the first-quarter report. Analysts attributed the rise to investors taking comfort in Tesla reaffirming plans to launch more affordable models later this year.

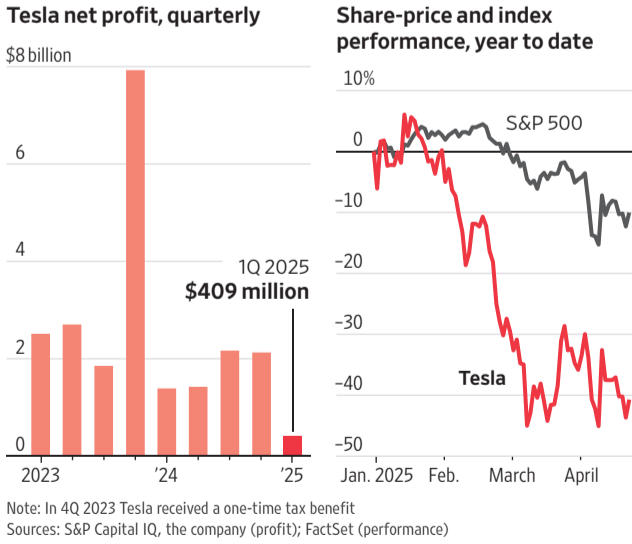
The company’s first-quarter revenue fell after a steep decline in auto sales, including double-digit percentage drops in crucial markets such as the U.S., China and Germany.

The drop in vehicle sales and weaker selling prices—dented by more-generous sales promotions—hurt revenue and the bottom line, Tesla said. It cited several weeks of lost production time across its four factories to prepare for the recent launch of a retooled Model Y, its top seller.

Larger investments in arti-



New vehicles at a Tesla dealership lot in Corte Madera, Calif.



ficial intelligence weighed down profit. Musk has said autonomous cars and other AI innovations are central to Tesla’s growth prospects.

Even before Musk’s entrance into partisan politics sapped some of the brand’s goodwill among consumers, Tesla was contending with slowing demand for its vehicles. The company has long touted the potential of its nonautomotive businesses as a way to expand the company beyond the core car business.

The sharp quarterly sales and profit declines masked an otherwise bright spot in Tesla’s energy-storage and

makers who pay Tesla for carbon credits to offset their sale of conventional vehicles, up sharply from a year earlier.

The company reported a 2.1% operating margin for the quarter, compared with 5.5% a year earlier.

Tesla’s global vehicle deliveries fell 13% in the first quarter, partly because of a consumer backlash against the brand in response to Musk’s role as President Trump’s cost-cutting czar. Tesla faced protests across the U.S. and Europe, and some of its stores and charging stations were vandalized or even set on fire.

Some analysts have said customers likely delayed purchases as they waited for the recent introduction of a refreshed version of Tesla’s Model Y, the company’s top seller.

Tesla is contending with 25% tariffs imposed on auto imports. While Tesla builds its U.S.-sold cars in Texas and California, the company relies on neighboring countries for components, including Mexico, which supplies more than 20% of its parts, according to federal data.

Estimates from third-party research providers show significant sales declines in some of Tesla’s biggest markets, including California and China. The company doesn’t disclose delivery figures by model or region.

In California, the nation’s largest EV market, Tesla’s first-quarter market share fell to 44% of all zero-emission vehicle registrations in the state, from 56% a year earlier, according to the California New Car Dealers Association.

Tesla shipments fell about 22% in the quarter in China, while its deliveries sank 62% in Germany, according to industry trade groups.

To spur sales, Tesla in April released a less-expensive version of the Cybertruck, priced at \$69,990, with low-cost features including fabric seats. The company is also developing a lower-cost version of its Model Y.

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WORLD NEWS

Pope Failed To Stem Slide In Americas

Secularism, rise of evangelicals threaten Catholic Church in his home territory

By SAMANTHA PEARSON

SÃO PAULO—When Francis became the first Latin American pope in 2013, many hoped he would reverse the Roman Catholic Church's decline in the region that is home to more of its adherents than any other. The Argentina-born pontiff, who died at 88 on Monday, won the hearts of millions with his humility and simplicity during seven visits to Latin America. His papacy resonated with a poverty-stricken region where the church often fills gaps left by a lacking state.

But his appeal wasn't enough to halt the decline of the Catholic Church across a region central to its endurance. Millions of Latin Americans have left the Catholic Church over the past decade. They have joined other faiths, primarily Pentecostalism—an evangelical Christian movement, steeped in spiritualism, that often promises followers wealth and success in exchange for devotion. Others have just stopped believing in God altogether.

Nowhere is the shift more dramatic than Brazil, the most populous Catholic country and a battleground of global relevance for the Vatican.

Catholicism, a legacy of the country's Portuguese colonizers, held a near-monopoly over Brazil for some four centuries, shaping the country's moral code, schools and courts.

But in 2022, Catholics

ceased to be a majority and by 2032 they will likely be outnumbered by evangelical Christians, said José Eustáquio Diniz Alves, a Brazilian demographer. "When the pope was elected, people really believed that he could stop the Catholics losing Latin Americans, but this is not what happened," Diniz Alves said.

Political changes, including secularization of governments and legislation promoting religious freedoms, reduced the Catholic Church's advantages over other faiths. And the number of people with no religious affiliation has grown globally, researchers say.

But at Solomon's Temple, a vast \$300 million evangelical church in downtown São Paulo built to replicate the ancient structure, followers give a simpler explanation: The Catholic Church turned its back on them.

Like most Brazilians, Josilene da Silva, a grocery-store cashier from São Paulo, was raised a Catholic. But when her husband was shot and killed by police several years ago, leaving her to raise three children by herself, she found comfort in the Universal Church of the Kingdom of God, one of Brazil's biggest and richest evangelical churches.

"Catholics are all about punishment, but I've suffered enough," da Silva said. "The pope seemed like a nice man, though."

Evangelical churches have tailored their ministries to the disparate passions of Brazilians, from temples catering to the gay community to ones specifically for heavy-metal fans and surfers. Boat-borne



Thousands of young pilgrims in Rio de Janeiro listened to a Mass celebrated by Pope Francis in July 2013.

A Shift in Faith in Brazil

As the Catholic Church has alienated some of its faithful, evangelical churches have zealously courted new members in countries such as Brazil.

Some 17 new evangelical temples opened a day on average in 2019, according to government figures, giving Brazil more religious institutions than educational

and health facilities combined. Some 580,000 religious institutions operate in the country, compared with 264,000 educational facilities and 248,000 health facilities, according to the 2022 census.

The Vatican has also lost purchase on Latin America's institutions. Evangelicals have taken

hold of television networks, political parties, courts and even security forces.

Several judges and prosecutors who led Brazil's recent Car Wash anticorruption investigation are devoted evangelicals.

The country's evangelical bloc in government has more than 200 members, almost half of Congress.

Catholics are now a minority in six other countries in the region including Uruguay, Chile and the Dominican Republic. It is a matter of time before many others follow suit, researchers say. In Colombia, where 57% of the population identified as Catholic in 2024, disenchanted followers say priests are out of touch with the everyday struggles of their parishioners.

Growing support in the region for gender equality and gay rights has put the church's conservative views at odds with younger generations. As the church's hold on society weakens, Mexico, Argentina and Colombia have legalized or decriminalized abortion in recent years.

Clerical sexual abuses from Chile to Argentina eroded trust in the church regionally.

Argentina should have been an easy win for an Argentine pope. But Pope Francis also struggled to win followers there. It was the only major country in the region he didn't visit during his papacy.

Vatican, Faithful Prepare For Pontiff's Funeral Rites

By MARGHERITA STANCATI

ROME—The funeral of Pope Francis will take place Saturday morning, the Vatican said, announcing an event that is expected to draw tens of thousands of Catholic faithful, as well as world leaders including President Trump.

Cardinals began meeting Tuesday to prepare the funeral rites of the 88-year-old pontiff, who died Monday in his apartment in the Vatican's Santa Marta guesthouse.

Francis' passing set in motion centuries-old rituals. His death was ceremonially certified Monday evening by the Vatican's *camerlengo*, or chamberlain, who called the deceased pope's name three times and broke his signet ring, the Fisherman's Ring. The *camerlengo*, American Cardinal Kevin Farrell, also sealed the pope's apartments with ribbon and red wax.

The Argentine-born Francis decreed that his funeral and the rituals that precede should be simpler than the elaborate affairs held for his predecessors. On Monday, his body was placed in a plain wooden casket lined with zinc, as he requested. Past popes were placed in three coffins nested into each other.

On Tuesday, the Vatican released a video of Cardinal Farrell leading a prayer for Francis at the modest modern chapel at Santa Marta, attended by a few cardinals, Vatican officials and nuns. The deceased pope lay in an open casket flanked by Swiss guards, wearing a red robe over his white cassock and a white miter. His crossed hands held a black rosary.

On Wednesday, the casket will be carried from the Santa Marta chapel in a procession through the Vatican to St. Peter's Basilica, where it will be displayed until the funeral.

In another break with tradition, the pope asked to be buried outside the Vatican at the Basilica of St. Mary Major, a church in Rome that is home



Mourners prayed for Pope Francis in St. Peter's Square on Tuesday, ahead of his funeral on Saturday.

to an icon of the Virgin Mary before which he often prayed. The funeral will begin a nine-day mourning period during which memorial services will be held around Rome.

The Italian government declared five days of national mourning.

The city of Rome is bracing for the arrival of mourners and world leaders. Italian Prime Minister Giorgia Meloni has tasked a government Civil Protection agency, which normally responds to natural disasters, to make security preparations for the funeral, which is likely to shut down a large part of the city to traffic.

Among those planning to attend are President Trump with first lady Melania Trump, Ukrainian President Volodymyr Zelensky, French President Emmanuel Macron and British Prime Minister Keir Starmer. Argentina's President Javier Milei and Brazilian President Luiz Inácio Lula da Silva are also expected to attend.

The funeral will be Trump's first encounter with Zelensky since they clashed at the Oval Office in February.

The Rome gathering is potentially an opportunity for European leaders to sit down with Trump and discuss their differences over trade tariffs and the Russia-Ukraine war.

With his outspoken and sometimes provocative views

on current affairs, Francis was an uncomfortable pope for some of the leaders who will attend his funeral.

He avoided blaming Russia over its invasion of Ukraine, maintaining a neutral stance while deploring the suffering of Ukrainians. In his last Easter message, he spoke against rearmament as European countries plan to beef up their defenses against Russia.

He repeatedly condemned the war in Gaza, criticizing Israel's conduct. He was also critical of the Trump administration's immigration policy, especially its plan for mass deportations, which Francis said "damages the dignity of many men and women."

On Tuesday, cardinals arriving in Rome from around the world began a series of meetings known as the General Congregations, where the prelates will discuss the church's priorities and assess who among them is best-placed to succeed Francis as head of the global Catholic Church and its estimated 1.4 billion faithful.

The meetings are followed by the conclave in the Sistine Chapel, where the 135 cardinals who are eligible to vote, having not yet reached the age of 80, will enter seclusion until they elect a new pope. The conclave is expected to take place in early May.

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FROM PAGE ONE

Church Is Left More Divided

Continued from Page One
leadership. He empowered churchmen from the farthest points of the globe, elevating them to cardinals in places such as Mongolia and the Democratic Republic of Congo. Many of them are now deeply entrenched in church institutions, including Roman Curia or papal administration, and the College of Cardinals that will elect the next pope.
Francis also sought a rapprochement with China, signing an agreement with its Communist leadership to share power over the appointment of local bishops. He expressed admiration for Russia’s imperial era, even after the invasion of Ukraine.
“The papacy was once the chaplain of NATO. It has now become the chaplain of Brics,” said John L. Allen Jr., a long-time Vatican watcher and editor of the Catholic news site Crux, referring to the North Atlantic Treaty Organization and the group of emerging economies including Brazil, Russia, India, China and South Africa. “There’s a sense from the developing world that their moment has come, and they’re tired of being dictated to by the West.”
Francis’ determination to build a truly global church was driven in part by his desire to disrupt the traditions that had governed the Catholic Church for centuries. When he became pope, the Vatican was engulfed by clerical sexual-abuse scandals as well as scrutiny of its finances—forces that helped trigger the resignation of his predecessor, Pope Benedict XVI.
The tumult in Rome compounded the Vatican’s struggle to resolve contentious debates stemming from the clash between its traditions and rising secularism in the Western world, including its rejection of same-sex unions and its requirement of an all-male, celibate priesthood.
Francis responded by embarking on what his supporters see as an epochal pivot for Roman Catholicism, toward regions such as Africa and Asia, where the faith is growing, and away from Europe, where church attendance is in decline.
Only by engaging fully with its “periphery,” Francis said, could the church find renewal. Clerics and laypeople from around the world, including women, were encouraged to participate in Vatican meetings known as synods to debate the future of the church.

Enduring pillar

For many cardinals voting in the conclave, there is no turning back.
The “de-Europeanization” of the Catholic Church will be an enduring pillar of Francis’ legacy, said Cardinal Michael Czerny, who oversees much of the Vatican’s humanitarian outreach worldwide and worked closely with Francis.
“The fact that Mongolia is a cardinal is a sign of its centrality just as much as the cardinal of Naples or of Turin,” Czerny said.
Francis’ biggest legacy is that “he really opened up Catholicism to a post-European, post-Western form,” said Mas-



Pope Francis, top, meeting young people before a Mass in Myanmar in 2017. A public ceremony, left, to bless same-sex couples in Cologne, Germany, in September 2023. Cardinal Joseph Zen, right, a former bishop of Hong Kong.



simo Faggioli, a church historian at Villanova University. “This is only possible under a pope who didn’t come from Europe or the Mediterranean world,” Faggioli said.
The emergence of new power centers in the Catholic world has revealed growing differences over some of the church’s core teachings. Liberal bishops from Germany pushed for same-sex couples to receive priestly blessings, triggering a backlash from African prelates who found the practice unacceptable. A synod on ministry in the Amazon sought to tackle a shortage of priests in the region by loosening the rules on priestly celibacy, provoking a furious reaction from conservative prelates in the U.S.
Cardinal William Goh of Singapore was broadly supportive of Francis’ pontificate, including his quest to bring the church’s hierarchy closer to ordinary believers, and to expand the representation of Asia and Africa. But the growing use of synods to expand dialogue within the church, Goh said in an interview, has given a platform to more liberal European prelates and laypeople to exert “ideological pressure.”
“Once you start opening the door, then there is confusion and also ambiguity in the doctrines,” Goh said. The Singaporean said the next pope should be a moderate who can unify the church by hewing more clearly to its orthodox teachings. “The next pope should

be true to the faith of the church,” he said. “True to the word of God, the Magisterium, the tradition.”
Public disagreements between the church’s diverse factions have led to warnings of a schism, or permanent split.
One of the most divisive aspects of Francis’ global expansion drive has been the 2018 power-sharing deal that he cut with China’s Communist regime over the appointment of bishops in the country. Francis aimed to secure greater acceptance of, and future growth for, Catholicism in a largely irreligious land of 1.4 billion people.
The terms of the accord have remained secret, but church officials said it allows Beijing to nominate bishops and the pope to veto them. The selection of bishops has long been one of the papacy’s core powers, creating a bond between bishops and Rome that supersedes their allegiance to national governments.



Congolese Cardinal Fridolin Ambongo Besungu celebrating a Mass in Kinshasa on Monday commemorating the late Pope Francis.

In the U.S., bishops and politicians criticized the deal with Beijing as inimical to religious freedom. Cardinal Joseph Zen, a former bishop of Hong Kong, was another critic, arguing that the agreement betrayed Chinese underground Catholics who have long been persecuted for their loyalty to the pope. There were widespread fears that Beijing would use the agreement to assert power over all of China’s estimated 10 million Catholics.
China has begun to test the deal’s limits. The Vatican has accused Beijing of violating the accord by transferring a Vatican-approved bishop to a diocese in China that Rome didn’t recognize. China subsequently installed another bishop without consulting the Vatican.
Goh, the Singaporean cardinal, defended the aim of working together with Beijing, saying that a more confrontational approach was likely to

backfire, particularly among Chinese who still chafe over the West’s past colonial domination of the country.
“Instead of getting their cooperation,” he said, “we will erode whatever confidence they might have because they will think: Again, these Western people, they are just trying to impose their ideology on us.”
Divisive issues
Francis’ push to extend the frontiers of Catholicism in the Amazon region exposed more tensions. In 2017, Francis called for a synod to address the struggle to minister to indigenous populations living in remote areas of the Amazonian basin, where priests are in short supply.
A Vatican document setting the meeting’s agenda asked bishops to consider whether married men with families in the region might be admitted to the priesthood to make up for the shortfall. The document also suggested the church should consider allowing women to perform “official ministry,” leaving open what their precise role would be.
The reaction from conservative cardinals was withering. Cardinal Gerhard Müller, a German who was once the Vatican’s doctrinal enforcer, said the document spread “false teaching.” American Cardinal Raymond Burke and Athanasius Schneider, a bishop in Kazakhstan, called for a 40-day “crusade of prayer and fasting,” warning that heresy might pervert the synod.
Francis ultimately decided not to relax the rules on priestly celibacy or expand the

ministry to women. Women in the Amazon, he said, should be given roles that “do not entail holy orders” but allow them to serve “in a way that reflects their womanhood.”
After angering conservatives, the synod ended up frustrating progressives.
Czerny, a Jesuit whom Francis tasked with helping to run the synod before making him a cardinal, said the point of such gatherings isn’t to produce immediate changes. Rather, they’re intended to pry open a space for debate on delicate issues that might yield results decades later.
“What we need to do is launch and encourage processes. This is very difficult,” Czerny said. “In other words, you keep going and you try to bring the extremes to the middle.”
Few issues have exposed the divisions in the global church more than the question of whether it should show more openness to LGBTQ people. Francis made perhaps the best-known comment of his pontificate when, on a flight home from Brazil early in his reign, he was asked about the presence of gay men in the priesthood.
“If someone is gay and he searches for the Lord and has good will, who am I to judge?” Francis said.
In the years that followed, liberal clerics in Germany began flouting Vatican rules against clergy blessing same-sex couples.
In 2023, Francis elevated a fellow Argentine, Victor Manuel Fernández, to the rank of cardinal and placed him at the helm of the Vatican’s doctrinal office, historically known as the Inquisition.
Months later, Fernández’s office published guidelines permitting priests to bless same-sex couples in ceremonies, provided the blessings don’t imply that such unions are the equivalent of heterosexual marriage.

The move stirred outrage in Catholic Africa, a region that is among the church’s fastest-growing and most conservative. Cardinal Fridolin Ambongo Besungu of Kinshasa, Democratic Republic of Congo, flew to Rome, demanding an audience with the pontiff.
“Tell him that I have arrived, I am in the house, and I am there only until Thursday evening, and I want to meet him before leaving because that’s what I came for,” Ambongo recalled later in a sermon that recounted his Vatican visit.
Francis met with Ambongo the same day and put him in touch with Fernández, who sat down with the African prelate at the doctrinal office to write out a statement, phoning the pope occasionally for approval of particular passages.
In January 2024, Ambongo issued a statement entitled “No Blessing for Homosexual Couples in the African Churches” that he said carried the imprimatur of Fernández and the pope. The document said same-sex unions were considered “intrinsically corrupt” in Africa.
The document provided Africa with a carve-out from teachings that applied to the rest of the world.
“Until now, Africa was always talked about as a missionary country, one that needs economic aid,” said Father Roberto Regoli, a historian at the Pontifical Gregorian University in Rome. “This was the first time Africa sent a message to the rest of the church.”

Zelensky Resists U.S. Plan

Continued from Page One
cial envoy Steve Witkoff is expected to travel to Russia this week to continue discussions to end the war in Ukraine. “Negotiations continue,” she said. “We feel we’re hopefully moving in the right direction.”
Zelensky has tried to keep the U.S. on Ukraine’s side, while also pushing Washington to be skeptical about Putin’s claims to want peace—a line he hasn’t always walked successfully. After a disastrous meeting in the Oval Office in February, Trump briefly cut off military aid to Ukraine, calling Zelensky insufficiently grateful for the help the U.S. had given his country.
In recent days, U.S. officials

had floated the idea of formally acknowledging Russian control of Crimea, the Black Sea peninsula seized by Russia’s military in 2014, while freezing the conflict along current lines. It couldn’t be established whether the idea was for the U.S. to recognize Russia’s hold on Crimea, or for Ukraine to do so as well.
U.S. officials also said Ukraine would be kept out of the North Atlantic Treaty Organization, though it isn’t clear how that provision would be enforced. Ukraine’s parliament passed legislation in 2019 to codify the pursuit of NATO membership as a strategic national objective.
U.S. Secretary of State Marco Rubio said last week that if significant progress toward a peace accord couldn’t be made in the coming days, the U.S. might “move on” from efforts to end the conflict.
Major progress in the talks now appears less likely, after Zelensky battled away on

Tuesday many of the latest proposals from the U.S.
Zelensky asked what concessions Russia would make if Ukraine gave up its goal of joining NATO. He also questioned the idea, recently floated by President Trump, that the U.S. could operate the Zaporizhzhia nuclear-power plant, in southern Ukraine, which has been under Russian occupation since early in the invasion. The plant “will not work without Ukraine and Ukraine’s technical knowledge,” Zelensky said.
The U.S. proposal to recognize Crimea had put Zelensky in a difficult position: The Ukrainian public remains solidly opposed to territorial concession, and the Ukrainian constitution clearly prohibits it. But if he rejected the idea too directly, he risked losing U.S. aid again.
“Trump’s peacemaking process is a hot potato—nobody wants to look like the one who doesn’t want peace,” said Oleksiy Kovzhun, a Ukrainian political analyst and host of a

popular online talk show. Still, he said, Zelensky couldn’t agree to the proposal, legally or politically: “It’s impossible.”
In addition to Crimea, Putin has claimed that four other Ukrainian regions—Kherson, Zaporizhzhia, Donetsk and Luhansk—are also now part of Russia, though only the Luhansk region is fully under Russian control.
The suggestion of officially recognizing Moscow’s seizure of territory has raised concerns with Kyiv and European allies, who are working to bridge the gap between the Ukrainian and U.S. positions.
British and French officials are open to a scenario where Ukraine would accept the loss of control of some of the territories taken by Russia in exchange for security guarantees and economic support, a person with knowledge of the negotiations said. But France and the U.K. would prefer a deal that acknowledges control of territories seized by Russia

from Ukraine before the full-scale invasion in 2022 only in a de facto way, like the cease-fire that ended the Korean War.
A spokesperson for the U.K.’s foreign office said the U.K. shares the U.S.’s desire to end the war and “is working closely with our allies in support of this effort.”
As the front line has hardened over the past two years—with Ukraine’s 2023 counteroffensive failing to retake much territory and Moscow making only plodding gains since then—the Ukrainian public has slowly been warming to the idea that ending the war might require some kind of territorial concession.
A poll conducted this year by the Kyiv International Institute of Sociology found that 39% of Ukrainians would be willing to give up territory as part of a deal to end the conflict, up from 8% in late 2022. Still, 50% of Ukrainians remain opposed. However, in Ukraine, all discussion has

been only about de facto territorial concessions, with the hope that at some point the land could be reclaimed. Officially signing away Crimea would be political suicide for any Ukrainian politician.
Ukrainian officials have broadly condemned the idea as a violation of international law. “Attempts to ‘exchange’ Crimea for a cease-fire would not bring real peace,” said Tamila Tasheva, a member of Ukraine’s parliament and a Crimean Tatar, an indigenous people of the peninsula. “Instead, they would set a dangerous precedent—rewarding aggression, legitimizing war crimes and encouraging other authoritarian regimes to act similarly.”
It also remains unclear what peace terms Putin might be willing to accept. Witkoff has said he has had productive talks with the Russian president. But Ukrainian—and some Western—officials remain skeptical that Putin is serious about a cease-fire.



CARRY ON
DAWN
GILBERTSON

Chicago

The lunch menu at the Swissport Lounge at O’Hare International Airport, if you can call it that, leans more convenience-store staples than the carefully curated fare airline and credit-card lounges serve up to woo big spending travelers. Tiny sandwiches wrapped in brown paper. Prepackaged pasta salad. And those cups of Maruchan instant noodles that grocery stores sell for less than a buck. No chafing dishes in sight. The sad food choices are just one of many shortcomings that routinely land the tiny, windowless lounge in Terminal 5 atop unofficial rankings of the country’s worst airport lounges. The only notable attribute for many visitors: There are no bartenders so you mix your own drinks at the self-service bar.

The lounge is open to first-class and business class travelers on several international airlines including Qatar, Swiss and Emirates, plus Priority Pass members. It has a 1.8 rating on Google, compared with 4.4 stars for the Delta Sky Club that sits tantalizingly across the way. On Yelp, it rates 1.5 out of 5. Priority Pass, a lounge membership network that comes with many premium credit cards, lists the lounge as unrated even though it asks visitors for feedback and rates other lounges on its app. Priority Pass says it only posts ratings for lounges rated 3 stars and above.

In Reddit forums, posters regularly lambaste the lounge and suggest skipping it. My favorite description: “It’s like hanging out in the early 90s at your friend’s basement at the house his divorced dad rented. Dank. Dark. Weird stains. But you get to pour your own liquor because there are no adults in charge.”

My less poetic summary after two hours-long visits in the past month following a bad first impression in 2023: The Swissport lounge is little more than a glorified airline gate area.

It’s cramped and loud. Seats and power outlets are hard to find. Free drinks and snacks take a little of the edge off and save money. (I’ll cop to pouring a glass of Chloe Sauvignon Blanc, making my own trail mix with peanuts and M&Ms and grabbing a couple of bananas for my four-hour flight home last week.) But I would never go out of my way to visit like I have for some lounges.

Swissport International, best known for airport ground services, doesn’t try to sugarcoat the lounge’s poor reputation. Jorge Da Silva, head of North America lounges for Swissport, says the O’Hare lounge falls far short of its lounge standards and badly needs a



Even an Open Bar Can’t Save The Saddest Airport Lounge

Swissport Lounge at O’Hare is a tiny, windowless lounge with mediocre food and low ratings



My lounge lunch in late March: a small sandwich, pasta salad and a Diet Coke. Sandi and Mac Hillocks in the Swissport lounge at O’Hare on Friday afternoon.



▲ The tiny Swissport Lounge at O’Hare International Airport is bare bones, offering some snacks and pour-your-own alcohol.

visit. The retired couple have a Priority Pass membership through their Chase Sapphire Reserve card and have been to one of Chase’s swank new lounges.

Sandi says it reminded her of those free breakfasts that budget hotel chains offer. “It’s not gourmet but it does the job,” she says.

Paul Charlier didn’t read any reviews before popping into the lounge with his wife, JoAnn Charlier, in February ahead of a Qatar Airways flight from Chicago to Doha on their way to Vietnam for vacation. The retired Kodak employees paid about \$6,000 a piece for their business-class seats, which come with lounge access.

They are no lounge snobs, having only gotten a taste of the airport retreats the past couple of years after deciding life is too short to be crammed in coach.

The Swissport lounge was a downer from the second they stepped in.

“We didn’t even stay there the whole time we could because it was so depressing,” he says. “The only way to make this an enjoyable place is if you were drunk.”

mitted to improving the passenger experience at ORD,” he says.

An O’Hare spokesman says the lounge’s future is being evaluated as part of the airport’s ongoing planning for lounge and club spaces across the airport.

For now, lounge-loving passengers flying out of Terminal 5 without access to other lounges there are stuck with Swissport. The blink-and-you’ll miss it lounge, which frequently has a wait to get in, is tucked between Big Bowl and an I Love Chicago souvenir shop

near Gate M13.

The sad lounge isn’t without occasional cheerleaders. “This place is great,” began a five-star review on Google earlier this month. “The drinks are free. There are cup of noodles and gummy bears. It beats paying \$7 a bag for the gummy bears at the kiosk. People need to quit hating.”

Others are less enthusiastic. Sandi and Mac Hillocks, retired IT executives, popped into the lounge on Friday before their Southwest flight to Nashville. It was their first

Drama Brews Over Baristas’ Cup Doodles

Continued from Page One

scribbling “Have a great day!” They aren’t just in a good mood. They’re following direct orders.

