

\$0.00 commissions. **Yes, you read that right.**

Learn more about commission-free trading on page B10.



Where Smart Investors Get SmarterSM

THE WALL STREET JOURNAL.

DOW JONES | News Corp. * * * * * **MONDAY, MARCH 2, 2020 ~ VOL. CCLXXV NO. 50** **WSJ.com** ★★★★★ \$4.00

Last week: **DJIA** 25409.36 ▼ 3583.05 12.4% **NASDAQ** 8567.37 ▼ 10.5% **STOXX 600** 375.65 ▼ 12.2% **10-YR. TREASURY** ▲ 3 8/32, yield 1.127% **OIL** \$44.76 ▼ \$8.62 **EURO** \$1.1027 **YEN** 108.09

What's News

Business & Finance

Companies are confronting the impact of the fast-spreading coronavirus as it disrupts global travel and hobbles supply chains across industries and continents. **A1**

◆ **Global investors** are bracing for another hair-raising ride, after a week of frantic and at times disorderly trading. **B1, B6**

◆ **China's Hainan province** effectively took over HNA, making the conglomerate one of the first big corporate victims of the viral crisis. **B1**

◆ **Trump said** he is counting on the Fed to shoulder the government's response to economic disruptions caused by the coronavirus. **A2**

◆ **American Express** salespeople engaged in questionable tactics in a push for small-business owners' accounts after Costco ended a partnership. **A1**

◆ **AT&T is set to release** its Google Assistant-equipped set-top