The Seattle-based coffee chain this year instructed its cafe workers to write messages on every to-go cup possible across its 11,000 U.S. and Canadian locations, as new CEO Brian Niccol hopes to recapture the cozy coffeehouse vibe that built Starbucks into a global brand.

The doodles have drawn delight, confusion and shrugs as baristas play Picasso. They’ve also prompted the company to take steps to rein in some of the artistry and rebuff baristas who take shortcuts.

“Every time I go back, they are trying to up the ante,” Ireland said. His local baristas have continued to add neighing horses to his drinks orders, including one cup featuring a dozen of the animals.

For regulars like Hayley McLean, whose Venti Strawberry Açaí Refreshers have come with depictions of her dog on the cup, the doodles are next level. “These initiatives are super cute and honestly always

► **Conor Ireland wondered if his Starbucks baristas had ‘reached mandatory cup-message psychosis’ after his cold brew cup included a sausage-shaped horse drawing.**

make my day,” said McLean. The 28-year-old medical student from New Jersey, who visits Starbucks daily, has even photographed the most artful renditions of her dog.

The Sharpie edict went out earlier this year as part of a bigger overhaul at the world’s largest coffee chain. New chairs and ceramic mugs are being deployed. Busted outlets are getting fixed for laptop-touting cafe dwellers. The chain even brought back self-service condiment bars last fall, allowing customers to doctor their own drinks.

Niccol believes the handwritten, personalized messages will ingratiate Starbucks with coffee-drinkers and hark back to the company’s past, when many cups had customers’ names handwritten on them.

“Our customers are surprised at how meaningful a little smiley face is, or ‘Have a good day,’” Niccol said. He’s received notes from some, including one woman in Arizona who bonded with a barista over their shared fondness for horses.

The policy unleashed some baris-



tas’ expressive side, yielding leaf-laden trees, hat-touting cats and other creatures dancing across cups. But after a few months, Starbucks decided more order was needed and

the chain last month issued updated guidelines to U.S. stores.

Well wishes, smiley faces and references to seasonal promotions are in. Animals, slang and pop-culture references are out, according to a message to baristas viewed by The Wall Street Journal. “Write a simple affirmation (e.g., ‘You’re amazing!’ or ‘You got this!’),” Starbucks said. The drawings and messages aren’t everyone’s cup of tea.

Jim Merritt, a 54-year-old investment officer from Palm Beach, Fla., is a regular smiley face recipient. “It’s OK, I guess,” he said.

For customers like Merritt, the

main concern is getting in, getting their order and getting out. Baristas acknowledge that doodling can tack on minutes of work across the course of a shift, and Starbucks serves millions of customers each day.

To keep orders moving, some baristas developed a hack: batched cup writing.

Richard Hulnick, a 56-year-old events producer, said the bulk treatment underscores the inauthenticity of the whole idea. “They are busy, I’m busy, I’m not friends with them,” said Hulnick, who lives in Manhattan.

Starbucks isn’t fond of the premade messages either. As part of its updated guidance, the company forbade baristas from “proactively” writing messages, citing contamination concerns.

Suzanne Leger, who frequents a Starbucks drive-through in Knoxville, Tenn., said her coffee still comes with only the printed labels, no handwriting. And she’s just fine with that. “I don’t know how they will deal with writing things for every customer when they have a line out the block with cars,” said Leger, 77.

One thing that hasn’t changed for busy baristas: The struggle to spell customers’ names. Stewart Falso, a 25-year-old Manhattan consultant who goes by “Stewy,” delights in the hearts and happy faces that now decorate his cups—even though they are often made out to “Stewi.” “I get it, it’s a unique spelling,” he said.



◀ **Hayley McLean’s favorite doodles on her Venti Strawberry Açaí Refreshers are depictions of her dog.**

DAWN GILBERTSON/WSJ (4)

CLOCKWISE FROM TOP: ALEXANDRA CITRIN-SAFAD/WSJ; HAYLEY McLEAN; CONOR IRELAND

PERSONAL JOURNAL.

By Ray A. Smith

G laring fluorescent lights in the office are on the way out. The technologies coming in promise to do much more than make every-one look better.

Improved, and potentially more healthful, lighting is high on the list for companies and building owners trying to lure employees back to offices after an era of remote work. They are investing in new technologies such as faux skylights that mimic natural light—complete with a virtual sun and moon—and adjustable illumination systems designed to sync with employees’ circadian rhythms.

“We’ve known for a long time that natural light is better and makes people feel better, so it’s not a completely crazy idea,” says Peter Cappelli, a professor of management at the Wharton School.

Aside from psychological benefits, research studies have shown that light can have an impact on nonvisual brain function during cognitive tasks, particularly those that involve sustained attention. Office-lighting revamps are expensive—installing some of these technologies can add 20% to 30% to the cost of a project, those in the industry say—and it could take time for them to become mainstream.

Programming the day

Playing into post-Covid wellness trends, office designers are exploring so-called circadian lighting to sync with the body’s circadian rhythms—the biological clocks inside our cells that time when we sleep and wake. Expect to see illumination that can be tuned by intensity—brighter or dimmer—and “color temperature”—cooler or warmer—throughout the day to mimic the light outdoors.

Efforts to develop such lighting took off after researchers in the early 2000s discovered photosensitive cells in the retina that detect light generally below the level of our awareness, says George Brainard, a professor of neurology at Thomas Jefferson University in Philadelphia. Those photoreceptors, independent of vision, can affect biology and behavior, researchers found.

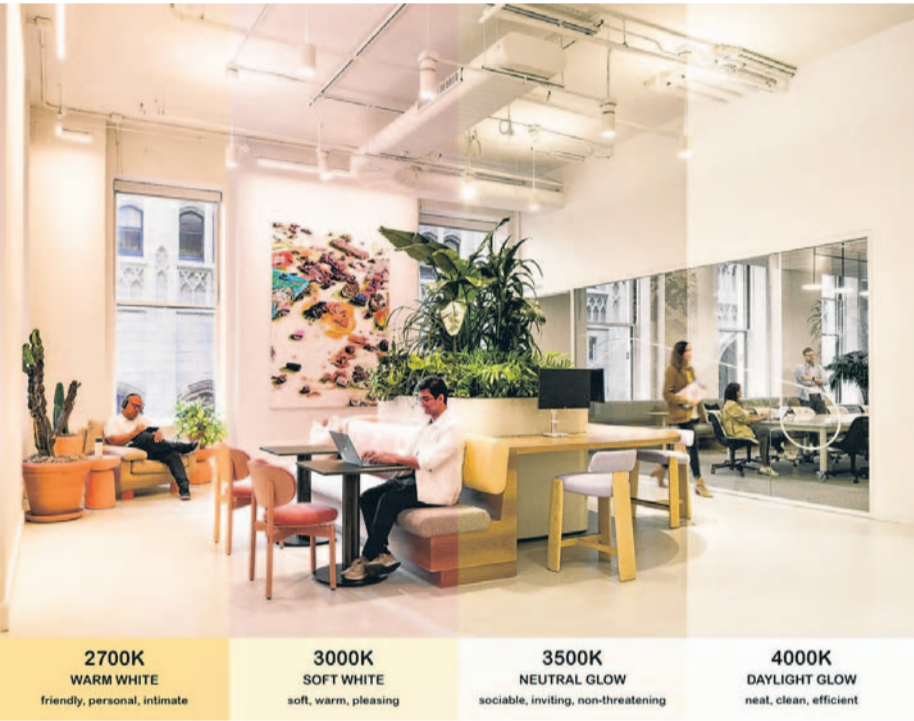
“We have seen a huge uptick in requests,” says Jake Pack, an architectural lighting and materials specialist at Seattle-based SeaTac Lighting & Controls. SeaTac worked with JPC Architects to install a mix of tunable LED lighting at the Seattle headquarters of Hargis Engineers. The mix includes cylinders mounted from the ceiling with technology that allows users to control color intensity and temperature. In this case, the lighting is preprogrammed by the company rather

▼ Lighting options in focus and respite rooms at LinkedIn’s offices, designed by Gensler.



Workplaces Are Ditching Harsh Fluorescent Lights

From faux skylights to circadian-tuned systems, lighting upgrades aim to lure employees back



▲ A graphic from the architecture, design and planning firm Gensler shows light levels and the moods they might evoke.

than tuned by individual workers. The lighting will in theory help employees keep melatonin and serotonin levels in balance. But Hargis Engineers also wanted to showcase the technology for clients and its design staff, says Brendon Inman, a principal at the company. “As engineers, we’re always trying to have the cool new stuff within our space.”

Flexible lighting

Forget fluorescent banks of fluorescent lights. Companies are turning to more variety to bring a “home” vibe into their offices and provide different working venues.

Working from a desk, sound-proof booth or lounge area demands different types of lighting, says Jonah Takagi, an industrial designer who teaches lighting at the Rhode Island School of Design. He envisions offices using cordless rechargeable lamps seen in homes to allow employees to dock anywhere with their preferred lighting during the workday.

At LinkedIn’s offices in Sunnyvale, Calif., and in Omaha, Neb., workers can go into private focus rooms or break rooms and, with a remote control, tailor the intensity and color gradient of the light. “It’s all about giving employees more control over their space,” says Kelly Dubisar, a design director at architecture, design and planning firm Gensler, which worked with LinkedIn on its offices. Gensler sought to incorporate aspects of chromotherapy, a treatment that aims to boost mood and well-being with exposure to certain color and lighting combinations, Dubisar says.

Adjustable lighting in conference rooms is on the rise, says Jean Chandler, senior director of design at Industrius, a division of commercial real-estate services and investment firm CBRE Group that provides co-working and other flexible-work spaces. For video calls, for example, a push of a button dims the central overhead light by 20% so that faces at the table have ample glow without shadows.

Lighted portals

Imagine passageways that glow with lights leading from office areas to amenity areas such as a gym or game room.

“The intent is to give a real disconnect from your working envi-

◀ On the 25th floor of The Eight in Seattle, smart windows made by View automatically adjust in response to outdoor conditions, controlling heat and glare and eliminating the need for blinds.



ronment as you’re taking a break,” says Jason Romine, an associate principal at JPC Architects, which worked on such “portals” for T-Mobile in Kingsburg, Calif., and Irving, Texas. The light portals started out in 2021 as purely functional bridges between different areas but have since evolved to include design elements such as tree imagery.

AI at your windows

On the 25th floor of The Eight, a new high-rise office building in the Seattle area developed by New York-based Skanska USA, large windows controlled with an app that uses artificial intelligence adjust automatically in response to outdoor conditions. The window

▲ At the offices of Hargis Engineers in Seattle, lighting is programmed to sync with employees’ circadian rhythms.

glass, manufactured by View, based in San Jose, Calif., uses a proprietary coating that reacts to a small electric charge to make the windows tint according to how much light is coming in.

“In Seattle, natural light is at a premium, so we wanted the tenants to be able to always have access to that natural light and also to the views,” says Charlie Foushée, executive vice president at Skanska USA’s commercial development division.



THE VIRTUAL SKY REMAKES DARK OFFICES

FAUX LIGHTED WINDOWS give the illusion of a blue sky outside, fading to a sunset over the course of the day. Skylights show a virtual sun. At night, office workers see what appears to be the moon.

“I was always fascinated by trying to make stuff look more realistic,” says Jonathan Clark, chief executive of Innerscene, a San Francisco-based lighting equipment manufacturing company that makes the products Circadian Sky and Virtual Sun. Clark, who previously co-founded a company that made videogames and who worked with Sony to develop 3-D graphics libraries for the PlayStation 2, likens the concepts to how virtual reality works.

The windows and skylights are intended for office spaces with little natural lighting. Floors in multistory-buildings that oth-

▲ Innerscene’s high-tech panes simulate windows and skylights, complete with a faux sun.

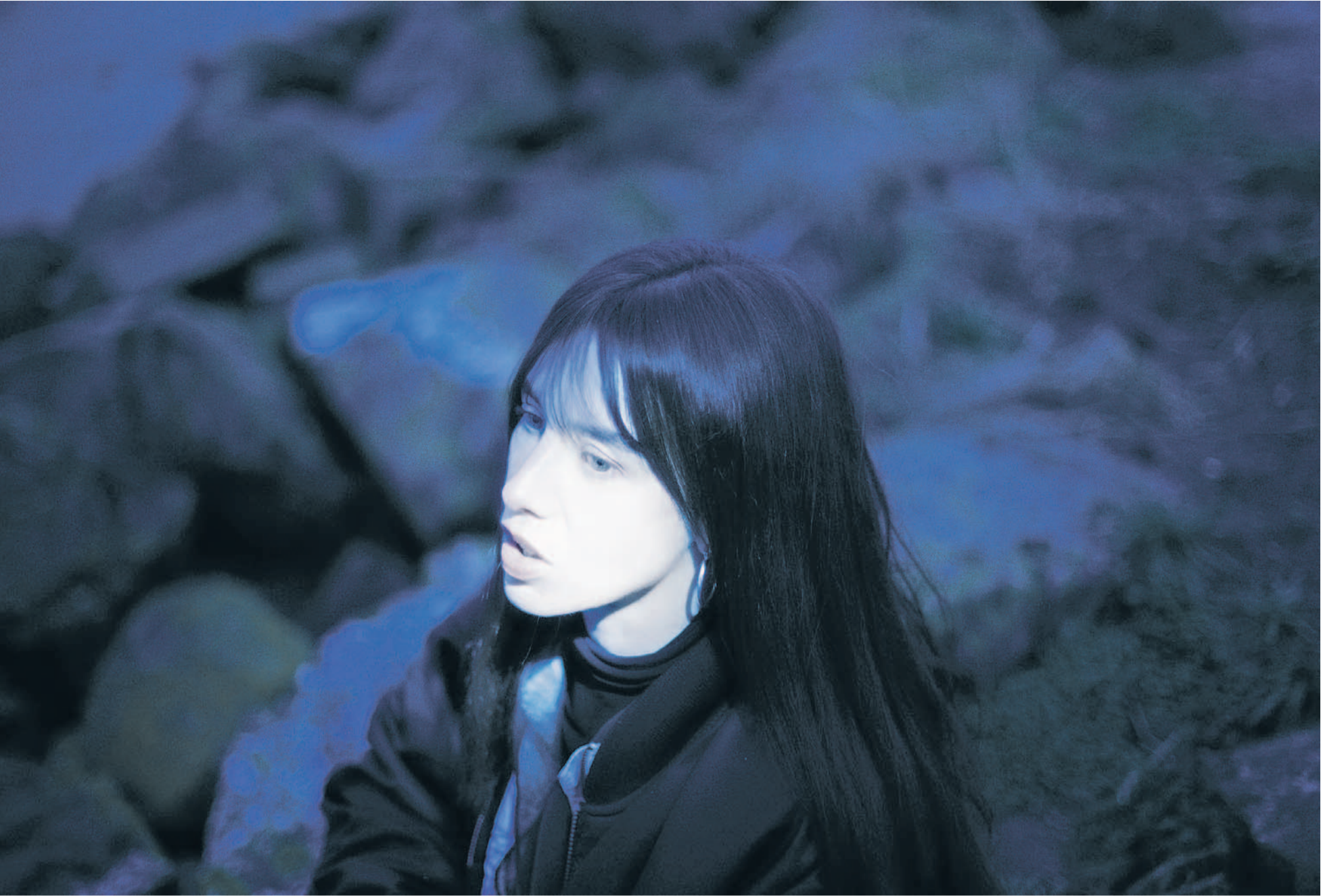
erwise wouldn’t be able to have skylights, or where light is blocked by nearby skyscrapers are also potential uses. While prices vary depending on location and contractor, the products range from around \$1,000 for the smallest, lowest-end versions to \$15,000 for the largest and highest-end, Clark says.

In March, Innerscene announced its next product: sensors that sample the color and intensity of the sky and wirelessly transmit that data into the artificial windows and skylights to show the same view.

Won’t some workers find the illusions a bit odd and even eerie? “It’s really rare that we don’t get ‘Wow,’ ” Clark says.

CLOCKWISE FROM TOP: ELIZABETH COETZE/ENSI, PAM BOUG, INNERSCENE; SKANSKA; GENSLER (3)

ARTS IN REVIEW



Shoegaze and dream-pop, two closely related genres that took hold in the 1980s and '90s, have formed an especially strong connection with younger listeners in this decade. Debates about the precise definitions of and lines between the two styles are contentious. Both are deeply atmospheric and make heavy use of guitar distortion, drone and reverb. Shoegaze, which draws its name from the tendency of guitarists in the style to constantly look down at the variety of pedal boards at their feet, is louder and more abrasive, while dream-pop is softer and gentler. Perhaps because the latter is vibe-based music that works well when experienced in solitude, it's become a kind of social-media soundtrack, serving as background music for posts that riff on sadness, loneliness and intimacy.

The quintessential dream-pop band of the past 20 years had been Beach House, but many younger acts take that group's moody song-based aesthetic and dissolve it further until it transforms into ambient music. Grouper, the solo project of Oregon-based producer Liz Harris, might be the most influential in this gauzier realm, and Irish singer-songwriter Maria Somerville is one of many young artists who have followed her lead. Ms. Somerville's self-released 2019 debut album, "All My People," was short and roughly recorded, but

MUSIC REVIEW | MARK RICHARDSON

Moods and Melodies

Maria Somerville sets deftly structured songs against atmospheric sounds

her songwriting ability was clear even amid the murk. Her second LP, "Luster" (4AD), out Friday, is a considerable upgrade, and it confirms that she's among the most promising figures to emerge from these intersecting scenes.

"Luster" is exciting because Ms. Somerville is equally adept at sound design and songwriting. Her instrumentals, awash in drone, are highly cinematic and emotionally stirring, while the verses and choruses of the more traditionally structured material are memorable enough to stand outside the production. The brief "Réalt" begins the record with birdsong, harp and wispy guitar feedback, and on the following "Projections" a bass guitar, throbbing like an open wound, moves forward in the mix alongside Ms. Somerville's crystalline voice. Her tune is simple and affecting as she sings about images of an obsessive love that play through her mind like a film loop.



Ms. Somerville frequently mentions her Irish heritage in interviews, connecting her work to the country's folk traditions and the beauty of the landscape. At times, the grain of her voice and the shape of phrases recall those of her artistic forebears—Sinéad O'Connor's yearning, the stylized diction of Dolores O'Riordan from the Cranberries, the otherworldly

spiritualism of Enya—but the melodic sensibility is all her own, and her work operates on a smaller scale. "Garden"—which flows seamlessly from "Projections," connected by a synth chord—is an uptempo number with swirling keyboards. Ms. Somerville's lead vocal, mirroring the lyrical progression, shifts from hesitant to assured. The folky "Corrib," titled after a river and lake in Galway, has a stop-start melody that sounds like it might have been faster at an earlier point in its development but finds its ultimate expression in Ms. Somerville's slow-motion, ethereal treatment.

The words throughout are mostly fragments—thoughts materialize, flutter, and disappear before congealing into anything concrete. The open-ended nature of her musings is fitting for an album that often seems to hover between varying states of consciousness. Once in a while a line or two pops

▲ Ms. Somerville, a rising star on the dream-pop scene; her second album, 'Luster,' is out Friday.

out—"I don't wanna be / A wannabe" on the thickly churning "Trip," "Every time I look around the city / My eyes are wide awake but I'm asleep" on the ghostly ballad "Up"—but you tend to feel the sonic quality of the words more than comprehend them. Occasionally, other styles crop up. "Spring" has the loping syncopated drums of trip-hop; the interlude "Flutter" has an organ part suited for a cathedral and chopped-up effects that would work in a horror film; and the wordless and woozy "Halo" is appropriately angelic, conjuring visions of life on a cloud.

On the closing "October Moon," sounds of the natural world return—we hear splashing water and a few distant chirps, and Ms. Somerville's phrasing recalls O'Connor's at her warmest and most empathetic. The song swells and then fades, bringing the record to a satisfying ending that connects back to the first track.

Ms. Somerville's musicality runs deep—she writes melodies that stick with you and arrangements that lead to surprising places. The gorgeous "Luster" shows what other acts in the crowded dream-pop field are missing.

Mr. Richardson is the Journal's rock and pop music critic. Follow him on X @MarkRichardson.

TELEVISION REVIEW | JOHN ANDERSON

A Russian Composer in the New World

Russia never gets enough credit for its generosity, having donated so many of the best and brightest to the rest of the world for well over a century. Nabokov, Nureyev, Solzhenitsyn, countless Ukrainians, my friend Zach on the Upper West Side—they've all fled the Soviet and post-Soviet realms, enriching the rest of the world in countless ways. Among the more prominent of these exiles is the subject of "Rachmaninoff Reborn," which is partly biographical and partly about how the New World forged a new man out of one of the Old World's greatest composers.

As related in the latest episode of "Now Hear This"—the now-six-season-old series hosted by violinist Scott Yoo and an always entertaining entrée to classical music—Sergei Rachmaninoff was born into affluence in 1873, and became a New Yorker after fleeing the Bolshevik Revolution of 1917. This is shorthand: The globe-trotting Rachmaninoff, the last of the great Russian romantic composers, made a circuitous route to America after leav-

ing home. But he did, at age 44, reinvent himself as a concert pianist and became one of the most successful performing artists of the early 20th century. That itself is no small thing.

Neither is the glorious music doled out in somewhat penurious portions here, though that has been part of the show's strategy: giving just a taste of whatever composer is under discussion—Bach, Beethoven, Schubert, Schumann, Astor Piazzolla and Florence Price have been subjects in past seasons; Agustín Barrios is up next—with the expectation that viewers will seek out more. The pieces by Rachmaninoff, a greatest-hits selection of motifs that will be familiar to most, are played beautifully by Anna Polonsky; her fellow Russian Yevgeny Sudbin; his daughter, Isabella; and New York psychiatrist/Rachmaninoff expert Richard Kogan, with whom Mr. Yoo shares lunch at Manhattan's Russian Samovar, the go-to locale for such conversations.

A bonus is a studio session at the end of this installment in which



▲ Anna Polonsky and host Scott Yoo in the latest episode of 'Now Hear This.'

Ms. Polonsky and Zlatomir Fung record the composer's Sonata for Cello and Piano, first on equipment Rachmaninoff might have used and then in a more contemporary setup. The difference in tone and ambience will be obvious to some, but

detecting the disparities may also depend on the quality of one's at-home equipment. Use headphones if possible.

In and around the musical performances, Mr. Yoo and Ms. Polonsky delve into Rachmaninoff's personality, his remarkable flexibility—he did, after all, basically change careers at 44—and his enthusiastic embrace of new technologies like

the portable camera, specifically the Leica III, which Rachmaninoff bought after its first appearance in 1933. As related by Ukrainian-born photographer Sonia Goydenko, the composer liked "everything that was modern"—musical-machine collector Glenn Thomas, for instance, plays for Mr. Yoo and Ms. Polonsky a piano roll recorded by Rachmaninoff, which is like having him in the room. Ms. Goydenko uses the same model camera to take the black-and-white images used throughout the program.

At the same time, as Dr. Kogan tells our host, over a lunch of blinis and sable at the Samovar, the "homesick" Rachmaninoff "tried to re-create the Russia of his past," eating Russian food, barely learning English, and surrounding himself with fellow countrymen like Vladimir Horowitz and Nathan Milstein, and with Russian culture. In that, the Rachmaninoff story is as old as expatriation.

Rachmaninoff Reborn
Friday, 9 p.m., PBS

Mr. Anderson is the Journal's TV critic.

SPORTS

JASON GAY

Little League Has Become a Fashion Show

Sliding mitts, crazy-colored gloves, pencil bats—the game is undergoing a style revolution

I'm a rotten father. I haven't bought my Little Leaguer a sliding mitt. For the unfamiliar: The sliding mitt is baseball's strange yet omnipresent style accessory. It's a long, padded glove designed to protect a base runner's fingertips when sliding into a tag or the bag...all while looking ready to take a pot roast out of the oven.

They're crazy. And crazy popular. Wander to any ballgame or sporting goods store—or watch the summertime Little League World Series on TV—and you'll encounter sliding mitts, snappy sunglasses, sleek helmets, oddly-colored arm sleeves, leg guards, pencil bats (pencil bats!), and maybe even a fielding glove that looks like a melting ice cream cone.

Oh, you don't know about the ice cream glove? Now you do. Don't feel old and crabby. I wasn't prepared for how stylish and swaggy Little League has become, either.

My own Little League career was neither stylish nor swaggy. I played in a potato sack that smelled like sunscreen and moth-balls. We shared most of our gear from an old surplus bag—ill-fitting helmets, worn-out bats with rotting tape, a set of raggedy catcher's equipment that looked stolen from Yogi Berra's garage.

Cool sunglasses? I don't think I saw a fellow Little Leaguer wear sunglasses, ever. I did see one pick up a toad in the outfield.

Baseball today, by contrast, is Milan at fashion week. Yes! Fuddy-duddy, past-its-prime baseball has gone fully Vogue. New brands are driving innovation as legacy manufacturers like Easton and Rawlings are getting hip. Talk to any up-and-coming ballplayer and you'll get an earful about trends and have-to-have it items.

Little League is riding the wave. "These kids, they're decking themselves out, they want as much color as possible," says Bear



Mayer, the founder of Bruce Bolt, which makes coveted batting gloves with wild colors and a thunderbolt logo. Mayer, who launched Bruce Bolt as a teenager, calls seeing youth players in his gear "the most exciting thing in the world."

Behind this fashion revolution is a groundbreaking change in the major leagues: At the end of last decade, MLB loosened a rule that player shoes needed to be at least 51% team colors.

This set a path to eccentrically-colored spikes and batting gloves. The widening use of protective equipment (leg guards, elbow pads) delivered more opportunities to show off personal style.

Today, a major leaguer can dress for a full moon rave.

It might make The Babe spin a few times in his scratchy pin-

stripes, but the kids love it.

So do the pros. "I think the personality is huge for the game," says Bryce Harper of the Philadelphia Phillies, a two-time MVP and one of the current game's more influential style vanguards.

"I try not to match anything now because kids don't like the matching," Harper says. "Being able to wear cleats that are different colors, or arm guards and shin guards that are a little outrageous, it's fun."

Harper recently debuted a pair of Phillie Phanatic colored cleats from his apparel sponsor, Under Armour.

He also went viral a couple of years ago when he wore a Phannatic sliding mitt created by Absolutely Ridiculous, a Nashville company pushing boundaries in sports

design.

Absolutely Ridiculous is behind the ice cream glove, too—a collaboration with one of the brand's partners, Yankees outfielder Jazz Chisholm Jr.

"The sickest glove I'd seen," Chisholm calls the "cookies and cream" prototype, which he debuted in spring training a few years ago—only to get brushed back by MLB, which panicked that umpires would have a hard time locating the ball amid the dripping vanilla ice cream.

Chisholm is an influential figure in MLB's style ascendance, as are players like Harper, New York Met Francisco Lindor and Cincinnati's Elly De La Cruz.

Chisholm's flourishes—ice cream colored Jordan Brand cleats, a Statue of Liberty sliding glove—have inspired plenty of im-

itators.

"Growing up, I'd be like, dang, I want my glove to be this color, or that color, but I'm not allowed to use it because it was too 'out there,'" Chisholm tells me. "Now you can go out with any glove you want, any color you want, and be yourself."

The designer behind Absolutely Ridiculous goes by the name X. I am not making this up. A former Division 1 player, X says he initially chose to be anonymous "to keep the focus on the art."

He agrees that baseball's style evolution is partly due to loosened rules. He also thinks it owes a debt to a new generation of players. As baseball's lightened up about bat flips and home run trots, baseball fashion's become open-minded, too.

"Timing means everything," X says. "If this would've started, six, seven years ago, I don't think it would've taken off. It's the timing of who's in the league, and also who's graduated out...It's a passing of the torch to where the kids are going to do what the kids want to do."

This is the part where I acknowledge that, yes, these accessories surely sound absurd if you grew up when they only sold spikes in one color: black.

These items also aren't free—a decent sliding mitt starts around \$50—adding to the already accelerating costs of youth sports.

(And don't get me started on how every Little Leaguer feels the need to have a personal helmet and bat.)

Then I think of the style wisdom of the former Brave/Yankee/Red/Giant Deion Sanders, and the mantra he still deploys as the head football coach at Colorado:

If you look good, you feel good.

If you feel good, you play good.

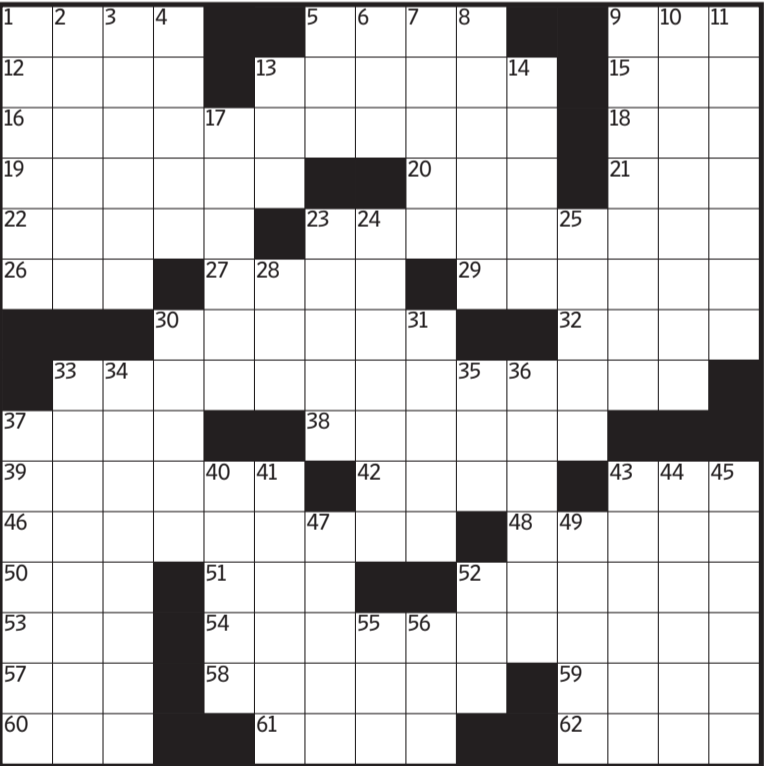
If you play good, they pay good.

I'll admit it: These modern Little Leaguers look pretty sharp, and it's nice to see baseball get some cultural cache. I'm sure I would have bugged my father for some baby blue batting gloves, a lime green arm sleeve, or sunglasses that make me look like the Terminator.

No way my Dad would have gone for the sliding mitt, though.

He'd have reminded me: First you need to get on base.

The WSJ Daily Crossword | Edited by Mike Shenk



- 14 High-quality
- 17 Raincoat alternative
- 23 Colorful gowns
- 24 Relevant
- 25 iPods that weighed about an ounce each
- 28 China's largest ethnic group
- 30 Metal sound
- 31 Symphony orchestra offering
- 33 Clean house, in a way
- 34 Cardinal address
- 35 Enjoy Aspen
- 36 Hypnotism pioneer Franz
- 37 Vandalizes
- 40 Long stories
- 41 Unlucky event
- 43 Material for coffee bean bags
- 44 Tristan's love
- 45 Past and future, e.g.
- 47 Kagan in robes
- 49 Board of inquiry?
- 52 Raiders' org.
- 55 Tack on
- 56 ___ de deux

THURSDAY TO FRIDAY | By David P. Williams

- Across**

 - 1 Quattro x due
 - 5 "Dream on!"
 - 9 Stretch the truth
 - 12 Shape
 - 13 Exercise that sounds like advice
 - 15 "Knives Out" co-star de Armas
 - 16 Tip on the house?
 - 18 Successors to LPs
 - 19 Creature on Bhutan's flag
 - 20 Samuel's mentor, in the Bible
 - 21 Take care of loose ends
 - 22 Hutchinson of the Detroit Lions
 - 23 Serious buffoon?
- 26 RB's accumulation
 - 27 Jackie of "Rush Hour"
 - 29 Love handle?
 - 30 Patients' records
 - 32 Low card in a pinochle deck
 - 33 Brother with a record?
 - 37 Lower house of Russia's legislature
 - 38 Sharp increases
 - 39 Bestselling musical artist of the '00s
 - 42 Terse confirmation
 - 43 Comic offering
 - 46 Hidden wire?
 - 48 Cursor mover
 - 50 Time of one's life
- 51 Christmas or Easter, e.g.: Abbr.
 - 52 Impulse transmitter
 - 53 Get rid of, or preserve
 - 54 Inexpensive flourishes?
 - 57 End-of-list abbr.
 - 58 Strappy footwear
 - 59 Stone used in the medals for the 2008 Beijing Olympics
 - 60 Spot
 - 61 Gear for a goalie
 - 62 Tarzan's adoptive family
- Down**

 - 1 When nothing goes right
 - 2 Passionate

► Solve this puzzle online and discuss it at [WSJ.com/Puzzles](https://www.wsj.com/puzzles).

The NBA's Biggest Enigma Is Back. Opponents Should Be Terrified.

By Robert O'Connell

FOR SIX SEASONS, he has been the NBA's biggest mystery.

Kawhi Leonard is the rare player capable of carrying a franchise to a championship almost single-handedly. He can score like the second coming of Michael Jordan, and defend with such ferocity that he destroys an opponent's entire game plan.

But this wrecking ball of a basketball player has often seemed to be made of glass. Since he joined the Los Angeles Clippers in 2019—after leading both the San Antonio Spurs and Toronto Raptors to NBA championships—Leonard has gotten hurt time and again, as the franchise he was supposed to save has limped to a series of agonizing play-off letdowns.

So here's a thought that could change the entire landscape of this year's NBA play-offs, sending rival championship contenders running for the hills even as Clippers fans cross their fingers and knock on every slab of wood they can find.

Kawhi Leonard is back. Monday night in Denver, in the most thrilling game of the playoffs so far, Leonard announced his return in no uncertain terms, pouring in 39 points against the Nuggets. He made 15 of 19 shots, none more important than a pull-up 21-footer with less than a minute left to cement a 105-102 win that leveled the series.

"If we have a healthy Kawhi," Los Angeles coach Tyrone Lue said, "we can win any series."

NBA fans could be forgiven for needing a reminder. Early in his career, Leonard was an immediate postseason legend. In the 2014 Finals, as a member of the Spurs, he tangled with LeBron James and the Miami Heat and came out on top, winning Finals MVP as San Antonio cruised to the title. In 2019, his lone season with the Toronto Raptors, Leonard's clutch shooting delivered the only championship



Kawhi Leonard led the Clippers to a Game 2 win on Monday.

in franchise history.

And then, just as rapidly as his star rose, Leonard crashed back to earth. After he joined the Clippers as a free agent in the summer of 2019—signing a contract worth \$142 million—he began to be plagued by injuries. Leonard, whose exit from San Antonio had been precipitated by a lingering thigh injury, went on to battle seemingly constant ailments in his knee.

Since 2021, the Clippers have played in 30 playoff games—and Leonard has appeared in exactly half of them. An ACL tear ended one postseason run; a tear in his meniscus slammed the door on another. "We're only here for one reason, we want to win it all," Clippers owner Steve Ballmer had said when he introduced Leonard at a press conference. But Leonard had enough trouble simply making it onto the court.

So it went largely unnoticed when, late in the regular season this year, Leonard started playing like his old self again. He'd missed the start of the season with more knee troubles, which had also caused him to leave the U.S. Olympic team over the summer. But Lue said that Leonard had followed a painstaking and patient comeback plan in a bid to be healthy—finally—for a playoff run.

Since Feb. 26, Leonard had been scoring 25 points a

night on sparkling shooting percentages. Down the stretch, the Clippers suddenly transformed into one of the NBA's very best teams, winning 18 of their final 21 games.

For anyone who'd forgotten what a fully operational Leonard could do on basketball's biggest stage, Monday's masterpiece was a resounding reminder that in many ways, he's the perfect playoff performer. In the postseason, when the high-scoring pace can slow to a crawl, the ability to manufacture points out of tight spaces—and stop other teams from doing the same—can be the difference between a title run and an early exit.

Against the Nuggets, Leonard used his 6-foot-7, 225 pound frame to batter his way to any spot on the floor he liked. He rose up and tossed in mid-range jump shots—a sturdy throwback option in a high-variance era of 3-pointers. And after one such mid-ranger gave the Clippers a 3-point lead late, Leonard's defense sealed the victory.

"I'm just happy that I'm able to move, and I'm coming out of the game feeling well," Leonard said.

It sounds like a modest goal. But if Leonard keeps meeting it, it's one that could change the shape of the entire NBA playoffs.

NATHAN HACKETT

DAVID ZALUBOVSKI/ASSOCIATED PRESS

OPINION

Understanding Trump’s Trade War



BUSINESS WORLD
By Holman W. Jenkins, Jr.

I heard from the usual pro-Trump crybabies after a headline here referring to the probability of another Trump impeachment. My critics overlooked the verb: It said he *wanted* an impeachment. Whatever he thought was going to happen with his tariff announcement, it didn’t, and President Trump is in planless improvisation mode now. But the episode is also of a piece with every other move in his early administration, aimed at exciting conflict, at sticking a thumb in the eye of an establishment whose policies he has long criticized (without really understanding them) and, more importantly, that he believes wants only his destruction or impoverishment. The world now faces a known unknown. It may be months or years before a comfortably intelligible trade-policy equilibrium is re-established. In vain, we search for precedents. By August 1941, Roosevelt inaugurated a trade war with Japan. embargoing its supply of important metals and oil. It took until MacArthur in 1947 to negotiate new terms for our interdependence. A lot of things happened in between. One day Mr. Trump talks up free-trade deals, the next tariffs as the solution for

America’s every problem. But these are really lower-pay-grade issues for the president. His focus is elsewhere—on the death match with his enemies that began with his 2016 election. Testifying in 2019 during Mr. Trump’s first impeachment, his close ally said the president cared only about “the big things.” Which president doesn’t? Then the big thing was finding dirt to use against Democrats who were pushing Russiagate to discredit his presidency. The big thing hasn’t changed all that much. Every president thinks first about his political standing, on which the whole enterprise rests. Mr. Trump is different in one respect only. On election night 2016 sociologists noted his unusually grim expression, so unlike that of the typical winning candidate. In the fight for personal survival that began that night, one tactic has worked over and over for Mr. Trump, and that’s exciting the animosity and overreaction of the country’s elite groups. No matter how crass or gross his conduct, his enemies turn it into lemonade for him. Even his remarkable 2024 comeback doesn’t change this strange chemistry. By now, Mr. Trump has been through five presidential or midterm elections, each decided by a rounding error, usually in favor of his opponents. So he expects, after next year’s midterms at the latest, that the death struggle with Democrats will resume. Impeach-

ment will follow. He’s ready for it. From a 30,000-foot level, Americans have obviously been badly served by importing banana-republic dynamics into our politics. But here we are. A cynical nadir was the Biden administration’s promotion of criminal cases against Mr. Trump in hopes of convincing voters to overlook President Biden’s own senility and unpopularity.

For him, it isn’t about economics. It’s about his fight with the country’s elites.

A column like today’s is a hard sell to newspaper readers used to the comfortable illusion that presidents are primarily focused on their carefully considered policies and how they will benefit the country. (Witness the hopeless piling up of commentary seeking the “strategy” in his trade actions.) The argument, such as it was, for Mr. Trump’s second election was always: his enemies. For years, I wondered why no senior Democrats took the many opportunities to come clean over their party’s Russia hoax. Americans by now are understandably bored by the subject just as an earlier generation was bored by the U.S. Civil War without ever doubting its salience to all that followed.

A second Trump presidency might still be the occasion for both parties to become chastened of their rabid cynicism, with a revived sense of the public good and personal honor—a concept spattered to the winds by Mr. Trump no less than his opponents, like Adam Schiff and the intelligence duo of James Clapper and John Brennan. But we still have to cope with Mr. Trump’s acts in office. In one sense, his presidency is but a culmination of a succession of presidencies incapable of finding America’s national interest in the welter of signs and events. George W. Bush’s disappeared down the rabbit hole of the global war on terror, Barack Obama’s down the rabbit hole of a woke rectification of sinful America. Joe Biden’s “Build Back Better” fantasy founded on the delusion that there was something FDR-like about him and his moment. The challenge is America’s place in a world of one or more powerful states with which we are simultaneously essentially at war but also inextricably interdependent. This world isn’t as unfamiliar at it looks. The model for existing in such a world, if not for the prior claim of retirees and other federal beneficiaries on most of the national revenue, would be Theodore Roosevelt’s talk softly and carry a big stick. From a policy view, the worst effect of Mr. Trump’s trade sidetrack is the failure quickly to rebuild America’s military deterrence power.

Trump Tries to Tip the Balance of Powers



POLITICS & IDEAS
By William A. Galston

Since taking office this year, President Trump has forcefully asserted control over the federal bureaucracy and administrative agencies, backed by the “unitary executive” theory developed by conservative scholars since the 1980s—the idea that the president has complete authority over the executive branch. This alone would be a massive expansion of presidential power. But Mr. Trump demands more: an executive that’s not only unitary but plenipotentiary, dominant over the other branches of government. “When somebody is the president of the United States, the authority is total, and that’s the way it’s got to be,” he told reporters at a Covid-19 press briefing in 2020. Stephen Miller, one of his most powerful aides, recently said that the president is “the only official in the government that is elected by the entire nation” and that “the whole will of democracy is imbued into the elected president.” The whole will of democracy. Ponder these words. What about members of the House and Senate, elected by the people? Doesn’t Congress represent a part of the people’s will? What about federal judges, who are nominated by the president and confirmed by the Senate?

It verges on embarrassing to restate Civics 101, but our sorry times require it. The Constitution creates three distinct, coordinate and equal branches of government. Each represents the people in a different way. Legislation involves all three branches: Congress votes a bill up or down, the president signs or vetoes it, and the Supreme Court interprets it and tests its constitutionality. Presidential orders are subject to judicial challenge, and sometimes Congress can overrule them

He sees few limits on his power over not only the executive but the other branches.

by changing the law. If Congress or the president are sufficiently aroused by what they see as judicial overreach, they can respond by altering the court’s jurisdiction—as we see in the current effort to curb national injunctions. The bottom line: Setting aside the additional constraints of federalism, no single branch of government represents the people’s will, even at the federal level. Nor is any branch supreme over the others. The Constitution allows each branch to struggle for power against the other two, but this competition isn’t supposed to end in total victory for any one branch. The Founders created this

system to preserve liberty and oppose tyranny, which James Madison defined in Federalist No. 47 as “the accumulation of all powers, legislative, executive, and judiciary, in the same hands.” In his “House Divided” speech during an even more turbulent period than today, Abraham Lincoln urged his audience to consider “whether we are tending”—that is, our direction as a nation. Today, we must similarly consider where we’re headed if we hope to prevent the U.S. from moving toward authoritarianism. It’s imperative to confine the presidency within constitutional bounds. To be sure, some limits are contested. The Supreme Court soon may ratify certain powers of the unitary executive. More agency officials may end up subject to firing at the president’s will rather than for cause. Despite the disadvantages of this step, it wouldn’t fundamentally endanger liberty. Not so for other possible changes. The president doesn’t have the authority to disregard congressional appropriations. Once they become law, he is obligated to execute them as written. He isn’t free to act on his belief, however sincere and well-founded, that Congress has appropriated too much or for the wrong purposes. If he disapproves of the appropriations, he should return them to Congress with his veto. If the appropriations were enacted under a previous president, he should ask Congress to rescind them.

The Trump administration disagrees, which is why it’s asking the Supreme Court to declare the 1974 Impoundment Control Act unconstitutional. If the court goes along with the president, it will neuter Congress’s power of the purse and move us further down Madison’s road to the accumulation of all powers in the same hands. America would move even further down this path if Mr. Trump were to defy a court ruling and get away with it. The foundations for defiance have already been laid. In February, Vice President JD Vance tweeted, “Judges aren’t allowed to control the executive’s legitimate power.” But it’s the court’s role to determine the extent of this power. Mr. Trump’s press secretary, Karoline Leavitt, recently criticized judges who are slowing the administration’s mass deportations for “undermining the will of the American public.” But we don’t live in a direct democracy. Voters picked Mr. Trump partly to deal with the border crisis, but that doesn’t mean they empowered him to act illegally. The law distinguishes between proper and improper means for carrying out the people’s will, and the judges are only doing their duty by enforcing this distinction. This frustrates Mr. Trump and many of his supporters, but it’s what the rule of law requires. And it is the rule of law itself—the fundamental basis of ordered liberty—that is at stake.

A Pope for Every Season of My Life

By Brenda Cronin

Queen Elizabeth II reigned while 15 British prime ministers came and went. I count my life by popes, and I’m about to see my sixth. My first was Paul VI (1963-78), who seemed the forever pontiff as he reigned throughout my childhood. I knew very little of him beyond hearing his name at Mass and at home. He might as well have been a figure from the Crusades, as remote and enduring as a statue. That ended in 1978 with the spookily brief tenure of John Paul I. Every papal change feels like a cataclysm, but after Paul VI’s 15-year reign, John Paul I presided for 33 days. I had just entered high school, a convent in Connecticut. John Paul I had come in with the beatific style of a peacemaker. He took the names of his two immediate predecessors, and although at 65 he seemed an-

cient to convent-school girls, he was far more spirited than Paul VI, who had lived to 80. John Paul I’s abrupt demise was so shocking, we spent even more time than usual in chapel. It also was manna for the conspiracy theorists and fantasists who have always found rich fodder in the Catholic Church. What exultation there was a few weeks later at the election of John Paul II—and throughout his papacy. In October 1979, when John Paul II visited the U.S., my family went to New York to see him arrive at St. Patrick’s Cathedral. He was my coming-of-age pope. If I was born into Paul VI, I became an adult with John Paul II (1978-2005). I was in awe of his dynamism, his forgiveness of the man who tried to assassinate him in 1981, his dignity and courage until his death at 84. His successor, Benedict XVI (2005-13), was pegged as a conservative scholar, which

made him a particular target for critics assailing Catholicism as hidebound by the very tenets at its foundation. When he became pope, I thought his intellect more than made up for what he lacked in John Paul’s charisma. He also

Paul VI was bishop of Rome when I was born. The next pontiff will be my sixth.

turned out to have a renegade streak, becoming the first pope to resign since Gregory XII in 1415. He was 85 when he left the papacy and 95 when he died in 2022. With Benedict, like him or not, we knew what he was thinking and that he was in charge. That seemed to change with his successor, Pope Francis, an apparently gentler, more malleable pon-

tiff. His humility was endearing—the Fiat, the modest accommodations—but at times the cost seemed a rudderless Catholic Church. A leader so attuned to others’ needs often seemed to be listening more than leading. At Mass, when we would pray for the pope’s intentions, I found myself wondering what precisely they were. Francis valiantly made it through Easter, and we are on the eve of another conclave. A largely faithless media will scramble to trot out their spirituality commentators, or leave hapless correspondents to riff on Vatican traditions and Catholic dogma as if describing rituals at Hogwarts. Meanwhile, as the cardinals prepare to gather in Italy, I can only wonder how God will guide them and how many popes I have left.

Ms. Cronin is an associate editorial features editor at the Journal.

BOOKSHELF | By Philip Delves Broughton

When Paper Beats Plastic

The Power of Cash

By Jay L. Zagorsky
Wiley, 384 pages, \$29.95

It seems quixotic that we should resist the pull of electronic payments and digital banking and get back to using cash. Why would we give up the ease of swiping our cards or tapping our phones in favor of clammy banknotes and fiddly coins? In “The Power of Cash,” Jay Zagorsky, who teaches at Boston University’s business school, asks us to fight the lure of a cashless economy and stand up for the green. Mr. Zagorsky’s conversion to cash came when he served as an unpaid adviser for a Boston Federal Reserve survey of how people paid for things. He helped design and implement the survey from 2010 to 2018, a period when many Americans were shifting from paying in cash to using electronic payments for even their most mundane daily purchases. In 2015, he reports, 17.1% of Americans said they did not carry cash. By 2022 that number had more than doubled to 34.6%. Among 18-to-34-year-olds the number not carrying cash went from one in four to almost one in two. The author notes a similar shift in the use of ATMs. Visits to bank machines peaked in 2009 with about six billion withdrawals. By 2021 the number of ATM withdrawals had fallen to less than four billion. Some countries and cultures seem to hang on to cash more than others. Measured by cash in circulation as a percentage of gross domestic product, Japan emerges as far and away the most cash-intensive developed economy at 23%. The U.S., by contrast, sits at around 10%. Sweden, at 1.3%, is the most cashless country in the developed world. Germany still loves cash. A 2021 survey found that only 4% of Germans did not carry cash, and 30% said cash was their preferred method of payment despite their access to all the modern digital-banking systems. But so what? Does it make any difference if we zap and ping rather than use cash and coins? Perhaps we should roll it even further back to cowrie shells. Mr. Zagorsky believes cash still matters and his argument falls under three broad categories. First is the case for national security. Mr. Zagorsky observes that “a cashless society stands on three legs: a continuous and stable supply of electricity, communication networks working all the time, and secure computers.” What happens if an earthquake strikes, or a foreign enemy takes down the communication and banking systems? In the ensuing chaos and darkness, the author writes, those with cash will survive and those without will be left waving their plastic into the wind. Second is the personal-finance case. We know that when people spend cash, they tend to feel the cost of their purchase more acutely than when they pay electronically. Handing over notes triggers a different set of reactions in the brain than merely swiping a card. We feel the loss more, and become more attached to what we buy when we pay in cash. Banks and credit-card companies know this, and encourage us to swipe because we are likely to spend less carefully. Furthermore, electronic payments generate data that retailers use to tailor—and often increase—prices. Not only do we sacrifice our privacy when we pay electronically, we also allow ourselves to get fleeced.

We feel the cost of our purchase more when we use cash. Handing over notes triggers a different feeling than merely swiping a card.

Finally, there is the social-justice case. The unbanked poor still depend on cash, as do people who beg for money on the street. Cash does not require an immigrant or tourist to read transaction documents in a foreign language. It also cannot be arbitrarily cut off by autocratic governments. As he builds his argument for cash, Mr. Zagorsky offers a brief history of the rise of personal credit. The prevalence of plastic is relatively new. Five years after Neil Armstrong returned from the moon in 1969, he applied for a Diners Club card. He was rejected for not having enough income. Today, offers flood into our inboxes offering cards designed for every kind of financial situation. And it’s more than easy credit that is available. There are many subtle ways that companies streamline the customer experience, under the guise of convenience, to maximize credit sales. Their goal is to expand the amount of money you think you have available, through credit and multiple forms of payment, and to constrict the time between choice and purchase. Companies don’t want you dithering over a shopping cart, physical or online, laden with goods. So “for a faster checkout next time,” they store your data. The elimination of cash from so many purchase processes has also eliminated the time to think, reflect and change your mind in your own financial self-interest. The villains of Mr. Zagorsky’s book are familiar: banks, tech platforms and credit-card companies, which profit from ever more low-cost, high-volume transactions; and governments, which prefer the transparency of electronic payments to the murkiness of cash. To make the case for cash these days is really a debate-club conceit, and this comes through repeatedly in the book. Mr. Zagorsky argues that cash would save merchants money by helping them avoid the fees charged by credit-card companies and clearinghouses, and that this money would come back as consumer savings. But he knows equally well that the reason merchants accept these costs is because using plastic makes consumers’ lives easier and keeps them spending. There are no fools in this grand financial settlement, only interests. Mr. Zagorsky also says that cash is good for people’s math skills and even that it is “fun to hold and use.” The thrills must be short on campus.

Mr. Delves Broughton is the author of “The Art of the Sale: Learning From the Masters About the Business of Life.”

OPINION

REVIEW & OUTLOOK

Should Harvard Be Tax Exempt?

When President Trump targets an institution, he escalates if he meets resistance. So it goes for Harvard University, which dared to oppose his policy demands in return for federal funds and now could lose its tax exemption. But this may not be as easy as the President thinks.

This month the Administration froze \$2.2 billion in grants after Harvard refused to be placed into de facto federal receivership. Harvard this week sued in response, and on our reading of the suit it has a strong case on First Amendment and due process grounds. The Administration's demands overreached by going after curriculum, faculty and admissions.

But Mr. Trump has also opened a second front by threatening Harvard's tax-exempt status on Truth Social: "Remember, Tax Exempt Status is totally contingent on acting in the PUBLIC INTEREST!"

If the Internal Revenue Service follows through, it will get a legal fight. Section 501(c)(3) of the tax code says "[c]orporations . . . organized and operated exclusively for religious, charitable . . . or educational purposes" are entitled to tax exemption as long as they are operated on a non-profit basis and don't participate in political campaigns.

The IRS in 1970 adopted a policy of barring tax-exempt status for private schools engaging in racial discrimination. In 1983 the Supreme Court upheld the IRS's rescission of Bob Jones University's tax-exempt status on the rationale that "an institution seeking tax-exempt status must serve a public purpose and not be contrary to established public policy."

That precedent prevails today. But as Justice William Rehnquist wrote in a lone but notable dissent, the High Court created this rule out of whole cloth. It's nowhere in the law. "Regardless of our view on the propriety of Congress' failure to legislate, we are not constitutionally empowered to act for it," he wrote.

He cited Members of Congress who expressed alarm at the IRS's usurpation. "Nobody argues that racial discrimination should receive preferred tax status in the United States," Chuck Grassley, then a House Member, said in 1979.

Trump might lose this legal fight, and there are better ways to reduce subsidies to schools.

"However, the IRS should not be making these decisions on the agency's own discretion. Congress should make these decisions."

This is a powerful argument, and today's very different Court might well agree with it. The *Bob Jones University* (1983) ruling runs counter to the Court's major questions doctrine, which requires Congress to authorize significant executive actions. In *Loper Bright* (2024), the Court held that judges should not defer to agency interpretations of laws, as Justices did in *Bob Jones*.

Some conservatives are cheering on Mr. Trump, but they might not like it when President Ocasio-Cortez is in charge. They were rightly indignant when the IRS under President Obama was found to have targeted the tax exemptions of right-leaning 501(c)(4) nonprofits, including pro-Israel groups.

There are better ways to reduce taxpayer money for schools and give them an incentive to reform. Mr. Trump could work with Congress to codify his order to limit the share of federal research grants that universities can spend on overhead to 15% since this money is fungible and thus supports politicized liberal arts departments.

Eliminating the tax exemption for tuition waivers paid to graduate students in return for teaching—and radicalizing—undergrads would force colleges to shrink or eliminate politicized departments. Ditto eliminating or at least capping federal student loans for graduate programs, which have become cash cows for universities. Killing the student loan forgiveness program for graduates who work in government is another opportunity.

Republicans could also scrap a dispensation that lets universities issue tax-exempt municipal bonds that lower their borrowing costs. Harvard has \$5.8 billion in tax-exempt debt, including \$434 million it floated this year at an average 2.9% yield. Why should Harvard be allowed to borrow more cheaply than the U.S. government and your local church?

Republicans could pass such reforms through budget reconciliation this year. That makes more sense than a multiyear legal fight Mr. Trump might well lose.

Up the Down Tariff Escalator

Do you think the markets are trying to tell President Trump something? Stocks and the dollar rose Tuesday after word leaked that Treasury Secretary Scott Bessent told a private investor conference that he expected trade tensions between the U.S. and China to ease soon.

The main equity indexes regained most of their losses from Monday after various media sources confirmed the Treasury secretary's optimism that both China and the U.S. don't want the current all-out trade war to continue. He also reportedly said Mr. Trump's goal in imposing 145% tariffs on imports from China wasn't to totally decouple the two economies.

If Mr. Bessent knows what Mr. Trump's real China and trade strategies are, everyone would love to hear it because so far it looks like ad hoc improvisation. But we—and the markets—will take whatever good news we can get these days. So would businesses across the country that are freezing investment or not hiring as

Markets rally on Bessent's hints of a U.S.-China trade truce.

they try to figure out what will happen when Mr. Trump's 90-day pause on his highest non-China tariffs ends.

Among those who'd like to know are the 800 or so Volvo employees at three different U.S. plants that will be laid off in the next 90 days. They include 250-350 workers at a Mack Truck plant in Macungie, Pa.; 250-350 at a Volvo truck plant in Dublin, Va.; and 50-100 at a Volvo plant in Hagerstown, Md., that makes engines and transmissions for both brands.

The company explained that it had to align its production with falling truck orders that "continue to be negatively affected by market uncertainty about freight rates and demand, possible regulatory changes, and the impact of tariffs." We hear similar comments about uncertainty everywhere.

If Mr. Bessent can move markets merely with comments that a trade truce is coming, imagine how they'd respond if Mr. Trump simply called the whole tariff thing off.

Groups that benefited the most were blacks, boys, students who experienced long-term childhood poverty, and students with below-median test scores before leaving public school. The rate of college enrollment among black scholarship recipients increased 18 percentage points, compared with 13 points for white students. Students who spent more than three-quarters of their life in poverty saw their rate of college attendance increase 17 percentage points, up to seven points higher than students from less impoverished backgrounds.

Opponents deride school choice programs as the enemy of public education. The data tell a different story. Before EdChoice was made universal, only persistently underperforming public schools were eligible. To capture the effect of the program on public schools, the authors compared outcomes at schools on either side of the eligibility threshold. Students who remained at EdChoice-eligible public schools were three percentage points more likely to attend college—and six percentage points more likely to graduate—than students at ineligible public schools.

It's not hard to understand why. When public schools face competitive pressure to retain students, their performance improves. Contrary to teachers union narratives, throwing more money at public schools frequently fails to have the same effect. Soaring government education spending hasn't done much for student math and reading scores.

The study has some limitations, including that it predates the Ohio program's universal expansion. But its results are consistent with a large and growing body of evidence that school choice can lift all students.

Voucher recipients saw substantially improved academic outcomes.

Ohio's School Choice Success Story

New results are in on Ohio's school choice program, and they're looking good. A study released Tuesday by researchers at the Urban Institute found that students who used vouchers to attend private school saw substantially improved long-term academic outcomes.

Ohio's Educational Choice Scholarship Program began in 2005 as a state-funded voucher program for students in lousy public schools. In 2013-14 it began to serve low-income students regardless of school. Since the 2023-24 school year it's been open to all students, though more affluent Ohio families aren't eligible for full scholarships.

Researchers Matthew Chingos, David Figlio and Krzysztof Karbownik studied more than 6,000 Ohio students who first used EdChoice scholarships to attend private schools between 2008 and 2014. They compared this group with more than 500,000 students who remained in public schools, selecting for similar demographics and academic characteristics.

Scholarship recipients were found to be 15 percentage points more likely to attend college than public school counterparts, and nine points more likely to graduate. Students in the program for at least four years—about 60% of participants—had even higher college enrollment and graduation rates.

A previous study found that EdChoice recipients had lower short-term scores on state assessments, but as the authors note, positive long-term outcomes indicate that "state tests might not be an ideal metric for evaluating private school quality, given curricular differences between sectors and different incentives to perform on state exams."

LETTERS TO THE EDITOR

Why Are America's Closest Allies Democracies?

In "America's Greatest Middle East Test Lies in Syria" (op-ed, April 12) Michael Doran urges the U.S. to embrace Turkey. I criticized that position and the country's despotic ruler Recep Tayyip Erdogan, arguing that he is "an enemy of Israel, Greece and Cyprus as well as the Kurdish forces that the U.S. has supported for years as real partners against Islamic State." Mr. Doran rejects my reasoning, suggesting that "military alliances are built on shared interests, not values" (Letters, April 21).

He must view it as coincidental that America's closest allies are democracies. The North Atlantic Treaty of 1949, for example, begins by stating that NATO allies "are determined to safeguard the freedom, common heritage and civilisation of their peoples, founded on the principles of democracy, individual liberty and the rule of law." There are important exceptions

especially in time of war, and Mr. Doran's raw realism is a useful caution. U.S. foreign policy must be pragmatic in a dangerous world.

But he appears to think the "interests" for which we build our military alliances don't include our "values." Mr. Doran should revisit President Reagan's June 1982 Westminster speech, the context of which was the kind of great-power confrontation we face today: "Our military strength is a prerequisite to peace, but let it be clear we maintain this strength in the hope it will never be used. For the ultimate determinant in the struggle now going on for the world will not be bombs and rockets, but a test of wills and ideas, a trial of spiritual resolve: the values we hold, the beliefs we cherish, the ideals to which we are dedicated."

ELLIOTT ABRAMS
Council on Foreign Relations
Washington

Trump Endangers Our Most Lucrative Exports

The U.S. is turning its back on the multilateral trading system it helped create after World War II, threatening Americans' intellectual property ("Trump Leaves Services Out of Trade Math," U.S. News, April 12). Embodied by institutions such as the World Trade Organization (WTO), this system has provided stability through clear trade rules and dispute-settlement mechanisms, fostering global economic growth that has benefited the U.S. economy. The notion that these institutions exploit America is misguided.

While the current trade war focuses on goods such as machinery and soybeans, the most valuable U.S. exports are intellectual-property-intensive products, which are protected by copyrights and patents. The most important set of international rules protecting IP rights is the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights, or Trips. The agreement obligates member countries to provide IP rights,

with limited exceptions, and enforce them at their borders and in national courts.

If the U.S. ignores its WTO obligations, other members may reciprocate by denying IP protection to U.S. products or issuing compulsory licenses at government-set prices—Trips violations that leave the U.S. with little recourse if it isn't a WTO member in good standing. The usual recourse to retaliatory tariffs against such a country would likely be ineffective given the current high tariff policy.

America's disengagement from the multilateral trading system endangers the global IP-rights regime that protects the value of our most lucrative exports. Reforming the system to safeguard IP better should be the priority, not abandoning it altogether and inviting retaliation against American innovation.

PROF. DANIEL J. GERVAIS
Vanderbilt University
Nashville, Tenn.

When Tariffs Raked In Revenue for Washington

Phil Gramm and Donald Boudreaux write persuasively about the harms of tariffs ("Trump's Tariffs Are as Bad as Bidenomics," op-ed, April 15). Yet they missed an opportunity to correct another mistake. Tariff proponents often contend that tariffs were the major source of revenue for the federal government during the 19th century. What they neglect to mention is that the federal government did next to nothing compared with what it does today.

Consider the top five budget items Congress spends money on each year. Social Security wasn't signed into law

until 1935, interest payments on the national debt as well as defense spending were trivial compared with present levels, and Medicare and Medicaid wouldn't appear until 1965. These five items alone account for nearly \$5 trillion of the total \$7 trillion that Congress is projected to spend this year.

It's easy to pay for the government when the government does few things.

DAVID HEBERT
American Inst. for Economic Research
Grand Rapids, Mich.

Lincoln's Enduring Example

One can't read Paul Wolfowitz's excellent "Reflections on Lincoln 160 Years After His Murder" (op-ed, April 15) and not be cautiously optimistic about our country. Even as we confront political vindictiveness and policy decisions without apparent logic or grounding in reality, having had Abraham Lincoln as president reminds us that there was, and remains, greatness in our country, and possibly a leader like Lincoln waiting in the wings.

As Mr. Wolfowitz notes, Lincoln's "vision" and "genius" was that he understood how to heal a country that had been split in half by a horrendous civil war. His life reminds us that our country's short history is rife with periods of violence and great uncertainty—from the Revolutionary War, Industrial Revolution and Great Depression to the Civil Rights and Vietnam War eras. Each of these we survived but as a different yet more unified country.

As we pass through our current challenges it's a comfort to recall Lincoln and remember that the virtues he embodied are fundamentally American.

JOSEPH P. PETITO
Bethesda, Md.

Don't Let AI Dupe Grandma

I appreciate the idea that families can fool artificial-intelligence imposter scams by creating code words or phrases (Letters, April 15). Yet I can think of an even simpler protection. I remind my 79-year-old mother frequently that if she ever receives a call from a strange number claiming to be one of her grandchildren, she can be positive it is a scam: None of them have her phone number memorized. I suspect they aren't the only ones.

MELANIE PRIEGER
Agoura Hills, Calif.

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Pepper ... And Salt

THE WALL STREET JOURNAL



WORLD NEWS

Vance Touts Big Future for U.S.-India Ties

Vice president’s comments contrast with opprobrium for European leaders

By Shan Li

On his first trip to India, Vice President JD Vance dined with Indian Prime Minister Narendra Modi, announced progress toward a trade deal between the two countries and compared New Delhi favorably with Western capitals. “There’s a vitality to India, a sense of infinite possibility,” Vance said in a speech during a four-day visit with his Indian-American wife, Usha Vance, and their three children. “It’s a striking contrast with too many in the West, where some in our leadership class seem stricken by self-doubt and even fear of the future.” Vance said the relationship between the U.S. and India would define the 21st century. “I also believe that if we fail to work together successfully, the 21st century could be a very dark time for all of humanity,” he said.

Pride in its history and culture, he said, contrasts India with Western countries that took on the “same bland, secular, universal values.” Visiting Europe in February, the vice president accused its leaders of repressing free speech and ignoring the will of voters on issues such as mass migration. Under Modi, India has promoted its Hindu-majority identity, though critics say the rights of religious minorities, including the large Muslim population, have eroded during the hard-right leader’s



Vice President JD Vance and his sons watch a cultural performance Tuesday at Amber Fort, a historical site in Jaipur, India.

more than decade in power. India and the U.S. have grown closer in recent years as trade partners and defense allies to counter an expansionist China. New Delhi is working to cement a trade agreement with the U.S., its largest trade partner, before a 90-day pause on high tariffs announced by the Trump administration expires in July. What are called reciprocal tariffs would levy duties of 26% on Indian exports. President

Trump in the past has called India a “tariff king.” The U.S. and India announced broad terms of negotiation after Vance’s meeting with Modi on Monday evening. The Office of the U.S. Trade Representative said the U.S. would seek increased market access, lower tariffs and nontariff barriers, and a “robust set of additional commitments.” During Modi’s visit to Washington in February, the Indian leader and Trump

said they aimed by 2030 to nearly quadruple trade from last year’s level, to \$500 billion. Neither side has disclosed details about what it is asking for—or offering. Last month, the Office of the U.S. Trade Representative outlined nuisances limiting U.S. trade with India apart from high tariffs. These include technical or quality measures that hold up or limit exports, and compliance inspections that disrupt busi-

ness. The report also noted that India subjects foreign e-commerce firms to different rules than homegrown competitors on what they can sell. Past big-ticket Indian purchases of U.S. goods—such as Boeing airplanes for civilian airlines and GE engines for domestic military production—have faced delays. Vance said on Tuesday that the U.S. planned to increase co-production of defense equipment with India, boost

energy exports to India and help New Delhi explore its own offshore natural-gas and critical-mineral supplies. He urged India to buy more American ethanol. “This administration recognizes that cheap dependable energy is an essential part of making things,” Vance said. It is “an essential part of economic independence for both of our nations.” He also raised the issue of a liability law that has deterred U.S. companies from investing in nuclear-power plants in India. Indian officials have signaled in recent weeks they plan to amend the law, which holds suppliers responsible for accidents at power plants they take part in building. Vance’s remarks offered further reassurance to Indian officials and policy experts who have seen opportunities arising from the tariffs unleashed on Trump’s “Liberation Day.” If the reciprocal tariffs are applied at the announced rates, India faces far lower tariffs than China or even Vietnam. The U.S. trade deficit with India stood at nearly \$46 billion in 2024. At the end of his speech, Vance said his three children—3, 5 and 7 years old—have taken a great liking to only two of the world leaders they have met so far: Trump and Modi. When Vance first met Modi at an artificial-intelligence conference in Paris in February, the prime minister made a point of wishing his son Vivek a happy fifth birthday and bringing him a gift. “The great thing about kids is they are brutally honest,” Vance said. “Our kids just like him.”

Flight to Safety Undercuts Canadian Populist

By Vipal Monga and Paul Vieira

Pierre Poilievre, leader of Canada’s Conservative Party, seemed set to become Canada’s next prime minister at the start of 2025. For more than a year, his party had a 20-point lead in opinion polls over then-Prime Minister Justin Trudeau’s Liberal Party and momentum toward a landslide victory. Then came President Trump. Trump’s trade war and threats to annex Canada have upended Canadian politics. In less than three months, the Conservatives have gone from heavy favorites to underdogs in an election set for April 28. Poilievre’s problem is bad timing. His preferred foil, the unpopular Trudeau, resigned in March, when Trump’s belligerent rhetoric sparked a patriotic backlash that rallied Canadians around their government. The Conservatives trail the Liberals by five points, according to polling aggregator 338Canada. Poilievre, who has promised to shake up Canada if he wins, is using the wrong playbook for the moment, conservative strategists said. “With the amount of disruption and

Poilievre is using the wrong playbook for the moment, strategists said.

change coming at the country from Trump, the election has shifted from disruption to safe hands,” said Kory Teneycke, who led Doug Ford’s re-election campaign to lead Ontario, Canada’s most populous province. The beneficiary of Canadians’ flight to safety is Mark Carney, the former head of the Canadian and U.K. central banks who succeeded Trudeau in March as Liberal Party leader and prime minister. He has pitched himself as a steady leader who guided Canada through the 2008 financial crisis and the U.K. through Brexit. “I have a lot of experience with crises,” Carney said on a French-language talk show April 13. “The situation is difficult, but that’s the reason I’m here.” Voters seem to be buying his pitch. An April 16 poll by Abacus Data showed 43% of respondents thought Carney was the better candidate to handle Trump, compared with 36% who chose Poilievre. Poilievre, a 45-year-old career politician, used many of the same populist themes as Trump to win the conservative leadership in 2022. He supported truckers who blocked Ottawa in 2022 to protest Covid-19 lockdowns. He promised to slash taxes, shrink the government, end

Liberals’ climate-change policies and end “wokeism” in the Canadian military. His election slogans, such as “Canada First,” echo Trump’s. His focus on economic problems and relentless criticisms that the Liberal Party had neglected inflation and real-life concerns of Canadians in favor of progressive projects drove his approval numbers higher than any conservative leader in decades. But a campaign that mimics Trump’s is making it difficult for Poilievre to break through with voters he needs to secure a majority, said David Coletto, Abacus Data’s chief executive officer. “They think he’s like Trump, or what he says and how he says it is just turning them off in the same way Trump turns them off,” Coletto said. Poilievre has been addressing the Trump question in interviews. He contrasted his background as the adopted son of schoolteachers with Trump’s wealthy upbringing. “We don’t really share anything in common,” Poilievre said in an April 13 interview on the Knowledge Project, a Canadian podcast. “He was born into a very wealthy millionaire family, and I was born in very humble beginnings. There’s a lot of policies that he has that I disagree with.” During a party leaders’ debate on April 17, Poilievre attacked Carney as a Trudeau clone. He said Canadians can’t



Pierre Poilievre, shown campaigning earlier this month, has promised to shake up Canada if he wins the election.

afford to hand the Liberal Party another term, arguing households are struggling with higher grocery bills and housing costs have escalated. “Carney is not change,” Poilievre said. “Justin Trudeau made exactly the same promises.” Poilievre has tried to keep the focus on the economy and the cost of living. He describes the past 10 years, when Canada’s productivity fell and gross domestic product per capita stagnated, as the “lost Liberal decade.” He has criticized Liberals for copying his plan to undo their unpopular consumer carbon tax and adopting policies similar to Conservative plans to cut taxes and spend more on the military.

Poilievre’s best hope might lie in someone he can’t control: Trump. While he has maintained some tariffs on Canadian goods, the president has narrowed his focus on global adversaries to China, brightening the Conservatives’ fortunes. Canadians, too, are thinking more about the cost of living and less about Trump, said the Angus Reid Institute, a polling group. “The tariff issue has been living rent-free in Canadians’ heads for months,” said Shachi Kurl, Angus Reid’s president. “But something else is now taking up more space—that is, worries over the impacts of those tariffs on their household wallets.”

At Least 25 Are Killed By Gunmen In Kashmir

By Aakash Hassan and Shan Li

Suspected militants opened fire in a popular tourist valley in the Indian-administered Kashmir on Tuesday, killing at least 25 people and wounding 15 more, according to government officials. At least two gunmen opened fire in remote Baisaran Valley, a scenic meadow about 55 miles south of Srinagar, two police officials said. The mountainous region draws thousands of Indian visitors daily, particularly during the summer as a respite from the heat farther south. Police said that most of the dead were Indian tourists. At least two were foreigners, according to government officials. The attackers fled immediately after the assault. “Needless to say, this attack is much larger than anything we’ve seen directed at civilians in recent years,” the region’s chief minister, Omar Abdullah, wrote in a post on X. Kashmir is one of the world’s most militarized regions, claimed by both India and Pakistan, which have fought several wars over it. A group calling itself “Kashmir Resistance” claimed responsibility on social media.

WORLD WATCH



EARTH DAY FESTIVITIES: Students planted mangroves in Banda Aceh, Indonesia, on Tuesday.

EUROZONE Uncertainty Has Consumers Gloomy

Consumers in the eurozone are feeling gloomier as uncertainty around President Trump’s tariffs spells economic challenges, a gauge published Tuesday showed. The European Commission’s flash consumer-confidence indicator for the 20-nation eurozone slid to minus 16.7 this month from minus 14.5 in March. Economists had expected a smaller fall, to minus 15. “The first consumer confidence survey for the eurozone since ‘Liberation Day’ in the U.S. isn’t pretty,” Melanie Debono at Pantheon Macroeconomics wrote in a note, using Trump’s term for the day of the tariff announcement. Earlier Tuesday, the International Monetary Fund lowered its eurozone growth forecast for 2025 to 0.8% from 1% —Joshua Kirby

GAZA Deadly Israeli Strike Wrecks Bulldozers

Israeli strikes on the Gaza Strip killed at least 17 Palestinians, mostly women and children, and destroyed bulldozers and other heavy equipment supplied by Egypt and Qatar to clear rubble. Israel has destroyed vast areas of Gaza, and the territory already had a shortage of heavy equipment, also needed to rescue people from the rubble after strikes and to clear roads. Israel said Hamas used the vehicles in planting explosives, digging tunnels, and breaching fences, including during the Oct. 7, 2023 attack. A municipality in northern Gaza said a strike on its garage destroyed nine bulldozers, a water tanker and a mobile generator provided by aid groups, and a truck used to pump sewage. —Associated Press

GREECE Rare Surplus Fuels Spending Plans

Greece’s prime minister on Tuesday announced 1 billion euros, equivalent to \$1.15 billion, in financial benefits for households and the public investment program funding infrastructure and social projects, after the country became one of just six of the 27 European Union members to post a budget surplus in 2024. Greece’s surplus of 1.3% of gross domestic product—compared with an overall EU deficit of 3.2%—was a marked improvement for a country that was deeply mired in a debt crisis that roiled the EU and international financial markets about a decade ago. Among the benefits, the prime minister said: To tackle housing problems, renters will have the cost of a month’s rent returned to them annually. —Associated Press

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Boeing to Sell Its Digital Businesses

By **ADRIANO MARCHESE**
AND **SHARON TERLEP**

Boeing has agreed to sell portions of its Digital Aviation Solutions business to **Thoma Bravo** in an all-cash deal worth \$10.55 billion as it looks to double down on its core business.

The Arlington, Va., aerospace giant said Tuesday that the definitive agreement includes several assets that provide digital tools and services for aviation operations, such as Jeppesen, a provider of navigation charts and flight planning for pilots and airlines, and ForeFlight, another flight-plan-

ning and navigation app that helps with route optimization, weather tracking and flight management.

The move is part of Boeing's broader effort to slash costs and raise money as it burns billions of dollars a quarter and struggles with a quality crisis in the wake of last year's fuselage-panel blowout on an Alaska Airlines flight. Boeing burned \$14 billion last year and has

said it expects losses to continue into this year.

CEO Kelly Ortberg last year said he would cut 17,000 jobs. He also raised more than \$24 billion in equity to keep the company afloat. Executives have been exploring asset sales that could bring in much-needed cash while shedding noncore or underperforming units, an approach Ortberg has described as "pruning" the jet maker's

portfolio rather than overhauling it.

Analysts say the sale is a mixed bag. It delivers cash but, given that Jeppesen is profitable, could come at the expense of longer-term profits. As part of the agreement, Boeing will keep its core digital capabilities that use aircraft and fleet-specific data to provide fleet maintenance, diagnostics and repair services to its commercial and defense customers.

Other assets in the sale include AerData, which specializes in aircraft leasing, maintenance and asset-management digital solutions, and OzRunways, Boeing's Australia-based

provider that helps pilots with planning, briefing, flight plans and navigation.

The Digital Aviation Solutions segment employs about 3,900 employees across its global operations, a figure that includes those employed in the business that will remain within Boeing and those included in the sale, Boeing said.

"This transaction is an important component of our strategy to focus on core businesses, supplement the balance sheet and prioritize the investment grade credit rating," Ortberg said.

The transaction is expected to close by the end of this year.

The move is part of Boeing's broader effort to slash costs and raise money.

Big Oil Is Offshoring Plum Jobs To India

By **COLLIN EATON**

Competition for engineering and geologist jobs in the oil-and-gas sector was already fierce—and that was before President Trump's tariff blitz sparked fears about a global recession that sent oil prices tumbling.

Chevron, BP and other oil companies are offshoring more specialized white-collar positions and related work to lower-cost labor pools in countries such as India, while cutting thousands of jobs elsewhere.

The shift, alongside a string of mergers and cost-cutting, has thinned the companies' ranks of skilled U.S. workers. It also has disrupted the industry's pecking order, which for decades has been topped by specialized engineers whose positions were more insulated during oil busts.

Chevron said in February that it would cut as many as roughly 8,000 jobs, or 20% of its global workforce, by the end of next year. That decision has prompted angst at its global headquarters in Houston, where many of its higher-paid skilled workers are based.

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INSIDE



BUSINESS NEWS

Kimberly-Clark trims its outlook as it prepares for higher costs due to tariffs. **B3**



HEARD ON THE STREET

Warren Buffett timed his Apple stock sale to perfection. **B11**

Verizon Earnings, Postpaid Phone Losses Climb



Stripping out certain one-time items, Verizon's adjusted per-share earnings were \$1.19, ahead of the \$1.15 analysts forecast.

Verizon Communications reported a rise in first-quarter earnings, but postpaid phone losses increased.

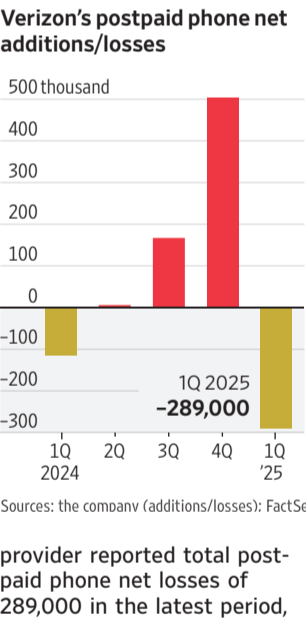
The telecommunications provider on Tuesday said it is still on course to meet its yearly goals.

Its shares finished trading Tuesday up 0.6%, at \$43.19. In the year to date, the stock has risen 8%.

Verizon posted a profit of \$5 billion, or \$1.15 a share, in the first quarter, compared with \$4.7 billion, or \$1.09 a share, a year earlier.

Stripping out certain one-time items, adjusted per-share earnings were \$1.19, ahead of the \$1.15 forecast by analysts, according to FactSet.

The telecommunications



Revenue rose 1.5% to \$33.5 billion. Analysts surveyed by FactSet forecast revenue of \$33.28 billion.

Verizon's wireless service revenue rose 2.7% and consumer revenue climbed 2.2%, while sales from its business segment were down 1.2%. It also added 339,000 net additions to its broadband business and is on track to achieve 8 million to 9 million fixed wireless access subscribers by 2028, it said.

The company said it remains confident it will achieve its 2025 goals and full-year guidance. It still expects annual adjusted earnings to range from flat to up 3% from the prior year, when they were \$4.59 a share.

—Katherine Hamilton

Jury Rules Against Palin in Libel Suit Vs. Times

By **CORINNE RAMEY**
AND **ISABELLA SIMONETTI**

A federal jury on Tuesday rejected former Alaska Gov. Sarah Palin's claims that the **New York Times** defamed her in an editorial about gun violence.

The verdict of not liable, returned after about two hours of deliberation, was the same conclusion a jury had reached in 2022 during the first trial in the case. The Second U.S. Circuit Court of Appeals last year ordered a new trial, finding that the judge acted improperly when he said, during jury deliberations, that he planned to dismiss the case.

Palin, a former Republican vice-presidential candidate, in 2017 sued the Times and James Bennet, then its opinion editor. She argued that a Times editorial that year wrongly suggested that an ad circulated

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◆ '60 Minutes' top executive Bill Owens resigns..... **B4**

Davos Forum Deepens Probe

World Economic Forum founder Klaus Schwab is under investigation by the organization he created after a

By **Shalini Ramachandran, Jenny Strasburg and AnnaMaria Andriotis**

new whistleblower letter alleged financial and ethical misconduct by the longtime leader and his wife.

The anonymous letter was sent last week to the forum's board and raised concerns about the forum's governance and workplace culture, including allegations that the Schwab family mixed their personal affairs with the forum's resources without

Please turn to page B6

Traders Are Riding Market's Swings

By **HANNAH ERIN LANG**
AND **KRYSTAL HUR**

When markets reeled and investors shed trillions of dollars worth of stocks one day in early April, Dan Oksnevad was still piling in on just one bet: bitcoin.

"It's just a screaming buying opportunity," said Oksnevad, who keeps about 90% of his seven-figure portfolio—including retirement funds—in the cryptocurrency and related stocks like bitcoin buyer Strategy. "I'm running straight into it."

The 37-year-old marketing director didn't mind that the price of bitcoin sank nearly 6% that day, or that he was increasing his exposure to a rel-

atively risky asset during the most significant market meltdown since March 2020. Instead, he focused on the chance of a rebound.

"That's what I'm after—making decades of returns in weeks or months," he said. "I truly think volatility is where fortunes are made."

The market is experiencing one of its most volatile stretches in years. As stocks swing wildly—sinking 5% one day, surging 10% the next—even Wall Street veterans

have found themselves flummoxed. More investors are flocking to havens like cash, gold, bonds or other defensive trades that can insulate their portfolios from the turmoil.

But a small group of younger traders are going on offense. Instead of retreating to safety, they are making even bigger, riskier bets: snapping up short-term options, piling in on just one or two stocks and wagering that, in a chaotic market, the swings that can bring steep

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The recent bout of volatility has perplexed many Wall Street veterans.

Trump Antitrust Policy Puzzles Dealmakers

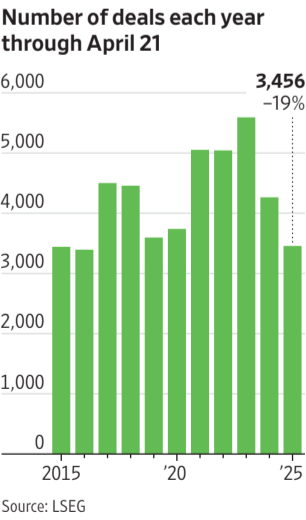
By **LAUREN THOMAS**

A huge deal just received the greenlight from bank regulators.

In another world, **Capital One's** \$35 billion acquisition of Discover getting the go-ahead would be a bullish signal for mergers and acquisitions. But, given a lack of big deals so far this year, dealmakers have yet to make complete sense of the Trump administration's stance on antitrust regulation.

President Trump's tariff war and his threats to fire Federal Reserve chief Jerome

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Antitrust View Addles Dealmakers

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Powell are the main overhangs on the markets, chilling deal-making into April. Still, deal-makers say uncertainty about approvals will persist even if the market calms down.

Andrew Ferguson, chair of the Federal Trade Commission, told an audience of executives and dealmakers in Washington, D.C., this month that he doesn't believe American corporations should return to an "open season" for M&A.

He said his job is to ensure that big companies—and big tech firms in particular—don't "inflict injuries on ordinary Americans and on their fami-

lies," according to a recording of the conversation.

The appearance has rattled some dealmakers, especially since Ferguson and the head of the Justice Department's antitrust division, Gail Slater, had skipped an annual spring gathering of antitrust professionals to instead address a separate event.

"They gave an articulation that while they're not anti-M&A per se, they believe that competition on the merits is important," said Josh Tzaker, a former DOJ antitrust official who works for communications firm FGS Global and helped coordinate the event.

Many on Wall Street predicted that enforcement would lighten up and had blamed the Biden administration and former FTC Chair Lina Khan for chilling volumes.

But dealmakers are still adjusting to the new faces. And pressure on tech giants Google and **Meta Platforms** about the tactics they used to grow, in-

cluding deals, isn't helping.

In February, for the first time in 25 months, no deal valued over \$10 billion was announced globally, according to data from LSEG.

Two sizable deals in the U.S. were announced in March: Google's \$32 billion deal for cybersecurity startup Wiz and private-equity firm **Sycamore's** takeover of **Walgreens Boots Alliance**. And **Global Payments** said it would acquire **Worldpay** for over \$24 billion this past week.

But April remains quiet, with deals in the U.S. down 1% by value and down 45% by number this month through Monday, compared with the same period last year.

"At the beginning of any new administration, firms are going to be trying to understand the landscape they are dealing with, and so it's not uncommon for there to be a lull in merger activity that would carry antitrust implica-

BUSINESS & FINANCE

Some Like Swings In Markets

Continued from page B1
losses will deliver them with even bigger wins.

Individual investors have stamped into equities even as fund managers sour on U.S. stocks. They bought a net \$21 billion worth of stocks and exchange-traded funds since President Trump's "Liberation Day" announcement through April 16, according to JPMorgan Chase.

For the Robinhood generation of investors who began trading in 2020, the tariff-driven market carnage is their first taste of a major market meltdown. While stocks tumbled in 2022 after the Federal Reserve began raising interest rates, they quickly entered a powerful bull run and notched repeated record highs. Some amateur traders say they have been waiting for this moment to pick up stocks at what they view as steep discounts.

"The kids these days say, 'No risk, no 'rari,'" said Patrick Wieland, a content creator and day trader who has in recent weeks poured thousands of dollars into ProShares UltraPro QQQ. Shares of the fund, a triple-leveraged ETF that aims to generate three times the daily



DAN OKSNEVAD

'Fortunes are made' in volatility said Dan Oksnevad, left, while Patrick Wieland invests in a triple-leveraged ETF.



ONLPROPERMS

performance of the Nasdaq-100 index, notched double-digit gains during a historic rally on April 9, but are still down more than 20% this month.

"I think you've got to be aggressive," he said. "When you have such big swings in the market, it's hard to be risk averse."

Wading into markets to "buy the dip" has offered mixed results over the past couple of weeks. On average, the S&P 500 has continued dropping in the week after a one-day decline of at least 1% in 2025, according to Dow Jones Market Data.

Some money managers and analysts fear that the market's worst days aren't behind it. They worry that Trump's trade policies could lead the economy to enter a recession, or even stagflation, a situation where economic growth stag-

nates while inflation rockets higher. Tariffs could also crimp corporate earnings growth, a historically important driver of market rallies, they say.

Some investors admit that their recent moves amount to an outright gamble. Kiel Elliott, a Los Angeles-based executive at an entertainment studio, spent roughly \$40,000 scooping up GameStop call options in early April. Calls, which offer the right to buy a stock at a set price, typically represent a bet that a stock will gain.

Elliott calls himself a "degenerate gambler" and says the market's twists and turns have made for the perfect trading environment. GameStop shares have gained 25% this month.

"I'm probably losing years off my life," said Elliott, 42. "I'm enjoying the ride right

now. I need to remind myself I could lose it all tomorrow."

Others made their trades after careful consideration.

On April 10, as tariff fears spurred another market sell-off, Will Seaman split two-thirds of his entire portfolio between just two stocks: Recursion Pharmaceuticals and electrical vehicle maker Lucid.

The Atlanta-based entrepreneur theorized that both stocks would move on tariff headlines—and that good news would eventually lift the share price. That hypothesis proved at least partially true: Just one day later, Recursion stock surged nearly 30%, and Seaman sold his shares.

"I saw it as a great opportunity to just ride the roller coaster," said Seaman, a 20-year-old who started trading using his parents' account during the pandemic. "Typically I'm not a super risk-forward trader."

Seaman said he often feels torn between playing it safe or making a gamble with his investments, knowing he has decades to make back any losses. He calls the dueling sides of his consciousness "my irresponsible gambler and my wise old investor."

On Thursday, the latter prevailed. After comments from Federal Reserve chair Jerome Powell sent jitters through markets, Seaman reshuffled his portfolio. He's invested mostly in blue-chip tickers that he thinks could weather an oncoming recession.

OpenAI's CEO Altman Is Resigning as Oklo Chairman

By KATHERINE HAMILTON

OpenAI Chief Executive Sam Altman is stepping down as chairman of nuclear-energy startup **Oklo**, opening the opportunity for future deals between the companies.

Oklo said Altman stepping down as chair would make it

easier for the company to collaborate with OpenAI on future deals. Oklo aims to develop a small modular reactor to produce nuclear energy and meet growing demand for energy from artificial intelligence.

Oklo co-founder and CEO Jacob DeWitte is set to succeed Altman as board chair.

In Memoriam

For more information: [wsj.com/immemorial](https://www.wsj.com/immemorial)

Honorable Esmond Vyvyan Harmsworth



NEWPORT, R.I. - Esmond Harmsworth died suddenly of natural causes on April 9, 2025 at the age of 57. He was traveling in Mauritius on holiday with his family.

Born at Warwick House in London on June 18, 1967, Esmond was educated in England at The Dragon School and Eton College, and had fond memories of his childhood at Daylesford House in Gloucestershire. He went on to university in the United States, graduating magna cum laude in 1990 with dual concentrations in History and Art History from Brown University, where he was elected to Phi Beta Kappa. Esmond subsequently graduated cum laude from Harvard Law School in 1995.

In 1997, Esmond co-founded the Boston based Zachary Shuster Harmsworth Literary Agency, which in 2016 merged with Kuhn Projects to form Aevitas Creative Management, one of the largest literary agencies in the world, of which he was President. As a literary agent, Esmond represented authors of serious nonfiction books on topics such as politics, psychology, and business, as well as literary fiction, mystery and crime, and historical novels. Esmond read voraciously for both work and pleasure at a stunning pace, often exceeding three books in a day, spanning genres from science fiction, magical realism and surrealism to nonfiction to poor-little-rich-guy biographies.

Esmond lived for many years in Boston, Massachusetts, and had recently returned with his beloved husband, Jérôme, to live in London with their burgeoning young family. He spent summers at his home in Rhode Island, where Esmond was known for his fabulous, fun-filled fetes, that variously included orchestral and operatic performances, burlesque, synchronized swimmers, fireworks, lip synchronizing, invariably, a dance floor, which he was known to frequent and where he was famous for his daring high kicks.

Esmond traveled widely - backpacking through India, diving in Hawaii, skiing the Alps, hiking glaciers in Iceland, rappelling canyons in the Azores, and vacationing with family and friends throughout Europe, North Africa, the Far East, the French West Indies and the Grenadines. He was a champion duplicate bridge player, seeking partners for the underappreciated game among the grand dames of Newport and pursuing tournament opportunities at care homes and community centers. Esmond challenged himself each summer to increasingly-long open water swims, culminating each August with a solo swim extending the length of Newport's Cliff

Walk from Bailey's to First Beach.

More than anything, Esmond was a fiercely loyal and loving husband, father and friend. He frequently had large groups of family and friends under his roof or traveling with him to far flung parts of the world, bringing people together around his sensitivity, grace, silly stories, quick wit and bottomless well of historical and literary knowledge, forming the glue that introduced and bound together the many who loved him. He was the conductor of this symphony of family and friends, going so far as to instruct the seating for every meal - sometimes based on careful curation, but just as often with randomized arrangements, such as alphabetical order by brand of underwear. Esmond nearly always had his canine companion at his side - for many years an English Labrador named Eloise, and most recently his beloved Maude.

Esmond was an active philanthropist personally and through his charitable foundation, supporting numerous worthy causes including the literary arts, free expression, fine arts, and LGBTQ+ rights - with a particular devotion to the fight for marriage equality. He was a significant benefactor of The Museum of Fine Arts, Boston, Equity Without Borders, GLAAD, and GrubStreet, a Boston based nonprofit founded "to ensure writers of all backgrounds have what they need to develop their voices and share their stories." Each year he sponsored the Esmond Harmsworth lecture at Oxford University's Rothermere American Institute.

Esmond was predeceased by his parents, Esmond Cecil Harmsworth, 2nd Viscount Rothermere (29 May 1898 - 12 July 1978), a British Conservative politician and press magnate, and Mary, Viscountess Rothermere née Murchison (24 October 1930 - 7 April 1993). His father served as aide-de-camp to prime minister David Lloyd George at the 1919 Paris Peace Conference. That same year, he was elected as a Unionist Member of Parliament for the Isle of Thanet, one of the youngest MPs ever. Viscount Rothermere served as MP until 1929 and then later served as Chairman of the Daily Mail and Associated Press. Esmond was also predeceased by two English half sisters Lorna (née Harmsworth) Cooper-Key and Esme (née Harmsworth), Countess of Cromer, as well as his half brother Vere Harold Esmond Harmsworth, 3rd Viscount Rothermere Chairman of the Daily Mail and Associated Press and a half sister, Helen Delaney Ohrstrom who died in infancy.

Esmond is survived by his husband, Jérôme Buet Harmsworth, and their young children, Alfred and Liliane. He also leaves behind a large extended family to whom he was devoted - six American half brothers Ric, Ken, George, Christopher, Barnaby, and Mark all from his mother's first marriage to Ricard R. Ohrstrom, as well as multiple generations of nieces, nephews and cousins with whom he was in constant contact and to whom he provided a beacon of support and inspiration with his wit, kindness, and intelligence.

Esmond served as a connector across family branches and generations. He was hilarious, whip smart, effortlessly charming, and generous with his time, his laughter and his friendship. His marriage to Jérôme and their young family provided a space for utmost love and joy in recent happy years. Esmond's family and friends are devastated by his sudden death.

A celebration of life will be planned for the coming summer. In lieu of flowers please consider a gift to one of the charities he supported.

Big Oil Sends Jobs To India

Continued from page B1

The same day, the oil behemoth said it was "changing how and where work is performed" and would expand the use of global centers, such as one in India where it aims to add about 600 jobs by the end of this year. About half of Chevron's nearly 40,000 employees are in the U.S.

Skilled labor pool

That decision reflects a growing pool of skilled workers in India who are willing to do the same jobs for a fraction of the cost, along with advances in technology that enable remote working. Engineers there have long drawn salaries around one-third or one-quarter as much as their counterparts in the U.S., though pay is climbing thanks to rising demand for talent.

"India seems a lot less distant," said Nicholas Bloom, an economist at Stanford University who has advised companies on work setups and remote work. "Many managers have told me comments like, 'Our remote operations are typically 90% as efficient, but 70% of the cost, so it's a great deal for us.'"

The new positions aren't only traditional back-office jobs that U.S. companies have offshored for years. Chevron intends to hire engineers, geologists and environmental scientists in India as part of a \$1 billion investment to develop an engineering and innovation hub near Bellandur, a suburb of Bengaluru, a spokesman said.

Hiring for skilled posts in the U.S., meanwhile, has slowed to a pace typically associated with an oil downturn, recruiters say. The slowdown is creating gaps in the résumés of experienced



Chevron plans to cut up to 8,000 jobs, or 20% of its global workforce, by the end of next year.

oil workers, forcing some to take pay cuts in new roles and dissuading recent college graduates from joining the industry.

Fierce competition

Amanda Rico, a career adviser in Houston with Rico Editorial Services, said workers with advanced degrees are competing more fiercely for fewer jobs. Across the U.S., the number of oil-and-gas jobs has dropped almost 15% since mid-2019 to about 123,000, according to the Bureau of Labor Statistics.

Connor Cabaniss, a senior petroleum engineering student at the University of Texas, said he and some of his classmates have expanded their job searches across the oil-and-gas value chain because postselection uncertainty has led many oil-and-gas companies to slow hiring.

Cabaniss, who is graduating in May, has had multiple interviews, but isn't receiving as many calls in recent months. He is hopeful the cyclical business will turn around soon.

"Even postselection, they still

really don't know what the market's going to be like," Cabaniss said.

Since Trump launched his tariff blitz in early April, U.S. oil prices have tumbled 10% to near \$64 a barrel, a level that is expected to prompt some soul-searching in the industry. If prices remain near those levels for long, frackers will have to re-evaluate their spending levels.

Big Oil, big pressure

Although Chevron and the other major oil companies are more cushioned than the smaller competitors, they are still likely to face pressure to curb or recalibrate their investments in long-term projects.

Like Chevron, **Exxon Mobil** has been expanding in India, with a tech hub that helps oversee work related to its Guyana project and other assets. At the end of last year, its global head count was down about 19% since the start of the Covid-19 pandemic, according to regulatory filings.

European oil giants **Shell**, **BP** and **TotalEnergies** were early

entrants to the job market in India, where they made investments in lubricants, gas and renewable energy. Together, they employ more than 21,000 in the country. BP recently said it plans to cut 4,700 jobs elsewhere.

Beyond its skilled workforce, India is an attractive growth market: Its natural-gas consumption is set to grow almost 60% by 2030, according to the International Energy Agency. Trump recently touted a deal for India to buy more American fossil fuels after a White House meeting with Prime Minister Narendra Modi.

The timing of the hiring slowdown in the U.S. is somewhat ironic because Trump's trade war is meant to restore jobs and manufacturing. The president's friends in the oil patch had expected his rollback of regulations to spur job growth in the sector.

"Typically, that would have been a boom for the U.S.," said Debbie Milks, chief operating officer of recruiting firm Brookwoods Group. "We're not seeing that at all."

THE WALL STREET JOURNAL.

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BUSINESS & FINANCE

Kimberly-Clark Cuts Profit Outlook

CEO says it isn't planning to pass the cost of tariffs on to consumers

By Dean Seal and Rob Curran

Kimberly-Clark cut its profit guidance for the year as it prepares to face \$300 million in new costs from the global trade war.

The Dallas-based maker of Kleenex tissues and Huggies diapers said Tuesday its cost of goods sold in 2025 is now expected to be \$500 million higher than last year, with \$300 million of that increase coming from President Trump's tariff campaign and reciprocal tariffs the U.S. now faces as a result.

Of that \$300 million dent, about two-thirds is tied to imports from China, which the White House has saddled with a 145% levy. About a quarter of the impact stems from reciprocal tariffs on the U.S. and the last 10% or so comes from



The company said its cost of goods sold in 2025 is now expected to be \$500 million higher than last year.

Trump's tariffs on other trading partners that Kimberly-Clark sources from, Chief Financial Officer Nelson Urdaneta said on an analyst call.

Kimberly-Clark sees the evolving tariff situation as a discrete cost headwind that it can mitigate by adjusting its supply chain and finding sourcing alternatives, Chief

Executive Michael Hsu said. It doesn't plan to cut investments it is making in the business or pass the costs on to consumers with higher prices, he said.

"What we're trying to avoid doing is reducing quality in our product that's working, or cutting marketing that's working," Hsu said on the call with

analysts.

The company now expects its adjusted operating profit to be flat or slightly higher than it was in 2024, excluding currency fluctuations. It had previously forecast high single-digit profit growth. Kimberly-Clark also reported an unexpected drop in organic sales for the first quarter, largely from lower prices.

Shares slipped 1.5% to \$137.90 on Tuesday.

Kimberly-Clark said it has been adjusting its pack sizes and prices to better capture customers of varying income levels who are dealing differently with widespread spending pressures. Lower-income households are seeking out more affordable opening price points that typically accompany smaller pack sizes, while more-affluent customers are seeking out larger pack sizes that offer lower per-unit prices, Hsu said.

"Budgets are going to be tight, so affordability is core to our strategy," he said.

For the first three months

of the year, Kimberly-Clark logged first-quarter earnings of \$567 million, or \$1.70 a share, down from \$647 million, or \$1.91 a share, a year earlier.

Stripping out certain one-time items, the company posted earnings of \$1.93 a share, outpacing the average analyst target of \$1.90 a share, as per FactSet.

Sales fell 6% to \$4.84 billion, shy of the mean analyst estimate of \$4.89 billion, according to FactSet. Organic sales, excluding the impact of divestitures, declined 1.6% in the U.S.

For 2025, Kimberly-Clark expects sales to reflect a negative impact of about 200 basis points, or hundredths of a percentage point, from currency translation, down from a previous 300-basis-point estimate. The company still expects a negative 240-basis-point impact from a combination of its personal-protective equipment divestiture and the exit of its private-label diaper business in the U.S.

Roche To Invest \$50 Billion In U.S.

By Helena Smolak

Swiss pharmaceutical giant **Roche** plans to invest \$50 billion in the U.S. over the next five years, the latest major spending commitment by a big drugmaker as the industry faces President Trump's tariff threats.

Pharma companies have in recent months set out plans to ramp up investments in the U.S. to boost local production and create jobs as the Trump administration prepares to impose tariffs on medicine imports and seeks to revive domestic manufacturing.

Roche's move follows in the footsteps of a pledge by Swiss peer **Novartis** to spend \$23 billion over the next five years to expand its footprint in the U.S. earlier this month.

The investment by Roche will fund new research hubs and new and expanded manufacturing facilities in Indiana, Pennsylvania, Massachusetts and California. The company said that investment would create 1,000 jobs at Roche and more than 11,000 elsewhere including nearly 6,500 construction jobs.

The company currently has 15 R&D centers and 13 manufacturing sites in the U.S., employing more than 25,000 people.

Roche said it would export more medicines from the U.S. than it imports once its new and expanded manufacturing sites are in operation. The group's diagnostics division currently already holds a surplus from the U.S., it said.

Basel-headquartered Roche plans to create a new manufacturing center to produce weight-loss drugs. It aims to create a new gene-therapy manufacturing facility in Pennsylvania, a new R&D center in Massachusetts and one for continuous glucose monitoring in Indiana.

Icahn Has 34% Economic Interest in Bausch Health

By Robb M. Stewart

Activist investor Carl Icahn has tightened his hold on pharmaceutical company **Bausch Health**.

Bausch, which last week adopted a poison-pill plan to prevent any unsolicited takeover bid, said Tuesday it has learned Icahn and affiliates have amassed an economic interest covering about 34% of its outstanding shares.

News of the position buoyed the company's shares, which jumped 10% on the New York Stock Exchange.

In an update to its proxy statement ahead of a May 13 meeting of shareholders, Laval, Quebec-based Bausch said Icahn had entered into cash-settled equity-swap agreements covering 90.7 million of its shares, equal to

a stake of just under 25%.

That is in addition to the 9.4% interest previously disclosed.

Bausch's board last month ordered a review of Icahn's position in equity swaps and certain bonds held by John Paulson, Bausch's chairman, who is another big shareholder through Paulson Capital.

Sidley Austin, hired by Bausch as independent counsel, presented findings earlier this month to the company's board showing that Icahn said an additional long economic exposure to 90.72 million shares through equity swaps was accumulated over more than 100 trades executed between May 26, 2021 and Sept. 8, 2023.

The agreements provide for early termination via cash

settlement but don't confer voting power over the referenced shares, Bausch said.

The company said Paulson bought a total of \$50 million in Bausch Health bonds before rejoining Bausch's board in June 2022, with preapproval for the bond purchase from the general counsel of Bausch + Lomb, Bausch's eye-care business for which he was a board member.

Bausch said it determined that Paulson's bond purchase wasn't required to be disclosed, though Paulson requested that the company update its proxy statement to reflect his bond

position and informed the company he plans to sell his debt securities when the trading window is open in order to eliminate any appearance of a conflict of interest.

Bausch for years has sought to spin off its Bausch + Lomb subsidiary, but efforts were checked by a standoff between shareholders including Icahn and Paulson and debtholders.

Late last month, the pharmaceutical company priced an offering of \$4.4 billion in bonds as part of its efforts to repay in full and terminate its existing credit agreement. The company had

earlier hired JPMorgan to help with financing after talks to sell majority-owned Bausch + Lomb failed to result in a deal.

Last week, Bausch's board approved a shareholder-rights plan aimed at thwarting any move to buy control of the company, including a so-called creeping-takeover bid. The plan would prevent a person or group from acquiring beneficial ownership of 20% or more of the company's outstanding shares without complying with certain permitted exemptions, which the company said would give it the opportunity to identify, solicit and negotiate alternatives.

As of Tuesday's close, Bausch's shares had fallen 38% so far this year in Toronto and 36% in New York.

Bausch's board last month ordered a review of Icahn's position.

BUSINESS WATCH



GE Aerospace backed its full-year guidance as it reported first-quarter revenue climbed 11%.

3M
Outlook Affirmed As Profit Tops View

3M isn't lowering its 2025 earnings guidance in light of President Trump's tariff campaign but instead is adding a "tariff sensitivity" to show how much the levies could cut into its current outlook.

The materials maker said it is bracing for a small impact to its profit in the second half of the year from the U.S.'s tariff back-and-forth with China, which represents about 10% of the company's \$1.6 billion in imports.

3M said Tuesday that it still expects adjusted earnings of \$7.60 to \$7.90 a share this year, but that tariffs could knock the figure down by 20 cents to 40 cents a share.

For the first quarter, 3M reported a profit of \$1.12 billion, or \$2.04 a share, compared with \$928 million, or \$1.67 a share, in the same period a year earlier.

Stripping out one-time items, adjusted earnings were \$1.88 a share. Analysts surveyed by FactSet had been expecting \$1.77 a share.

Sales slipped 1% to \$5.95 billion, but still came in above analyst projections for \$5.76 billion, according to FactSet.

3M shares rose more than 8% on Tuesday.

—Dean Seal

GE AEROSPACE
Revenue Growth Sends Earnings Up

GE Aerospace reported higher earnings for the first quarter on revenue gains from its defense businesses and commercial engines and services unit.

The maker of jet engines posted a profit of \$2.25 billion, compared with \$1.99 billion in the same quarter a year earlier.

Stripping out one-time items, adjusted earnings were \$1.49 a share. Analysts polled by FactSet had been expecting \$1.27 a share.

Revenue jumped 11% to \$9.94 billion, above analyst projections for \$9.05 billion, according to FactSet.

The company said its commercial services segment drove up revenue. Total orders were up 12% from a year ago at \$12.3 billion.

GE Aerospace is sticking to its guidance for adjusted revenue to rise in the low-double-digit percentage range and for adjusted earnings to hit \$5.10 to \$5.45 a share this year.

The company said it is working to offset the impact of President Trump's tariff campaign by optimizing operations, focusing on costs and raising some prices.

—Dean Seal

NORTHROP GRUMMAN
Earnings, Sales Miss Estimates

Northrop Grumman's first-quarter earnings and sales missed analysts' estimates as delayed awards and higher-than-expected costs weighed on results, prompting it to cut its outlook for the year.

The defense contractor said it experienced a slower ramp up in sales for the quarter due to the delay and booked an additional \$477 million pretax loss on its B-21 bomber program, citing higher costs from manufacturing changes.

"Most of the changes that we have experienced and that have resulted in now the close to \$2 billion of charges on the program are due to inflationary factors," CEO Kathy Warden said on an earnings call.

Northrop now projects earnings of \$24.95 to \$25.35 a share in 2025, down from prior guidance of \$27.85 to \$28.25. Northrop posted a quarterly profit of \$481 million, or \$3.32 a share, down sharply from \$944 million, or \$6.32 a share, a year earlier.

Earnings included a charge of \$2.74 a share related to changes on the B-21 program. Analysts, on average, had forecast adjusted earnings of \$6.25 a share, based on a FactSet poll.

—Denny Jacob and Rob Curran



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Top Executive at ‘60 Minutes’ Resigns

Bill Owens leaves CBS News show, a Trump target, citing loss of independence

By Joe Flint and Jessica Toonkel

The top executive at CBS News program “60 Minutes” resigned on Tuesday, saying he had lost editorial independence, a high-profile departure from a company in the throes of a legal battle with President Trump.

Bill Owens, executive producer of “60 Minutes,” said in a memo to staff that it had become clear he would “not be able to run the show as I have always run it.” Owens has faced criticism from Shari Redstone, whose family company controls CBS parent Paramount Global, for his editorial decisions—including coverage choices regarding the Israel-Hamas war—and from Trump over an October interview with Kamala Harris.

Trump sued CBS News over how “60 Minutes” edited the Harris interview, alleging that the network committed election interference by favorably



CBS veteran Owens began overseeing ‘60 Minutes’ in 2019.

editing portions, giving her an edge in her campaign for president. The network has said it was neither doctored nor deceitful.

In February, Trump amended the suit to seek \$20 billion in damages, up from \$10 billion when he filed it in the fall.

Paramount Global is pursuing a merger with Skydance Media and needs approval from the Federal Communications Commission to cross the finish line. The FCC has opened an investigation into possible news

distortion by CBS News in relation to its editing of the Harris interview.

Redstone, the nonexecutive chair of Paramount, has advocated a settlement with Trump, hoping it would clear the way for merger approval. A mediator was recently tapped to try to bring the parties together on a deal, and mediation is expected to begin at the end of the month, people familiar with the situation said.

Inside CBS News, some are reluctant to settle, particularly if such a settlement includes

any sort of apology, people familiar with the division’s thinking have said. Some of Paramount’s top executives and directors are concerned they could be exposed to criminal charges if a settlement is viewed as bribing a public official to get the deal approved, The Wall Street Journal previously reported.

Executives at Skydance have also pushed Paramount for a settlement, according to people familiar with the situation. Ed Paltzik, an attorney for Trump, said the president “will pursue this vital matter to its just and rightful conclusion.”

Trump’s lawsuit and the regulatory review of Paramount’s merger with Skydance are proceeding on different tracks. FCC Chairman Brendan Carr has said the third-party news-distortion complaint about the way “60 Minutes” edited the Harris interview could factor into the agency’s review of the merger.

In a meeting with staff Tuesday, Owens said he had become a problem for CBS, according to a person who attended the gathering.

The New York Times earlier reported on Owens’ resignation.

Trump has continued to criticize “60 Minutes” in recent months.

“They are not a ‘News Show,’ but a dishonest Political Operative simply disguised as ‘News,’ and must be responsible for what they have done, and are doing. They should lose their license!” Trump posted on his Truth Social platform after an April 13 broadcast that included stories about Greenland and the war in Ukraine.

While Owens didn’t name Redstone as the primary reason for his departure, people familiar with his thinking said that was who he was referring to in his memo and remarks. Owens wasn’t immediately available for comment.

Redstone has become an increasingly vocal critic of CBS News and of Owens’s stewardship of “60 Minutes.” This year, she criticized a “60 Minutes” story about the Biden administration’s handling of the war in Gaza, which drew criticism from Jewish groups and others for having an anti-Israel bias.

Owens, who has worked for CBS News since 1988, began overseeing “60 Minutes” in 2019. Last August, he also added responsibility for “CBS Evening News.”

Meta Faces \$7 Billion In Lost Ad Revenue From China

By Meghan Bobrowsky

Chinese advertisers have buoyed **Meta Platforms’** ad business in recent years. President Trump’s tariffs have made them a major liability.

Meta could lose \$7 billion in ad revenue this year because of the tariffs, according to a new estimate from analysts at research firm MoffettNathanson. Meta doesn’t operate its services in China, but advertisers from the country, namely Temu and **Shein**, buy ads on its platforms to reach customers in the U.S.

Two changes—145% tariffs on imports from the country and the closing of the de minimis loophole—now make it virtually impossible for Chinese companies to sell their goods in the U.S. That extinguishes their need to reach American consumers via ads on Facebook and Instagram.

Meta has become increasingly reliant on China for sales growth since 2022 and last year attributed 11% of its overall ad sales to Chinese advertisers.

Meta’s overall losses could swell to \$23 billion if the country enters a prolonged economic downturn, the analysts said.

“China’s importance to Meta’s business cannot be overstated,” the analysts wrote. Nearly 25% of the company’s growth over the last two years came from Chinese advertisers, according to MoffettNathanson.

Meta hasn’t spoken publicly about any impacts from the tariffs and declined to comment on MoffettNathanson’s estimate. Meta is expected to release first-quarter earnings next week.

Palin Loses Libel Suit Vs. Times

Continued from page B1
by her political-action committee inspired a 2011 shooting in Tucson, Ariz, in which six people died and then-Rep. Gabby Giffords was wounded. “The link to political incitement was clear,” said the original version of the editorial.

The Times quickly corrected the article online, in print and on social media.

“We want to thank the jurors for their careful delibera-

tions,” a Times spokeswoman said. “The decision reaffirms an important tenet of American law: Publishers are not liable for honest mistakes.”

A lawyer for Palin didn’t respond to a request for comment.

Since the first trial, trust in mainstream media outlets has continued to erode, and many top news organizations have faced defamation lawsuits. The verdict shows that even against the new backdrop, jurors are willing to rule in favor of major media outlets, lawyers said.

“It reaffirms the centrality of the New York Times versus Sullivan case to press freedom in our country,” said Floyd Abrams, a veteran First Amendment lawyer, referring

to a 1964 Supreme Court decision that set a high bar for public officials to sue news outlets for defamation. Abrams represented the Times in litigation over publication of the Pentagon Papers, a secret Defense Department review of the Vietnam War, in 1971.

In court, a lawyer for Palin, Ken Turkel, told jurors that evidence showed that the New York Times either knew its statement about the former governor was false or had acted with reckless disregard for the truth. He said that the paper’s opinion editors had a theory about the politicization of gun violence, then went in search of an example. Bennet was so fixated on his politicization theory that he lost sight of reality, Turkel said.

“They hold on to it so much that the truth becomes a tragedy,” he said during closing arguments.

A lawyer for the New York Times, Felicia Ellsworth, told jurors that for Palin to win the case, they must find that Bennet and the Times didn’t care about the truth when drafting and revising the editorial.

She said that Times editors didn’t think the editorial would be read to say that a Palin PAC ad—featuring a map with crosshairs to identify congressional districts with Democratic incumbents—was the cause of the shooting but an example of political rhetoric. “There has not been one shred of evidence showing anything other than an honest mistake,” added Ellsworth.



Sarah Palin at court in New York after testifying Monday.





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THE PROPERTY REPORT

Florida’s Condo Owners Get Priced Out

Insurance increases, special assessments, limited financing options add pressure

By Deborah Acosta

Florida is contending with a condo crisis, and the ballooning costs of ownership are a big reason why.

Retirees Rob and Karen Dickson moved from upstate New York to Punta Gorda, Fla., in 2021. They paid \$319,000 for a condo with a terrace on the third floor overlooking a golf course inside their gated community.

After nine holes, they would have lunch at the club and then go for a swim. “It was wildly affordable,” Rob said.

But then their ownership costs began to rise. Two years on, their insurance rates doubled after a hurricane, and the unit was hit with a \$7,200 special assessment to pay for building upgrades, which they paid in four monthly installments after insurance covered \$2,000 of the cost. Their HOA fees soared by 25% to nearly \$800 a month. Now, these fees are up to \$1,000.

The couple listed the unit for sale last summer. They competed with 43 other condos for sale in the same community and accepted an offer for \$358,500, about \$20,000 below their asking price.

“Florida is actually paradise,” Rob said. “It was superb, but things changed.”

Ballooning costs

The costs associated with owning a Florida condo have exploded. A combination of insurance increases, special assessments and limited financing options have elevated costs beyond what many are able to bear. That has sparked a wave of sales, flooding the market



Rob and Karen Dickson, above, sold their Punta Gorda condo after their ownership costs climbed. Right, Miami.

and straining prices.

South Florida condominiums enjoyed one of the biggest real-estate booms in the country for years. Median condo prices in Miami-Dade County were up 8% in February from the same month last year and more companies are relocating to Miami, West Palm and other South Florida cities.

Falling prices

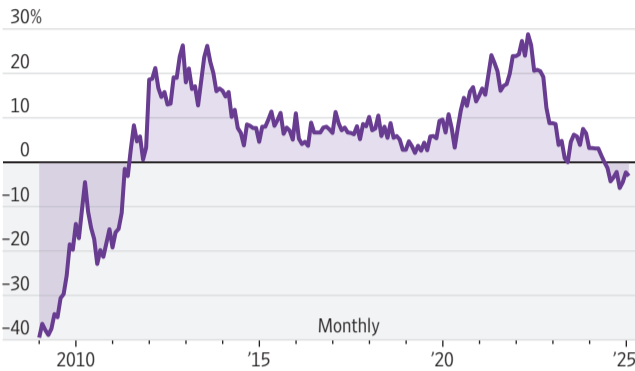
But those areas are outliers. Condo prices in the state of Florida overall have fallen between 1% and 6% each month annually since July 2024, according to Florida Realtors. In February, prices were down 3%.

The selloff is particularly concentrated in older properties. Even in South Florida, prices for buildings 30 years or older have depreciated 22% in the past 24 months, according to ISG World, a South Florida real-estate firm. By contrast, condos less than 30 years old have appreciated an average of 12% over the past decade.

The collapse in the value of older buildings reflects new requirements for making sure they are structurally sound after the partial collapse of a Mi-



Value of Florida condos and townhomes, change from a year earlier



Source: Florida Realtors

ami building in 2021 killed 98 people.

The deadline to comply with the new regulations came at the end of last year, but fewer than one-quarter of the condominium associations in the state have indicated compliance, according to data from the Department of Business and Professional Regulation.

Florida is home to about 20% of all U.S. condominiums, according to the Census Bureau. As of 2022, more than half of them were at least 30

years old, the UF Bergstrom Center for Real Estate Studies said.

“If these buildings are subject to reserve requirements, buyers want to make sure they’re getting into a situation where the condos have their act together,” said Brad O’Connor, chief economist at Florida Realtors. “Whether it’s the lenders or the buyers themselves, we’ve seen a slowdown in condo demands.”

Lenders also are becoming more skittish about financing

many Florida condominiums, especially if a property is undergoing any type of structural repair. “They won’t want to finance anything until the repairs are done,” said Anibal Torres, a mortgage lender with CMG Financial.

The ‘blacklist’

To make matters worse, more than 1,400 Florida condominiums are on Fannie Mae’s “blacklist.” The list includes condo associations that the mortgage finance giant thinks don’t have adequate property insurance or need to make critical building repairs. Being on the list can make it harder for potential buyers to get a mortgage, and Florida has the most blacklisted condos out of any state.

Jake Harrington is president of the board of a 17-year-old condo building in Boynton Beach. The property began work on the facade with a cost of \$7 million, an average assessment of \$15,000 a unit.

But Harrington discovered they were on the blacklist because somebody filled out a

form implying the building partly operated as a hotel—triggering a red flag—and sales were starting to fall through.

“This is going to be a beautiful property restored beyond its original state after we get off this project, except we’re on the blacklist for a typo,” said Harrington. “It’s just frustrating.”

Gov. Ron DeSantis wants to help bring some relief to condo owners. “We’ve got a problem with our condo market right now,” he said this month at a community center in Miami. “We have a problem that was introduced by legislation that was passed in recent years.”

The Florida legislature is trying to find a way to bring down costs. A state Senate bill would extend some deadlines and ensure that buildings aren’t being hit with costs unrelated to their structural integrity.

Bob and Barbara Maistros are hoping the legislature brings some clarity to the volatile market. They were unable to sell their condo in Palm Beach County, which they purchased for \$75,000 in 2015. They spent an additional \$90,000 on renovations.

When costs began to escalate and the market flooded with units, they figured it was the perfect time to make an offer on a larger unit in a quieter part of the complex.

“We put a contract down presuming that we would have no trouble selling our other place at a significant premium,” Bob said. “Well, we were wrong.”

After months on the market, the unit received only one offer, at \$30,000 below their asking price. He and his wife pulled \$210,000 out of their retirement funds to pay for the new townhome and held on to the condo as a rental.

“It’s turned out to be a financial disaster for us,” Bob said. “The market cratered on us.”

BUSINESS & FINANCE

Davos Probe Deepens

Continued from page B1
proper oversight, according to the letter and people familiar with the matter.

It included allegations that Klaus Schwab asked junior employees to withdraw thousands of dollars from ATMs on his behalf and used forum funds to pay for private, in-room massages at hotels. It also alleged that his wife, Hilde, a former forum employee, scheduled “token” forum-funded meetings to justify luxury holiday travel at the organization’s expense.

Klaus Schwab in recent days argued against an investigation, telling board members that he denied the unsubstantiated allegations and that he would challenge them in a lawsuit, the people said.

The board of trustees decided to open a probe during an emergency meeting on Easter Sunday. Schwab opted to resign immediately as the chairman, instead of staying on for an extended transition period as previously planned.

The Schwabs said through a spokesman that they deny every allegation in the whistleblower complaint. To protect their reputation, Klaus Schwab intends to file a lawsuit against whoever is behind the anonymous letter and “anybody who spreads these mis-truths,” the spokesman said.

Whenever Schwab charged massages at a hotel to the forum while on travel, he would always pay the forum back, the spokesman said. Schwab and his wife denied the allegations about luxury travel and withdrawing money.

In a statement, the forum said its board unanimously supported the decision to initiate an independent investigation “following a whistleblower letter containing allegations against former Chairman Klaus Schwab. This decision was made after consultation with external legal counsel.”

The forum said it takes “these allegations seriously,

but they remain unproven, and will await the outcome of the investigation to comment further.”

The letter also raises concerns about how Klaus Schwab treated female employees and how his leadership over decades allegedly allowed instances of sexual harassment and other discriminatory behavior to go unchecked in the workplace, allegations that were raised in a Wall Street Journal article and previously investigated by the forum. The forum disputed the Journal’s reporting at the time, and Schwab denied the allegations against him.

“We feel compelled to share a comprehensive account of systemic governance failures and abuses of power that have taken place over many years under the unchecked authority of Klaus Schwab,” states the letter, which said it was from current and former forum employees.

The organizer of the annual Davos conference has been shaking up its leadership in recent weeks in response to a previous board probe into its workplace culture. In a recent memo, Børge Brende, the forum’s CEO, said the forum would take steps to address leadership issues identified by the prior probe and that the investigation didn’t substantiate the allegations against its founder.

A few weeks ago, Schwab, 87 years old, said he would step down as nonexecutive chairman of the forum’s board, and the forum said the succession process would be completed by January 2027. The whistleblower letter blew up that timeline.

Behind the scenes, a high-stakes boardroom drama unfolded pitting Schwab against the global power players on the forum’s board. The board includes celebrities like cellist Yo-Yo Ma and politicians like Al Gore. It also has business leaders like **AXA Group** CEO Thomas Buberl and **Accenture** CEO Julie Sweet.

Trust between the board and Schwab had been deterio-

rating over the past year, some of the people said.

After receiving the whistleblower letter, the board’s audit and risk committee decided over the weekend to open an independent investigation into the allegations.

One allegation raised in the letter is the Schwab family’s use of Villa Mundi, a luxury property purchased before the pandemic by the forum, next to the organization’s headquarters in Geneva.

The whistleblower letter maintains that Hilde Schwab maintains tight control over use of the building and that portions of the property are understood to be reserved for private family access. The Schwabs deny the claim. The letter says the forum paid about \$30 million to purchase the property and an additional roughly \$20 million to renovate it.

Hilde Schwab helped oversee renovations to the property, which had fallen into disrepair. The refurbishment incorporated materials such as recycled glass and fishing nets, according to local news reports.

The Schwab spokesman said the renovations to the house, which were costly because of the need to preserve historic features, have boosted the value of the property. The spokesman added that the Schwabs live near Villa Mundi and have used it only for forum-related events.

In a statement, Hilde Schwab said, “The building is a role model for sustainable architecture, which is dear to my heart, and I was glad to show it to people who expressed interest.”

Over the weekend, Schwab told board members that the whistleblower allegations were unfair and inaccurate, and he sought a chance to address the board during its Sunday meeting. The board decided against that, leaving Schwab feeling that he didn’t have his say.

“He never had a chance to give his side of the story to the board or the audit committee,” the Schwab spokesman said.

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NOTICE OF PUBLIC SALE OF COLLATERAL

PLEASE TAKE NOTICE that 100% of the limited liability company interests in 101 Casa Mirella Way LLC, a Delaware limited liability company (“**Pledged Entity**”), together with all related rights and property relating thereto as described in the Pledge Agreement (as defined below) (collectively, the “**Collateral**”), will be offered for sale at a public auction and sold to the “Selected Participant” on May 29, 2025 at 3:00 p.m. Eastern Prevailing Time. The sale will be conducted in person in front of the New York Supreme Court, New York County Courthouse, located at 60 Centre Street, New York, New York 10007 and virtually via Zoom (or a similar online platform).

The principal asset of Pledged Entity is a multifamily complex located at 101 Casa Mirella Way, Windermere, Florida (the “**Property**”).

This sale is held to enforce the rights of Starwood Property Mortgage Sub-2, L.L.C. (“**Secured Party**”), successor-in-interest to Starwood Property Mortgage Sub-10-A L.L.C. (“**Original Lender**”), as secured party, under (A) that certain Mezzanine Loan Agreement dated August 1, 2022 (as amended and modified from time to time, the “**Mezzanine Loan Agreement**”) between Original Lender and 101 Casa Mirella Way Mez LLC, a Delaware limited liability company (“**Debtor**”), and (B) that certain Pledge and Security Agreement dated August 1, 2022 (as amended and modified from time to time, the “**Pledge Agreement**”) between Debtor and Original Lender, both of which (A) and (B) are currently held by Secured Party.

The Collateral is offered **AS IS, WHERE IS, WITH ALL FAULTS** and Secured Party makes no guaranty, representation or warranty (including, without limitation, any representation or warranty of merchantability or fitness), express or implied, as to: the existence or nonexistence of other liens or liabilities; the quantity, quality, condition or description of the Collateral, the Property, or the direct or indirect owners thereof, the value of the Collateral, or Debtor’s direct or indirect right in or title to the Collateral or the Property.

Secured Party will be permitted to bid at the sale, and notwithstanding any requirement herein that the sale of the Collateral be for cash, Secured Party may credit bid all or any portion of the outstanding balance of the amounts due under the Mezzanine Loan Agreement. Secured Party reserves the right, in its sole and absolute discretion (for any reason or no reason), to (a) reject all bids and terminate the sale or adjourn the sale to such other date and time as Secured Party may deem proper, by announcement at the place and on the date of such sale, and any subsequent adjournment thereof, without further publication, and (b) impose any other commercially reasonable conditions upon the sale of the Collateral as Secured Party may deem proper in its sole and absolute discretion.

Interested parties who would like additional information regarding the Collateral and the terms of the public sale (including the requirements to be a “Qualified Participant”) should execute the confidentiality agreement which can be reviewed at the website www.101CasaMirellaWayUCCSale.com. For questions and inquiries, please contact Brett Rosenberg at Jones Lang LaSalle Americas, Inc., 330 Madison Avenue, Floors 3-5, New York, NY 10017, Telephone No.: (212) 812-5926, Email: brett.rosenberg@jll.com.

UCC Public Sale Notice

PLEASE TAKE NOTICE that in accordance with applicable provisions of the Uniform Commercial Code as enacted in New York (“**NYUCC**”), Notice is hereby given that Twin Summit NY LLC (“**Secured Party**”) will sell certain collateral, including without limitation, all the limited liability company interests in 237 West 54 Owner, L.L.C. (“**Membership Interests**”) held by 237 West 54 Mezz Two Owner, L.L.C. (“**Debtor**”) to the highest qualified bidder at a public sale in accordance with the NYUCC. The sale will take place at 3:00 p.m. EDT on June 10, 2025, via Zoom, as well as in person at Schlam Stone & Dolan LLP, 26 Broadway, 19th Floor, New York, New York 10004, Attention: Joshua Wurtzel, Esq. Remote log-in credentials will be provided to registered bidders upon request. Secured Party’s understanding, without making any representation, is that the principal asset of 237 West 54 Owner, L.L.C. is the parcel of real property located at 237 West 54th Street, New York, New York 10019, on which is situated a Hilton Garden Inn hotel. The Membership Interests will be sold to the highest Qualified Bidder, as that term is defined in the Terms of Sale attached to the Notice of Disposition, dated April 7, 2025; provided, however, that Secured Party reserves the right, in accordance with the NYUCC, to cancel the sale in its entirety, or to adjourn the sale to a future date. The sale will be conducted by Mannion Auctions, LLC, by Matthew D. Mannion, Auctioneer, NYC DCA License No. 1434494, with an office at 299 Broadway, Suite 1601, New York, New York 10007. The Membership Interests will be sold as a block and will not be divided or sold in any lesser amounts. Interested parties who would like additional documentation and information, and the terms of the public sale should execute the Terms of Access and Non-Disclosure Agreement which can be reviewed at the website www.237W54thStUCCSale.com. For questions and inquiries, please contact Brett Rosenberg at Jones Lang LaSalle Americas, Inc., 330 Madison Avenue, Floors 4, New York, NY 10017, Telephone No.: (212) 812-5926, Email: brett.rosenberg@jll.com. Interested parties who are not Qualified Bidders will not be permitted to enter a bid.

BIGGEST 1,000 STOCKS

| How to Read the Stock Tables | | | |
|---|------|--------|---------|
| The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are consolidated bid trades reported by various market centers, including securities exchanges, Finra, electronic communications networks and other broker-dealers. The list comprises the 1,000 largest companies based on market capitalization. | | | |
| Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume. | | | |
| Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher. | | | |
| Footnotes: F-New 52-week high; 1-New 52-week low; dd-Indicates loss in the most recent four quarters. | | | |
| Stock tables reflect composite regular trading as of 4 p.m. ET and changes in the official closing prices from 4 p.m. ET the previous day. | | | |
| Tuesday, April 22, 2025 | | | |
| Stock | Sym | Close | Net Chg |
| A B C | | | |
| AEOM | ACM | 94.00 | 1.75 |
| AES | AES | 9.98 | 0.18 |
| Aflac | AFI | 108.31 | 3.34 |
| AGNC Invst | AGNC | 8.45 | 0.29 |
| Ansys | ANSS | 303.26 | 5.32 |
| ASE Tech | ANX | 8.16 | 0.15 |
| ASML | ASML | 638.69 | 14.00 |
| AT&T | T | 26.96 | 0.63 |
| AXIS Capital | AXS | 95.83 | 3.89 |
| Abbott Labs | ABT | 131.73 | 1.84 |
| AbbVie | ABBV | 173.78 | 3.62 |
| Accenture | ACN | 283.96 | 4.73 |
| Acuity | AYI | 232.01 | 3.22 |
| Adobe | ADBE | 349.91 | 6.69 |
| AdvDrainageSys | WMS | 104.72 | 3.18 |
| AdvMicroDevices | AMD | 86.26 | 0.70 |

| Stock | Sym | Close | Net Chg |
|------------------|------|---------|---------|
| Ameriprise | AMP | 467.65 | 16.50 |
| Ametek | AME | 159.65 | 4.40 |
| Amgen | AMGN | 278.40 | 2.72 |
| Amphenol | APH | 65.75 | 2.16 |
| AnalogDevices | ADI | 178.50 | 3.51 |
| AngloGoldAsh | ASH | 41.4 | -10.3 |
| AN Inbev | BUD | 66.90 | 1.29 |
| Annaly Cap | NLY | 18.34 | 0.75 |
| AnteroMidstream | AM | 16.73 | 0.24 |
| AnteroResources | AR | 32.83 | 0.77 |
| Aon | AON | 368.52 | 12.57 |
| API Group | APG | 34.76 | 1.05 |
| ApolloGlbMgmt | APO | 123.71 | 4.08 |
| AppFolio | APPF | 220.29 | 10.39 |
| Apple | AAPL | 199.74 | 6.58 |
| AppliedIntlTechs | AIT | 221.93 | 7.72 |
| AppMaterials | AMAT | 138.30 | 2.75 |
| AppLovin | APPV | 237.71 | 9.58 |
| Apptargroup | ATR | 146.02 | 3.44 |
| Aptiv | APTV | 52.28 | 1.29 |
| Aramark | ARMK | 52.28 | 0.83 |
| ArcturMittal | MT | 27.77 | 1.22 |
| ArchCapital | ACGL | 92.95 | 3.16 |
| ADM | ADM | 54.84 | 0.45 |
| AresMgmt | ARES | 141.72 | 4.64 |
| argenx | ARGX | 599.87 | 4.17 |
| AristaNetworks | ANET | 68.67 | 1.00 |
| Arm | ARM | 100.55 | 3.72 |
| AssurantPharma | ASND | 123.913 | -2.02 |
| Assensus | AID | 188.94 | 5.02 |
| AsterasLabs | ALAB | 55.31 | 0.89 |
| AzuraZeneca | AZN | 67.87 | 0.97 |
| Atlasian | TEAM | 200.30 | 7.46 |
| AtomEnergy | ATO | 160.11 | 3.57 |
| AuroralnnoV | AVR | 6.15 | 0.44 |
| Autodesk | ADSK | 261.14 | 6.87 |
| ADP | ADP | 292.89 | 8.04 |
| AutoZone | AZO | 367.86 | 109.42 |

| Stock | Sym | Close | Net Chg |
|-----------------|------|--------|---------|
| CNA Fin | CNA | 48.09 | 1.34 |
| CNH Intl | CNH | 11.28 | 0.33 |
| CRH | CRH | 85.72 | 3.01 |
| CSX | CSX | 27.78 | 0.32 |
| CVS Health | CVS | 65.45 | 0.95 |
| CadenceDesign | CDNS | 258.15 | 6.59 |
| CAE | CAE | 23.45 | 0.26 |
| GardenProperty | CPT | 113.16 | 2.35 |
| Cameco | CCJ | 40.18 | 0.57 |
| Campbell's | CPB | 37.88 | 0.31 |
| CIBC | CM | 59.80 | 1.36 |
| CanNtlRlwy | CNI | 97.59 | -1.01 |
| CanadianNatRscs | CNQ | 29.32 | 0.66 |
| CdnPacK | CP | 72.85 | -0.26 |
| CapitalOne | COF | 170.20 | 5.04 |
| CardinalHealth | CAH | 133.69 | 2.52 |
| Carlisle | CSL | 35.60 | 8.14 |
| Carlyle | CG | 35.69 | 0.91 |
| CarMax | KMX | 65.05 | 2.72 |
| Carnival | CL | 17.98 | 0.74 |
| Carnival | CUK | 16.23 | 0.64 |
| CarpenterTech | CTEK | 177.38 | 9.98 |
| CarrierGlobal | CARR | 59.47 | 1.29 |
| Carvana | CVNA | 21.95 | 16.12 |
| CasellaWaste | CVST | 113.71 | -0.97 |
| CasengStorTech | CASY | 458.89 | 7.19 |
| Caterpillar | CAT | 291.17 | 6.43 |
| Celestica | CLS | 82.77 | 2.18 |
| Celsiushldg | CELH | 37.84 | 1.75 |
| Cemex | CX | 5.46 | 0.17 |
| Cenacor | CCO | 286.27 | 5.11 |
| ConocoEnergy | CVE | 12.16 | 0.27 |
| Centene | CM | 60.23 | 2.22 |
| CentripointEnt | CNP | 37.26 | 0.77 |
| CentraisElbras | EBR | 7.39 | 0.14 |
| CharterComms | CHTR | 331.34 | 8.91 |
| CheckPoint | CHKP | 212.31 | 4.95 |
| Chemed | CHE | 579.50 | 15.88 |

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CAREERS

BANKRUPTCIES

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF GEORGIA, ATLANTA DIVISION

In re:) Chapter 11
OTB HOLDING LLC, et al.,) Case No. 25-2415 (SMS)
Debtors.) (Jointly Administered)

NOTICE OF DEADLINE FOR FILING OF PROOFS OF CLAIM

PLEASE TAKE NOTICE OF THE FOLLOWING:

Deadlines for Filing Proofs of Claim. On April 16, 2025, the Court entered an order (Docket No. 259) in the ("Bar Date Order") establishing certain dates by which parties holding prepetition claims against the Debtors (listed below) must file proofs of claim ("Proofs of Claim"), including Rejection Damages Claims.

Debtor Name, Case Number, Federal Tax Identification Number: OTB Holding LLC, Case No. 25-2415 (SMS), 27-2153213; OTB Acquisition LLC, Case No. 25-2416 (SMS), 27-2118500; OTB Acquisition of New Jersey LLC, Case No. 25-2417 (SMS), 27-221596; OTB Acquisition of Howard County LLC, Case No. 25-2418 (SMS), 27-219985; Mt. Laurel Restaurant Operations LLC, Case No. 25-2419 (SMS), 27-2255100; OTB Acquisition of Kansas LLC, Case No. 25-2420 (SMS), 27-2189014; OTB Acquisition of Baltimore County, LLC, Case No. 25-2421 (SMS), 46-4766963

The Bar Dates

Claims Bar Date. Pursuant to the Bar Date Order, unless otherwise provided in this Notice, all entities, including individuals, partnerships, estates, and trusts who have a claim or potential claim against the Debtors, including, without limitation, any secured claim, unsecured claim, priority claim or claim asserted under section 503(b)(9) of the Bankruptcy Code for goods delivered and received by any of the Debtors within twenty (20) days before the Petition Date, that arose prior to the Petition Date, no matter how remote or contingent such claim to payment or equitable remedy may be, MUST FILE A PROOF OF CLAIM on or before May 29, 2025, at 5:00 p.m., prevailing Eastern Time (the "Claims Bar Date").

Governmental Bar Date. Governmental entities who have a claim or potential claim against the Debtors that arose prior to the Petition Date, no matter how remote or contingent such claim to payment or equitable remedy may be, MUST FILE A PROOF OF CLAIM on or before October 21, 2025, at 5:00 p.m., prevailing Eastern Time (the "Governmental Bar Date").

Amended Schedules Bar Date. All parties asserting claims against the Debtors' estates that are affected by a previously unfiled Schedule or an amendment or supplement to the Schedules are required to file Proofs of Claim by the later of (a) the Claims Bar Date or the Governmental Bar Date, as applicable, or (b) 5:00 p.m., prevailing Eastern Time, on the date that is thirty (30) days from the date on which the Debtors provide notice of a previously unfiled Schedule or amendment or supplement to the Schedules (the "Amended Schedules Bar Date").

Rejection Damages Bar Date. All parties asserting claims against the Debtors' estates arising from the Debtors' rejection of an executory contract or unexpired non-residential real property lease must file a Proof of Claim by the later of (a) the Claims Bar Date or the Governmental Bar Date, as applicable, or (b) thirty (30) days following entry of an order by the Court approving the rejection of any such executory contract or unexpired non-residential real property lease (the "Rejection Damages Bar Date"). For the avoidance of doubt, a counterparty to an unexpired non-residential real property lease shall not be required to file a Proof of Claim with respect to any claims relating to such unexpired non-residential real property lease unless and until such executory contract or unexpired non-residential real property lease has been rejected.

AUCTIONS

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NEW YORK

AuctionAdvisors

AUCTION OF MEMBERSHIP INTERESTS IN PHILLIPS AMSTERDAM II LLC

UNDER ARTICLE 9 OF THE UCC

On April 29, 2025 at 11:00 a.m. Eastern Time, Auction Advisors, LLC, on behalf of Loan Originations LLC, a DE LLC ("Secured Party"), will offer for sale at a public auction in the UCC, 100% of the membership interests in: PHILLIPS AMSTERDAM II LLC, a NY limited liability company (the "Borrower"). Borrower is the owner of real property and improvements thereon at 1761 Amsterdam Ave, New York NY.

The sale will be conducted virtually via online video conference. Instructions on how to become a "qualified bidder" and attend the auction are in the Terms & Conditions of Auction, available at www.AuctionAdvisors.com or by contacting Joshua Olshin: Jolshin@AuctionAdvisors.com.

Qualified bidders shall be required to post a \$100,000.00 good faith deposit prior to bidding, to be increased to twenty five percent (25%) of the successful bid on or prior to 12:00 NOON Eastern Time on May 1, 2025. Secured Party shall not be required either to post a good faith deposit or to increase its deposit as aforesaid.

The sale will be FINAL and on an "AS-IS, WHERE IS, WITH ALL FAULTS" basis and will be made WITHOUT REPRESENTATION OR WARRANTY WHATSOEVER. The membership interests owned by Phillips in the Borrower are unregistered securities under the Securities Act of 1933, and as such are subject to certain transfer restrictions. The membership interests owned by Phillips in the Borrower will be sold as a single block.

Secured Party reserves the right to establish all bidding procedures and requirements and to have prospective bidders reasonably demonstrate to the satisfaction of Secured Party that they are qualified investors and their ability to perform and close on the acquisition of the membership interests in the Borrower. Secured Party is and shall be a qualified bidder and reserves the right to credit bid at the sale. Secured Party also reserves the right to adjourn, continue, or cancel the sale without further notice. Other terms and conditions of the sale are set forth in the Terms & Conditions.

An accounting of the unpaid indebtedness secured by the membership interests of Borrower for sale is available for no additional charge by contacting Joshua Olshin of Auction Advisors at: 212-375-1222.

Certain additional but limited information available to Secured Party will be made available via a secure data room to those who execute a non-disclosure agreement. Such non-disclosure agreement, and other information and diligence materials may be obtained by visiting www.AuctionAdvisors.com.

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Turnkey, 48-Unit Memory Care Facility in Northern California

6825 Sunrise Blvd., Citrus Heights, CA

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• Numerous on-site amenities

• Located near many local attractions, major hospitals & healthcare providers

• High-value asset with optimal utilization potential & strong revenue prospects

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MULTI STATE OFFERINGS

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BID DEADLINE JUNE 12

Turnkey, 100-Unit Assisted Living & Memory Care Facility

156 W. Dundee Rd., Wheeling, IL

The Landing on Dundee – 86,789± SF Facility with 80% Occupancy

• Modern, well-maintained facility constructed in 2019

• Numerous on-site amenities

• Nearby several hospitals & healthcare providers

• Located on major thoroughfare with convenient access to I-294 & I-94

855.755.2300 HilcoRealEstateSales.com

Hilco Real Estate, LLC in cooperation with Jeff Azuse, IL Broker, Lic. #471.011086.

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ONLINE auction

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COMMERCIAL REAL ESTATE

NOTICE OF SALE

PLEASE TAKE NOTICE, that in accordance with applicable provisions of the Uniform Commercial Code as enacted in New York, by virtue of certain Events of Default under those certain Pledge and Security Agreements, each dated as of December 15, 2023, and that certain Amended and Restated Pledge and Security Agreement and Assignment of Lease and Rents, dated as of June 18, 2024 (collectively, the "Pledge Agreements"), executed and delivered by 34715, LLC and JEFFREY M. KRAUSS (individually and together, the "Pledgors"), and in accordance with its rights as holder of the security, NYC TH SHARE HOLDER LLC ("Secured Party"), by virtue of possession of those certain Share Certificates held in accordance with Article 8 of the Uniform Commercial Code of the State of New York (the "Code"), and by virtue of those certain UCC-1 Filing Statements in Favor of Secured Party, all in accordance with Article 9 of the Code, Secured Party will offer for sale, at public auction: (x) all of 34715, LLC's rights, title, and interest in and to the following: (i) its shares (the "Shares"), in 7 EAST 88TH ST, CORP., allocated to cooperative units 1A, 1B, 2A, 3A, 4A, 4B, 5A, 5B and Roof (collectively, the "Units"), at the premises known and located at 7 East 88th Street, New York, NY 10018, (ii) the proprietary leases appurtenant thereto (the "Leases"), together with the Units, the "NY Property"), and (y) JEFFREY M. KRAUSS'S 100% membership interest in and to the following: (i) 34715, LLC (the "34715 Pledged Entity") and (ii) NYC157 LLC (the "NYC157 Pledged Entity"), and (ii) certain related rights and property relating thereto (collectively, (x) and (y) above, together with the CT Property (defined below) are the "Collateral").

Secured Party's understanding is that the principal asset of the 34715 Pledged Entity are the Units.

Secured Party's understanding is that the principal asset of the NYC157 Pledged Entity is that certain property located at 12 Wodwin Road, Kent Co 06757 (the "CT Property"), together with the NY Property, collectively, the "Property".

Mannion Auctions, LLC ("Mannion"), under the direction of Matthew D. Mannion or William Mannion (the "Auctioneer"), will conduct a public sale consisting of the Collateral (as set forth in Schedule A below), via online bidding, on May 20, 2025 at 3:30pm, in satisfaction of an indebtedness in the approximate amount of \$14,509,956.20, including principal, interest on principal, and reasonable fees and costs, plus default interest through May 20, 2025, subject to operating and all additional costs, fees and disbursements permitted by law. The Secured Party reserves the right to credit bid.

Online bidding will be made available via Zoom Meeting: Meeting link: https://34715CT15UCC Meeting ID: 848 0028 4575 Passcode: 441835 One Tap Mobile: +164693 13860, 8480028475; +441835 US Dial in: +1 646 931 3860 US

Bidder Qualification Deadline: Interested parties who intend to bid on the Collateral must contact Greg Corbin ("Corbin"), at Northgate Real Estate Group, 435 Fifth Avenue, 4th Floor, New York, NY 10016, (212) 419-8101, greg@northgatereg.com, to receive the Terms and Conditions of Sale and bidding instructions by May 16, 2025 at 3:30pm. Upon execution of a standard confidentiality and non-disclosure agreement, additional documents and information will be made available. Interested parties who do not contact Corbin and qualify prior to the sale will not be permitted to enter a bid.

SCHEDULE A: PLEDGED INTEREST: (i) PLEDGOR: 34715, LLC, a New York limited liability company, ISSUER: 7 EAST 88TH ST, CORP., a New York corporation. INTERESTS PLEDGED: 4.05 Shares in Unit 1A; 6.35 Shares in unit 1B; 7.10 Shares in Unit 2A; 3.75 Shares in Unit 3A; 3.75 Shares in Unit 5A, 24 Shares in Units 4A, 4B, 5B and Roof -and- 5 respective proprietary leases.

(ii) PLEDGOR: JEFFREY M. KRAUSS, an individual. ISSUER: 34715, LLC, a New York limited liability company. INTERESTS PLEDGED: 100% membership interest.

(iii) PLEDGOR: JEFFREY M. KRAUSS, an individual. ISSUER: NYC157, LLC, a Connecticut limited liability company. INTERESTS PLEDGED: 100% membership interest.

KRIS & FEUERSTEIN LLP, Attn: Jerold C. Feuerstein, Esq., Attorneys for Secured Party, 360 Lexington Avenue, Suite 1200, New York, New York 10017, (212) 661-2900

COMMERCIAL REAL ESTATE

SUPREME COURT - COUNTY OF NEW YORK.

RSS WFRBS2013-CL4-NY 88A, LLC, Plaintiff -against- 808 BROADWAY ASSOCIATES, LLC, et al Defendant(s).

Pursuant to an Amended Final Judgment of Foreclosure and Sale dated September 11, 2024 and entered on January 16, 2025, I, the undersigned Referee will sell at public auction, at the New York County Courthouse, Supreme Court, 60 Centre Street, New York, New York 10007 on May 14, 2025 at 2:15 p.m., the premises situate, lying and being in the Borough of Manhattan, City, County and State of New York, known as Condominium Unit A, the Retail Unit in the building designated as 808 Broadway Condominium, together with an undivided 225 interest in the common elements of the property, as described in the Declaration. Block 557 Lot: 1001

Said premises known as Condominium Unit A, Retail Unit in 808 BROADWAY, NEW YORK, NY 10013

Approximate amount of lien \$17,619,472.81 plus interest & costs.

Premises will be sold subject to provisions of filed Amended Final Judgment and Terms of Sale.

Index Number 655763/2021.

PAUL SKLAR, ESQ., Referee

Holland & Knight LLP

Attorney(s) for Plaintiff

787 Seventh Avenue, 31st Floor, New York, NY 10019

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NOTICE OF SALE

NOTIFICATION OF ARTICLE 9 DISPOSITION OF COLLATERAL AT PUBLIC AUCTION

Notice is hereby given that pursuant to (i) Section 9610 of the California Commercial Code, (ii) that certain Pledge Agreement dated November 2, 2017, as subsequently amended (the "Caviller Pledge Agreement"), between Craig Caviller, a California resident, and Maestric Realty Co., ("Maestric"), and (iii) that certain Pledge Agreement dated December 18, 2015, as subsequently amended (the "Caviller Trust Pledge Agreement"), and together with the Caviller Pledge Agreement, the "Pledge Agreements"), Edward P. Roski, Jr., Trustee of the Edward P. Roski, Jr. Living Trust U/D 11/1/1987, as amended ("Secured Party"), as successor in interest to Maestric, will sell the assets of Craig Caviller, individually and in his capacity as Trustee of the Craig and Charlene Caviller Family Trust (together, "Debtors") as generally described below (collectively, the "Collateral") Braum International ("Braun") will, on behalf of Secured Party, conduct an auction (the "Auction") on May 6, 2025 NOON PT VIA ZOOM (Zoom information will be provided to Qualified Bidders). The unpaid principal and interest which is subject to the Pledge Agreements (excluding other costs and attorneys' fees) as of February 28, 2025 is \$77,829,536.21, with interest continuing to accrue after such date. To obtain further information about the Collateral, bidders must contact Braun at email: info@braunco.com; tel: 866.568.6658x100 or visit at Braunco.com or Braummx.com and sign a Confidentiality Agreement to be provided by Braun. To participate in the Auction, bidders will need to execute a Qualified Bidder Certification and comply with certain Bid Procedures and Qualified Bid Requirements to be furnished by Braun. There is no warranty relating to title, possession, quiet enjoyment or the like in the Collateral or the disposition of the Collateral. A general summary of the Collateral is immediately below.

The Collateral consists of 50% and minority interests in limited liability companies which own, directly or indirectly, or operate the following: (i) the Hyatt Place Fort Worth Historic Stockyards hotel, the Hotel Drover, the Stockyards Hotel, the Stockyards Station retail complex, historic horse and mule barns, a mixed use complex, the Courtown Condominium, a single family residential building, individual warehouses and/or undeveloped land all located in Fort Worth, Texas; (ii) undeveloped land in Pahremp, Nevada; and (iii) the Hyatt Place Las Vegas Hotel, a Starbucks coffee franchise, and/or a retail complex all located in Las Vegas, Nevada.

Contact Braun International for bidding information at Braunco.com or info@braunco.com

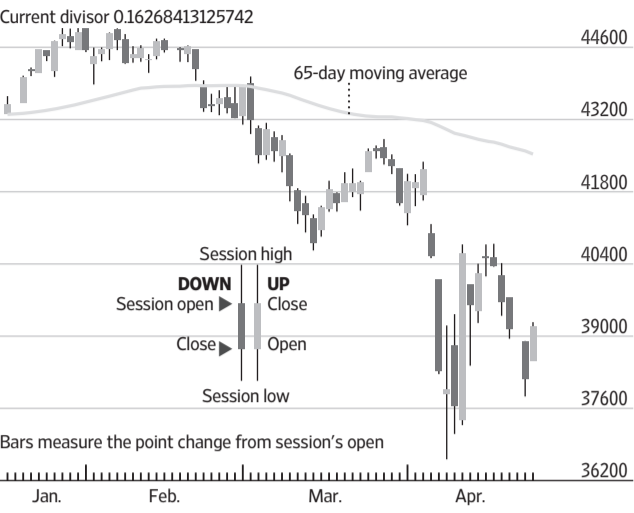
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MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

| | | |
|--|--------------------|--------------------|
| 39186.98 ▲1016.57, or 2.66% | Last | Year ago |
| High, low, open and close for each trading day of the past three months. | Trailing P/E ratio | 22.50 26.76 |
| | P/E estimate * | 18.59 18.22 |
| | Dividend yield | 1.82 2.18 |
| | All-time high | 45014.04, 12/04/24 |



*Weekly P/E data based on as-reported earnings from Birlinyi Associates Inc.; †Based on Nasdaq-100 Index

Major U.S. Stock-Market Indexes

| | High | Low | Latest Close | Net chg | % chg | 52-Week High | 52-Week Low | % chg YTD | % chg 3-yr. ann. |
|--------------------|----------|----------|-----------------|---------|-------------|--------------|-------------|--------------|-------------------|
| Dow Jones | | | | | | | | | |
| Industrial Average | 39272.03 | 38516.23 | 39186.98 | 1016.57 | 2.66 | 45014.04 | 37645.59 | 1.8 | -7.9 5.0 |
| Transportation Avg | 13443.33 | 13200.29 | 13367.99 | 201.35 | 1.53 | 17754.38 | 12637.04 | -13.4 | -15.9 -3.9 |
| Utility Average | 1027.63 | 1007.96 | 1025.05 | 25.89 | 2.59 | 1079.88 | 884.25 | 15.7 | 4.3 -0.6 |
| Total Stock Market | 52390.97 | 51392.39 | 52180.00 | 1298.44 | 2.55 | 61024.05 | 49067.76 | 3.4 | -10.6 6.6 |
| Barron's 400 | 1133.81 | 1113.52 | 1132.06 | 29.35 | 2.66 | 1356.99 | 1058.38 | 1.0 | -9.6 5.2 |

| | | | | | | | | | |
|----------------------------|----------|----------|-----------------|--------|-------------|----------|----------|-------------|-------------------|
| Nasdaq Stock Market | | | | | | | | | |
| Nasdaq Composite | 16410.56 | 16038.73 | 16300.42 | 429.52 | 2.71 | 20173.89 | 15267.91 | 3.8 | -15.6 8.3 |
| Nasdaq-100 | 18396.39 | 17993.24 | 18276.41 | 468.11 | 2.63 | 22175.60 | 17090.40 | 4.6 | -13.0 11.0 |
| S&P | | | | | | | | | |
| 500 Index | 5309.61 | 5207.67 | 5287.76 | 129.56 | 2.51 | 6144.15 | 4982.77 | 4.3 | -10.1 7.4 |
| MidCap 400 | 2757.23 | 2706.41 | 2749.19 | 68.30 | 2.55 | 3390.26 | 2560.93 | -5.2 | -11.9 2.1 |
| SmallCap 600 | 1182.86 | 1161.20 | 1180.65 | 30.03 | 2.61 | 1544.66 | 1106.12 | -8.3 | -16.2 -2.2 |

| | | | | | | | | | |
|---------------------------------|----------|----------|-----------------|--------|--------------|----------|----------|--------------|--------------------|
| Other Indexes | | | | | | | | | |
| Russell 2000 | 1892.92 | 1860.80 | 1890.28 | 49.96 | 2.71 | 2442.03 | 1760.71 | -5.6 | -15.2 -0.9 |
| NYSE Composite | 18491.26 | 18032.37 | 18455.14 | 422.77 | 2.34 | 20272.04 | 17188.46 | 3.7 | -3.4 4.7 |
| Value Line | 532.41 | 518.10 | 530.84 | 12.74 | 2.46 | 656.04 | 495.50 | -9.4 | -13.1 -4.3 |
| NYSE Arca Biotech | 5397.79 | 5241.68 | 5390.75 | 149.06 | 2.84 | 6318.63 | 4902.00 | 8.0 | -6.2 3.3 |
| NYSE Arca Pharma | 917.42 | 901.50 | 914.63 | 13.12 | 1.46 | 1140.17 | 860.88 | -7.7 | -2.1 3.2 |
| KBW Bank | 112.62 | 109.75 | 112.37 | 3.56 | 3.28 | 140.59 | 100.09 | 8.9 | -11.8 -1.1 |
| PHLX ^S Gold/Silver | 194.91 | 189.03 | 189.70 | -3.34 | -1.73 | 195.33 | 132.86 | 42.8 | 38.3 7.9 |
| PHLX ^S Oil Service | 56.00 | 54.15 | 55.48 | -0.005 | -0.01 | 92.31 | 50.70 | -37.5 | -23.6 -11.1 |
| PHLX ^S Semiconductor | 3858.35 | 3776.97 | 3832.05 | 80.14 | 2.14 | 5904.54 | 3562.94 | -14.4 | -23.1 8.6 |
| Cboe Volatility | 32.68 | 30.08 | 30.57 | -3.25 | -9.61 | 52.33 | 11.86 | 94.8 | 76.2 2.7 |

^SNasdaq PHLX

Sources: FactSet; Dow Jones Market Data

International Stock Indexes

| Region/Country | Index | Close | Net chg | Latest % chg | YTD % chg |
|---------------------|------------------------------|------------------|---------|--------------|-----------|
| World | MSCI ACWI | 796.26 | 13.15 | 1.68 | -5.4 |
| | MSCI ACWI ex-USA | 340.32 | 0.81 | 0.24 | 4.4 |
| | MSCI World | 3487.99 | 63.66 | 1.86 | -5.9 |
| | MSCI Emerging Markets | 1073.79 | 1.84 | 0.17 | -0.2 |
| Americas | MSCI AC Americas | 2000.88 | 48.30 | 2.47 | -9.5 |
| Canada | S&P/TSX Comp | 24305.98 | 297.12 | 1.24 | -1.7 |
| Latin Amer. | MSCI EM Latin America | 2107.48 | 38.06 | 1.84 | 13.8 |
| Brazil | Bovespa | 130464.38 | 814.35 | 0.63 | 8.5 |
| Chile | S&P IPSA | 4136.26 | 33.34 | 0.81 | 14.4 |
| Mexico | S&P/BMV IPC | 54777.84 | 1019.09 | 1.90 | 10.6 |
| EMEA | STOXX Europe 600 | 507.71 | 1.29 | 0.25 | 0.02 |
| Eurozone | Euro STOXX | 520.44 | 2.65 | 0.51 | 3.0 |
| Belgium | Bel-20 | 4238.33 | 40.68 | 0.97 | -0.6 |
| Denmark | OMX Copenhagen 20 | 1554.83 | -70.22 | -4.32 | -26.0 |
| France | CAC 40 | 7326.47 | 40.61 | 0.56 | -0.7 |
| Germany | DAX | 21293.53 | 87.67 | 0.41 | 7.0 |
| Israel | Tel Aviv | 2468.06 | 6.98 | 0.28 | 3.1 |
| Italy | FTSE MIB | 35947.89 | -32.54 | -0.09 | 5.2 |
| Netherlands | AEX | 857.21 | 5.01 | 0.59 | -2.4 |
| Norway | Oslo Bors All-Share | 1649.21 | -11.58 | -0.70 | 0.3 |
| South Africa | FTSE/JSE All-Share | 89912.00 | 425.21 | 0.48 | 6.9 |
| Spain | IBEX 35 | 13010.60 | 92.60 | 0.72 | 12.2 |
| Sweden | OMX Stockholm | 899.26 | 5.25 | 0.59 | -5.8 |
| Switzerland | Swiss Market | 11646.32 | -14.64 | -0.13 | 0.4 |
| Turkey | BIST 100 | 9312.13 | -9.51 | -0.10 | -5.3 |
| U.K. | FTSE 100 | 8328.60 | 52.94 | 0.64 | 1.9 |
| U.K. | FTSE 250 | 19238.24 | -11.77 | -0.06 | -6.7 |
| Asia-Pacific | MSCI AC Asia Pacific | 179.29 | 0.04 | 0.02 | -1.3 |
| Australia | S&P/ASX 200 | 7816.70 | -2.44 | -0.03 | -4.2 |
| China | Shanghai Composite | 3299.76 | 8.32 | 0.25 | -1.6 |
| Hong Kong | Hang Seng | 21562.32 | 167.18 | 0.78 | 7.5 |
| India | BSE Sensex | 79595.59 | 187.10 | 0.24 | 1.9 |
| Japan | NIKKEI 225 | 34220.60 | -59.32 | -0.17 | -14.2 |
| Singapore | Straits Times | 3795.41 | 36.18 | 0.96 | 0.2 |
| South Korea | KOSPI | 2486.64 | -1.78 | -0.07 | 3.6 |
| Taiwan | TAIEX | 18793.43 | -312.77 | -1.64 | -18.4 |
| Thailand | SET | 1144.05 | 9.34 | 0.82 | -18.3 |

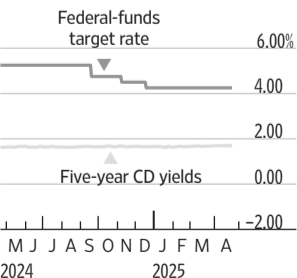
Sources: FactSet; Dow Jones Market Data

CREDIT MARKETS

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



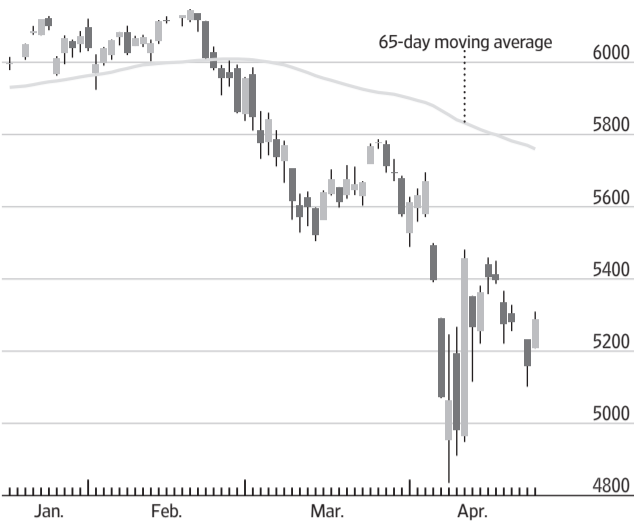
| Interest rate | Yield/Rate (%)— Last (●) Week ago | 52-Week Range (%)— Low 0 2 4 6 8 High | 3-yr chg (pct pts) |
|--|-----------------------------------|---------------------------------------|--------------------|
| Federal-funds rate target | 4.25-4.50 | 4.25-4.50 | 4.00 |
| Prime rate* | 7.50 | 7.50 | 8.50 |
| SOFR | 4.32 | 4.33 | 5.40 |
| Money market , annual yield | 0.48 | 0.46 | 0.51 |
| Five-year CD , annual yield | 1.70 | 1.70 | 1.71 |
| 30-year mortgage , fixed† | 6.91 | 6.92 | 7.72 |
| 15-year mortgage , fixed† | 6.25 | 6.25 | 7.11 |
| Jumbo mortgages , \$726,200-plus† | 6.99 | 7.00 | 7.79 |
| Five-year adj mortgage (ARM) † | 6.25 | 6.27 | 6.78 |
| New-car loan , 48-month | 7.59 | 7.59 | 7.94 |
| 3.53 | | | |

Bankrate.com rates based on survey of over 1,500 online banks. *Base rate posted by 70% of the nation's largest banks.† Excludes closing costs.

Sources: FactSet; Dow Jones Market Data; Bankrate.com

S&P 500 Index

| | | |
|--|----------------------|-------------------|
| 5287.76 ▲129.56, or 2.51% | Last | Year ago |
| High, low, open and close for each trading day of the past three months. | Trailing P/E ratio * | 21.37 24.36 |
| | P/E estimate * | 19.78 20.65 |
| | Dividend yield * | 1.47 1.40 |
| | All-time high | 6144.15, 02/19/25 |



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 |
|---------------------------|--------|--------------|--------|---------|-------------------|--------|--------|
| Schwab Municipal Bond ETF | SCMB | 32,900.0 | 24.76 | -0.09 | -0.38 | 24.85 | 24.76 |
| Direxion TSLA Bull 2X | TSLL | 29,901.9 | 8.02 | 0.63 | 8.53 | 8.48 | 7.05 |
| Tesla | TSLA | 14,809.8 | 247.80 | 9.83 | 4.13 | 256.44 | 232.00 |
| Direxion Dly SCOND 3 BL | SOXL | 10,898.2 | 9.76 | 0.58 | 6.32 | 9.82 | 9.10 |
| NVIDIA | NVDA | 9,706.7 | 101.94 | 3.05 | 3.08 | 105.72 | 93.88 |
| SPDR S&P 500 ETF Trust | SPY | 8,576.9 | 537.65 | 10.40 | 1.97 | 555.21 | 494.51 |
| iSh Natl Muni Bd | MUB | 7,490.8 | 103.50 | 0.37 | 0.36 | 103.50 | 102.88 |
| Intel | INTC | 6,227.1 | 19.89 | 0.38 | 1.95 | 19.90 | 19.47 |

Percentage gainers...

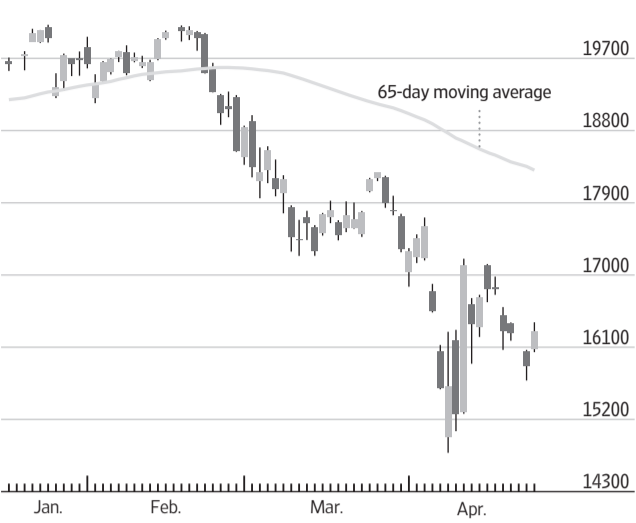
| | | | | | | | |
|-------------------------|------|----------|--------|-------|--------------|--------|--------|
| Pegasystems | PEGA | 118.2 | 85.81 | 17.05 | 24.80 | 86.36 | 68.35 |
| SAP ADR | SAP | 60.3 | 275.00 | 22.60 | 8.95 | 277.50 | 252.40 |
| Leverage 2X Lg TSLA Dly | TSLL | 167.1 | 3.99 | 0.32 | 8.72 | 4.10 | 3.50 |
| GrShr 2x Long TSLA Dly | TSLR | 721.8 | 12.77 | 1.01 | 8.59 | 13.51 | 11.22 |
| Direxion TSLA Bull 2X | TSLL | 29,901.9 | 8.02 | 0.63 | 8.53 | 8.48 | 7.05 |

...And losers

| | | | | | | | |
|--------------------------|------|---------|-------|-------|---------------|-------|-------|
| Enphase Energy | ENPH | 1,322.1 | 47.35 | -6.08 | -11.38 | 53.67 | 45.70 |
| GrShr 2x Sh TSLA Daily | TSDD | 255.5 | 46.50 | -4.42 | -8.68 | 53.24 | 43.19 |
| Tradr 2X Sh TSLA Daily | TSLQ | 2,681.7 | 37.01 | -3.43 | -8.48 | 42.36 | 34.42 |
| Oklo | OKLO | 2,828.7 | 19.92 | -1.61 | -7.48 | 21.55 | 18.00 |
| Direxion Dly Semi 3 Bear | SOXS | 1,118.5 | 24.41 | -1.68 | -6.44 | 26.35 | 24.32 |

Nasdaq Composite Index

| | | |
|--|-----------------------|--------------------|
| 16300.42 ▲429.52, or 2.71% | Last | Year ago |
| High, low, open and close for each trading day of the past three months. | Trailing P/E ratio ** | 27.15 29.72 |
| | P/E estimate ** | 23.73 26.22 |
| | Dividend yield ** | 0.88 0.89 |
| | All-time high: | 20173.89, 12/16/24 |



Trading Diary

Volume, Advancers, Decliners

| | NYSE | NYSE Amer. |
|----------------------|---------------|------------|
| Total volume* | 1,073,757,479 | 19,462,784 |
| Adv. volume* | 968,849,191 | 12,585,644 |
| Decl. volume* | 98,993,568 | 6,862,289 |
| Issues traded | 2,822 | 293 |
| Advances | 2,528 | 196 |
| Declines | 251 | 87 |
| Unchanged | 43 | 10 |
| New highs | 23 | 5 |
| New lows | 13 | 1 |
| Closing Arms* | 1.17 | 1.89 |
| Block trades* | 5,044 | 184 |

| | Nasdaq | NYSE Arca |
|--|--------|-----------|
|--|--------|-----------|

| | | |
|----------------------|---------------|-------------|
| Total volume* | 6,981,902,531 | 389,883,450 |
| Adv. volume* | 5,671,524,005 | 296,702,922 |
| Decl. volume* | 1,265,497,223 | 92,007,891 |
| Issues traded | 4,513 | 2,214 |
| Advances | 3,588 | 1,932 |
| Declines | 814 | 266 |
| Unchanged | 111 | 16 |
| New highs | 50 | 46 |
| New lows | 78 | 4 |
| Closing Arms* | 0.98 | 2.34 |
| Block trades* | 43,996 | 1,635 |

* 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 Losers

| Company | Symbol | — Latest Session — | | | — 52-Week — | | |
|--------------------------|--------|--------------------|---------|--------|-------------|-------|-------|
| | | Close | Net chg | % chg | High | Low | % chg |
| Ohmyhome | OMH | 2.18 | -1.42 | -39.44 | 6.50 | 1.70 | -58.0 |
| LQR House | YHC | 2.86 | -0.84 | -22.63 | 98.00 | 2.69 | -91.8 |
| Patriot National Bancorp | PNBK | 3.12 | -0.91 | -22.58 | 4.33 | 0.99 | -15.7 |
| Lixiang Education ADR | LXEH | 2.34 | -0.53 | -18.47 | 50.08 | 1.53 | -42.2 |
| Local Bounti | LOCL | 2.30 | -0.49 | -17.56 | 5.75 | 1.18 | -24.6 |
| MicroAlgo | MLGO | 9.83 | -2.03 | -17.12 | 509.60 | 1.11 | -78.8 |
| ProSh UltSh Ether ETF | ETHD | 49.18 | -9.68 | -16.45 | 85.54 | 15.46 | ... |
| Pinnacle Food Group | PFAI | 3.35 | -0.65 | -16.25 | 4.40 | 3.24 | ... |
| Critical Metals | CRML | 1.92 | -0.37 | -16.16 | 12.49 | 1.23 | -81.2 |
| Inno Holdings | INHD | 7.21 | -1.35 | -15.77 | 10.23 | 3.00 | -30.8 |
| Defiance Dly Tgt 2x Sh | SMST | 1.88 | -0.35 | -15.70 | 118.40 | 1.80 | ... |
| 60 Degrees Pharma | SXTP | 2.67 | -0.49 | -15.51 | 35.99 | 1.41 | -82.2 |
| Team | TISI | 20.32 | -3.63 | -15.16 | 26.77 | 5.97 | 201.0 |
| Scilex Holding | SC LX | 3.99 | -0.71 | -15.11 | 80.50 | 3.60 | -88.3 |
| Highest Performances ADR | HPH | 7.10 | -1.22 | -14.66 | 558.00 | 3.76 | -98.7 |

BIGGEST 1,000 STOCKS

| continued From Page B7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|------------------------|-----------------|---------|--------|---------|-----------------|---------|--------|-------|----------------|---------|--------|-------|-----------------|---------|--------|--------|----------------|---------|--------|--------|--------------------|---------|--------|-------|---------------|---------|--------|-------|------------------|---------|--------|-------|----------------|------|--------|------|
| | | Net Chg | Stock | Sym | Close | Net Chg | Stock | Sym | Close | Net Chg | Stock | Sym | Close | Net Chg | Stock | Sym | Close | Net Chg | Stock | Sym | Close | Net Chg | Stock | Sym | Close | Net Chg | Stock | Sym | Close | Net Chg | | | | | | |
| | Stock | Sym | Close | Net Chg | Garmin | GRMN | 191.41 | 4.58 | Kroger | KR | 72.98 | 0.67 | NorthropGrum | NOC | 464.08 | -67.25 | RB Global | RBA | 96.97 | 2.06 | Sportradar | SPRT | 25.04 | 2.03 | UGI | UGI | 32.83 | 0.42 | WarnerBrosA | WBD | 7.95 | 0.01 | Wipro | WIT | 2.77 | 0.05 |
| | DexCom | DXCM | 66.33 | 0.22 | Gartner | IT | 400.31 | 7.84 | LatamAirlines | LTM | 30.11 | 0.17 | NorwegianCruise | NCLH | 16.61 | 0.56 | RELX | RELX | 53.10 | 1.03 | Sports Illustrated | SPOT | 59.39 | 31.57 | U-Haul N | UHAL | 53.21 | 0.76 | WarnerMusic | WMG | 28.04 | 0.32 | Wix.com | WIX | 154.61 | 8.11 |
| | Diageo | DGO | 112.37 | 2.67 | GenDigital | GEN | 24.24 | 0.68 | LKQ | LKQ | 42.26 | 1.05 | Novartis | NVS | 111.41 | 0.87 | RPM | RLI | 78.20 | 2.78 | SportsFamers | SFM | 163.30 | 4.77 | U-Haul | UHAL | 59.88 | 0.94 | WasteConnections | WCN | 197.90 | 3.33 | WoodsideEnergy | WDS | 12.80 | 0.09 |
| | DiamondbackEner | FANG | 136.54 | 4.19 | GeneralDynamics | GD | 274.80 | 1.62 | LPL Financial | LPLA | 300.20 | 6.84 | NovoNordisk | NVO | 59.91 | 1.58 | RPL | RPM | 104.02 | 3.26 | StandardAero | SARO | 24.87 | 0.65 | UL Solutions | ULH | 55.51 | 2.42 | WasteMgt | WM | 229.96 | 2.39 | Woodward | WWD | 167.81 | 2.59 |
| | Dick's | DKS | 180.81 | 4.42 | GeneralMills | GIS | 58.06 | 0.39 | L3HarrisTech | LHX | 215.08 | 0.96 | NuHoldings | NU | 11.19 | 0.48 | RTX | RTX | 113.75 | -12.37 | StanleyB&D | SWK | 58.38 | 2.01 | US Foods | USFD | 63.27 | 2.12 | Waters | WAT | 330.71 | 14.48 | Workday | WFD | 266.66 | 1.20 |
| | DigitalFinServ | DIFS | 148.89 | 2.55 | GeneralMotors | GM | 45.16 | 0.77 | Laborcorp | LHC | 120.25 | 0.83 | Nucor | NUE | 109.62 | 2.95 | RalphLauren | RL | 209.59 | 5.55 | Stantec | STN | 58.38 | 2.01 | UWM | UWMC | 4.49 | 0.08 | Watco | WASO | 503.16 | 8.25 | Workday | WDD | 220.99 | 6.89 |
| | DiscoverFinSvcS | DLSR | 172.33 | 7.02 | Genmab | GMB | 20.27 | 0.20 | LamResearch | LRXC | 63.48 | 1.09 | Nutrien | NTRX | 59.78 | 1.24 | RangeResources | RRC | 33.29 | 0.67 | Starbucks | SBUX | 81.75 | 1.07 | Uber | UBER | 74.44 | 1.52 | WebsterFin | WBS | 46.16 | 1.62 | WynnResorts | WYNN | 76.97 | 2.01 |
| | Disney | DIS | 86.09 | 2.09 | Genpact | G | 47.35 | 0.67 | LamarAdv | LAMR | 110.48 | 2.87 | NvEnergy | NV | 54.72 | 0.91 | RaymondJames | RJF | 134.77 | 3.93 | StateStreet | ST | 83.84 | 3.21 | Ubiquiti | UI | 294.78 | 7.24 | Webull | WUBS | 23.48 | -1.14 | XP | XP | 14.48 | 0.59 |
| | Docusign | DOCU | 74.20 | 2.31 | GenuineParts | GPC | 114.95 | 3.13 | LambWeston | LW | 52.47 | 0.96 | RedditIncome | O | 58.52 | 0.56 | RealtyIncome | O | 58.52 | 0.56 | SteelDynamics | STLD | 117.39 | 3.84 | UltraBeauty | ULTA | 378.67 | 13.00 | WellsFargo | WFC | 66.23 | 2.22 | XPO | XPO | 96.42 | 2.57 |
| | Dorland | DO | 72.72 | 2.05 | GlobalFoundries | GFS | 31.71 | 0.35 | Landtheus | LNTW | 99.57 | -1.05 | Stellantis | STLA | 9.50 | 0.24 | Unilever | UL | 65.43 | 1.76 | Starbucks | SBUX | 81.75 | 1.07 | Unilever | UL | 65.43 | 1.76 | Welltower | WELL | 147.25 | 3.60 | XcelEnergy | XEL | 71.39 | 2.42 |
| | DollarGeneral | DG | 96.79 | 1.18 | GlobalPayments | GPD | 71.39 | 3.92 | LasVegasSands | LVS | 33.94 | 1.38 | RegenPharm | REG | 585.49 | 23.00 | Stifel | SF | 86.08 | 3.02 | UnitedAirlines | UAL | 66.97 | 1.67 | UnionPacific | UNP | 216.90 | 0.85 | WestPharmSci | WAL | 65.13 | 9.25 | Yum! | YUM | 145.05 | 4.54 |
| | DollarTree | DLTR | 82.16 | 2.51 | GlobalFoundries | GFS | 31.71 | 0.35 | Leidos | LDOS | 141.26 | 3.02 | ReinsGrp | RF | 19.78 | 0.69 | SumitomoMts | SMMF | 33.50 | 0.30 | UnitedRentals | URI | 57.476 | 4.16 | US Bancorp | USB | 39.00 | 1.19 | WheatK | WLK | 39.3 | 2.65 | ZebraTech | ZBRA | 227.20 | 5.15 |
| | DominionTree | DT | 53.40 | 1.34 | GlobeLife | GL | 121.68 | 4.51 | Lennar B | LENB | 102.12 | 3.67 | OGE Energy | OGE | 45.27 | 1.17 | ReinsGrp | RGA | 186.83 | 5.55 | Stryker | STY | 348.12 | 8.53 | UPS B | UPS | 96.84 | 0.59 | WestAllianceBd | WAL | 65.34 | 0.46 | Yum!Brands | YUM | 145.05 | 4.54 |
| | Dominos | DPZ | 486.14 | 17.87 | GoDaddy | GDDY | 170.19 | 4.98 | Lennar A | LEN | 107.92 | 4.21 | ONEOK | OK | 84.05 | 2.23 | Renaissance | RE | 280.09 | 2.84 | SumitomoMts | SMMF | 33.50 | 0.30 | UnitedRentals | URI | 57.476 | 4.16 | WesternDigital | WDC | 36.68 | 0.72 | YumChina | YUMC | 49.08 | 3.38 |
| | Donaldson | DCI | 63.30 | 1.60 | GoDaddy | GDDY | 170.19 | 4.98 | LennoxInt'l | LEN | 107.92 | 4.21 | ON Sem | OS | 35.45 | 0.71 | O'ReillyAuto | ORLY | 139.54 | 25.04 | SumitomoMts | SMMF | 33.50 | 0.30 | UnitedRentals | URI | 57.476 | 4.16 | WesternDigital | WDC | 36.68 | 0.72 | YumChina | YUMC | 49.08 | 3.38 |
| | DorDash | DASH | 176.61 | 4.79 | GoldmanSachs | GS | 519.99 | 18.63 | LeonardoDRS | DRS | 35.14 | 0.53 | O'ReillyAuto | ORLY | 139.54 | 25.04 | RenaissanceRe | RNR | 240.09 | 8.82 | SumitomoMts | SMMF | 33.50 | 0.30 | UnitedRentals | URI | 57.476 | 4.16 | WesternDigital | WDC | 36.68 | 0.72 | YumChina | YUMC | 49.08 | 3.38 |
| | Dover | DOW | 163.56 | 5.54 | GoldmanSachs | GS | 519.99 | 18.63 | LibertyLive | L | 23.87 | 0.57 | O'ReillyAuto | ORLY | 139.54 | 25.04 | Rentokillint | RTN | 22.80 | -0.15 | SumitomoMts | SMMF | 33.50 | 0.30 | UnitedRentals | URI | 57.476 | 4.16 | WesternDigital | WDC | 36.68 | 0.72 | YumChina | YUMC | 49.08 | 3.38 |
| | Dow | DOW | 29.00 | 0.88 | Grac | GRAB | 4.24 | 0.17 | LibertyBroadcA | LBROK | 76.77 | 2.07 | OccidentalPetro | OK | 39.97 | 0.95 | Rentokillint | RTN | 22.80 | -0.15 | SumitomoMts | SMMF | 33.50 | 0.30 | UnitedRentals | URI | 57.476 | 4.16 | WesternDigital | WDC | 36.68 | 0.72 | YumChina | YUMC | 49.08 | 3.38 |
| | Doximity | DOCS | 52.40 | 1.12 | Graco | GGC | 76.96 | 2.34 | LibertyBroadcA | LBROK | 76.77 | 2.07 | OccidentalPetro | OK | 39.97 | 0.95 | ReinsGrp | RF | 19.78 | 0.69 | SumitomoMts | SMMF | 33.50 | 0.30 | UnitedRentals | URI | 57.476 | 4.16 | WesternDigital | WDC | 36.68 | 0.72 | YumChina | YUMC | 49.08 | 3.38 |
| | DrReddy'sLab | DRD | 13.88 | 0.21 | Grainier | GRW | 99.85 | 20.07 | LibertyBroadcA | LBROK | 76.77 | 2.07 | Okta | OKTA | 94.33 | 1.87 | ReinsGrp | RF | 19.78 | 0.69 | SumitomoMts | SMMF | 33.50 | 0.30 | UnitedRentals | URI | 57.476 | 4.16 | WesternDigital | WDC | 36.68 | 0.72 | YumChina | YUMC | 49.08 | 3.38 |
| | Drugs | DKNG | 33.47 | 1.03 | GraphicPkg | GPK | 25.35 | 0.04 | LibertyLiveC | LLYVK | 67.30 | 1.15 | Okta | OKTA | 94.33 | 1.87 | ReinsGrp | RF | 19.78 | 0.69 | SumitomoMts | SMMF | 33.50 | 0.30 | UnitedRentals | URI | 57.476 | 4.16 | WesternDigital | WDC | 36.68 | 0.72 | YumChina | YUMC | 49.08 | 3.38 |
| | Dropbox | DBX | 27.38 | 0.71 | GpoAerportus | PAC | 194.79 | 2.53 | LibertyLiveC | LLYVK | 67.30 | 1.15 | Okta | OKTA | 94.33 | 1.87 | ReinsGrp | RF | 19.78 | 0.69 | SumitomoMts | SMMF | 33.50 | 0.30 | UnitedRentals | URI | 57.476 | 4.16 | WesternDigital | WDC | 36.68 | 0.72 | YumChina | YUMC | 49.08 | 3.38 |
| | DukeEnergy | DUK | 122.53 | 2.36 | GpoAerportus | PAC | 194.79 | 2.53 | LibertyLiveC | LLYVK | 67.30 | 1.15 | Okta | OKTA | 94.33 | 1.87 | ReinsGrp | RF | 19.78 | 0.69 | SumitomoMts | SMMF | 33.50 | 0.30 | UnitedRentals | URI | 57.476 | 4.16 | WesternDigital | WDC | 36.68 | 0.72 | YumChina | YUMC | 49.08 | 3.38 |
| | | | | | GpoAerportus | ASR | 288.01 | 8.00 | LibertyLiveA | LLYVA | 66.45 | 2.16 | Okta | OKTA | 94.33 | 1.87 | ReinsGrp | RF | 19.78 | 0.69 | SumitomoMts | SMMF | 33.50 | 0.30 | UnitedRentals | URI | 57.476 | 4.16 | WesternDigital | WDC | 36.68 | 0.72 | YumChina | YUMC | 49.08 | 3.38 |
| | | | | | GpoAerportus | ASR | 288.01 | 8.00 | LibertyLiveA | LLYVA | 66.45 | 2.16 | Okta | OKTA | 94.33 | 1.87 | ReinsGrp | RF | 19.78 | 0.69 | SumitomoMts | SMMF | 33.50 | 0.30 | UnitedRentals | URI | 57.476 | 4.16 | WesternDigital | WDC | 36.68 | 0.72 | YumChina | YUMC | 49.08 | 3.38 |
| | | | | | GpoAerportus | ASR | 288.01 | 8.00 | LibertyLiveA | LLYVA | 66.45 | 2.16 | Okta | OKTA | 94.33 | 1.87 | ReinsGrp | RF | 19.78 | 0.69 | SumitomoMts | SMMF | 33.50 | 0.30 | UnitedRentals | URI | 57.476 | 4.16 | WesternDigital | WDC | 36.68 | 0.72 | YumChina | YUMC | 49.08 | 3.38 |
| | | | | | GpoAerportus | ASR | 288.01 | 8.00 | LibertyLiveA | LLYVA | 66.45 | 2.16 | Okta | OKTA | 94.33 | 1.87 | ReinsGrp | RF | 19.78 | 0.69 | SumitomoMts | SMMF | 33.50 | 0.30 | UnitedRentals | URI | 57.476 | 4.16 | WesternDigital | WDC | 36.68 | 0.72 | YumChina | YUMC | 49.08 | 3.38 |
| | | | | | GpoAerportus | ASR | 288.01 | 8.00 | LibertyLiveA | LLYVA | 66.45 | 2.16 | Okta | OKTA | 94.33 | 1.87 | ReinsGrp | RF | 19.78 | 0.69 | SumitomoMts | SMMF | 33.50 | 0.30 | UnitedRentals | URI | 57.476 | 4.16 | WesternDigital | WDC | 36.68 | 0.72 | YumChina | YUMC | 49.08 | 3.38 |
| | | | | | GpoAerportus | ASR | 288.01 | 8.00 | LibertyLiveA | LLYVA | 66.45 | 2.16 | Okta | OKTA | 94.33 | 1.87 | ReinsGrp | RF | 19.78 | 0.69 | SumitomoMts | SMMF | 33.50 | 0.30 | UnitedRentals | URI | 57.476 | 4.16 | WesternDigital | WDC | 36.68 | 0.72 | YumChina | YUMC | 49.08 | 3.38 |
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| | | | | | GpoAerportus | ASR | 288.01 | 8.00 | LibertyLiveA | LLYVA | 66.45 | 2.16 | Okta | OKTA | 94.33 | 1.87 | ReinsGrp | RF | 19.78 | 0.69 | SumitomoMts | SMMF | 33.50 | 0.30 | UnitedRentals | URI | 57.476 | 4.16 | WesternDigital | WDC | 36.68 | 0.72 | YumChina | YUMC | 49.08 | 3.38 |
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| | | | | | GpoAerportus | ASR | 288.01 | 8.00 | LibertyLiveA | LLYVA | 66.45 | 2.16 | Okta | OKTA | 94.3 | | | | | | | | | | | | | | | | | | | | | |

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

FDA Sends a Bullish Signal to Biotech

New commissioner Makary’s vow to back innovation might ease fears stoked by HHS chief Kennedy

For months, investors have feared that Health and Human Services Secretary Robert F. Kennedy Jr. and his Make America Healthy Again movement would derail biomedical innovation. His ousting of Peter Marks—a senior official at the Food and Drug Administration and key proponent of faster drug approvals—sent biotech stocks tumbling last month and stoked concerns that the agency was being politicized and turned against science.

A more-nuanced narrative is now taking shape.

While heightened vaccine scrutiny and sweeping FDA staff cuts remain serious threats, recent signals have been more upbeat. In an interview late last week, newly appointed FDA Commissioner Marty Makary, a former Johns Hopkins surgeon, delivered a relatively bullish message for the biotech sector. Speaking with Megyn Kelly, Makary said he would speed up approvals for rare-disease treatments, cut reliance on animal testing by incorporating computational models and shorten the industry’s typical 10-year drug-development timeline.

He also vowed to reduce pharmaceutical companies’ influence over the FDA approval process and end what he called the agency’s “cozy” relationship with the industry. Importantly, he emphasized a commitment to protecting innovation and maintaining a science-based approach to regulation.

The comments helped fuel a rally in riskier biotech names on Monday—even as the broader market fell sharply. Stocks such



The FDA last week gave clearance to Regeneron’s Dupixent for chronic spontaneous urticaria, a severe skin condition.

Intellia Therapeutics, Avidity Biosciences and Regenxbio—small-cap developers of cutting-edge gene-editing and RNA therapies—jumped. “Megyn Marie Kelly has saved the sector for a day,” quipped Mizuho healthcare strategist Jared Holz.

Much of what Makary proposed wasn’t entirely new. A push to re-

duce reliance on animal testing and to accelerate the approval of drugs for certain conditions has long been under way at the FDA. The real question is whether he can execute the reforms at a time when FDA staffing is being slashed. Makary claimed in the interview that there have been no layoffs among scientists, reviewers

or inspectors. But The Wall Street Journal reported that significant delays in core FDA functions—such as reviewing trial amendments and guiding companies through drug development—are already slowing the pace of drug development.

For investors, though, the bigger picture is that fears of Kennedy dismantling the U.S. drug ecosystem might be overblown. His vaccine skepticism and embrace of fringe theories have called the scientific credibility of HHS under his leadership into question and hurt vaccine-focused companies. But at this stage, his subordinates don’t appear to be out to undermine innovation. Just on Friday, the FDA approved Regeneron’s Dupixent for chronic spontaneous urticaria, a severe skin condition.

“I think you might hear some noise at the high policy level, but I’m hopeful that at the actual day-to-day decision-making level, agency experts will continue trying to get safe and effective drugs out there,” said Leonard Schleifer, **Regeneron’s** co-founder and longtime chief executive, in an interview. Schleifer added Makary needed to surround himself with experienced, knowledgeable people if he wanted to support innovation effectively.

For now, Makary is signaling that he intends to do just that.

“A lot of very smart people are applying for that job,” he said, referencing the biologics and vaccines position vacated by the exit of Marks. Makary indicated he would stick to or even step up ef-

forts to more quickly approve drugs for rare diseases. In cases where placebo-controlled trials are impractical, he suggested drugs could be granted conditional approval, with patients monitored closely afterward. That isn’t very different from what Marks was doing during the Biden administration when he overruled FDA staff to approve a therapy for a rare muscular disease.

The Trump administration is sending positive signals when it comes to how it plans to negotiate certain Medicare drug prices with pharmaceutical companies. While the pharmaceutical industry is awaiting new developments on the tariff front, it caught a break with an executive order last week that seeks to correct what the industry calls the “pill penalty” in the drug-price-negotiation program, which was embedded in the Biden administration’s Inflation Reduction Act.

The program now allows pills to become eligible for negotiations sooner than injections. Since the law’s passage in 2022, the industry has pushed to address the eligibility requirements, which it says discourage development of pills. The order directs Kennedy to work with Congress to modify it so pills and injected drugs are treated equally.

There is still plenty for investors to worry about—from tariffs to vaccine skepticism—but the Trump administration is clearly trying to telegraph that it isn’t out to kill biotech innovation. For now, that is a win for investors.

—David Wainer

Warren Buffett Timed His Apple Stock Sale to Perfection

When Warren Buffett hosts “Woodstock for Capitalists” 10 days from now, he will have replaced one pesky question with another.

Berkshire Hathaway is sitting on more cash than any company in history, including its own, at about \$318 billion. Much of it piled up the old-fashioned way, in a steady stream from the conglomerate’s subsidiaries and investments.

That got turbocharged last year when Berkshire sold a large chunk of its stock portfolio—notably shares of **Apple**.

The gigantic bet dating to 2016 had made some investors nervous.

Now that the iPhone maker has lost \$1 trillion, or one-quarter of

its value, since its December peak, Buffett looks prescient.

But is his massive cash hoard part of a grand plan to swoop in and buy stocks cheaply now that a possible bear market looms? And does Buffett anticipate tariff-induced chaos getting so bad that Berkshire can earn another bonanza bailing out blue-chip companies, as he did during the financial crisis?

First it helps to understand why he probably sold. Berkshire’s large Apple stake, which it began building in 2016 to some investors’ discomfort, had become massive—probably the most-lucrative single-stock investment of all time. Berkshire’s paper gains when it began selling were around \$110 billion.

It wasn’t the first time Buffett’s investors second-guessed his bet on what already seemed like a fully priced stock. Between 1988 and 1994, Berkshire made what was then its largest ever portfolio investment in **Coca-Cola**. By 1998 it had appreciated tenfold, trading at 45 times earnings. Buffett said years later that he regretted not lightening his position.

“It was a really wonderful business that sold at a very silly price.”

He heaped similar praise on Apple and its chief executive, Tim Cook, but the Coke experience probably influenced his thinking.

“I would be surprised if it didn’t come to mind for him,” says Adam J. Mead, a New Hamp-



Warren Buffett’s Berkshire Hathaway is sitting on an epic cash pile ahead of its ‘Woodstock for Capitalists.’

shire money manager and Buffettologist who is the author of “The Complete Financial History of Berkshire Hathaway.”

With markets wobbling and a recession possible, Berkshire’s cash pile has reassured its investors, helping it beat the S&P 500 by nearly 25 percentage points this year.

When and how will it be invested? That is complicated.

“His opportunity set is pretty small,” says investing newsletter writer Alex Morris, author of “Buffett And Munger Unscripted.” With the conglomerate’s market value over \$1 trillion, it takes a lot to move the needle.

Back in 2009, Berkshire made its largest-ever acquisition, agreeing to pay \$26 billion for Burlington Northern Santa Fe, then America’s largest railroad by revenue. Today that would be less

than one-tenth of his cash hoard and just 2.5% of Berkshire’s value.

Two possibilities Morris raises: buying the remainder of longtime holdings Coca-Cola or **American Express** and taking them private, which would run around \$280 billion or \$130 billion, respectively.

What about the sort of lucrative life-lines Berkshire extended to blue chips **Goldman Sachs**, **Bank of America** and **Dow Chemical** during the financial crisis, should similar opportunities arise?

“They’d have to be significantly larger to make a dent,” says Morris.

One troubling interpretation of his cash hoard is that Buffett

knows something about the tariff-hit economy we don’t. That is almost certainly true.

“He’s getting real-time information” through companies in his wide-ranging conglomerate, says Mead.

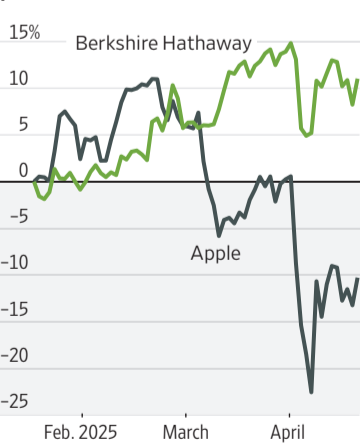
But it doesn’t necessarily mean he sees disaster ahead. It only tells us that the handful of securities it is worth his while to snap up—including Berkshire Hathaway stock—just aren’t priced right. And, with his Treasury bills at

least yielding something now, he is getting paid to wait.

Buffett knew when to sell this time. Deciding when, and what, to buy has become much harder.

—Spencer Jakab

Stock-price performance, past three months



Source: FactSet

Bets on Treasury Defaults Are Performing Nicely

The “Sell America” trade is hot. So is the “Short Uncle Sam” trade.

Betting against U.S. Treasurys using credit-default swaps has been a big winner this year.

The price of insuring five-year U.S. Treasury notes passed half a percentage point on Thursday and has remained above that level since. It finished at 0.504 percentage point on Monday, up 70%

in the year to date, according to data compiled by LSEG.

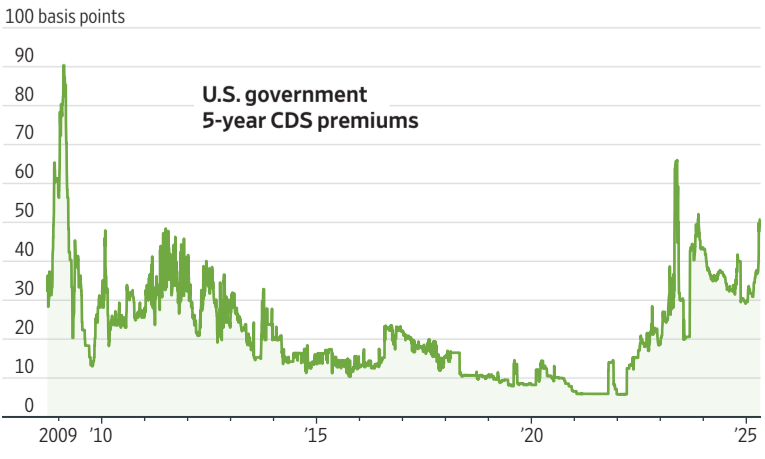
President Trump’s attacks on Federal Reserve Chair Jerome Powell appear to have helped fuel the surge. The swaps provide protection against the U.S. government defaulting on its debt.

The last time the five-year CDS on Treasurys broke half a percentage point was in November 2023,

when there was talk of a possible government shutdown. The peak was 0.9 percentage point in February 2009.

At the moment, 17 countries have lower CDS prices on their sovereign debt than the U.S. including Portugal, Ireland and Spain, according to the website World Government Bonds.

—Jonathan Weil



Note: Data through April 21.

Source: LSEG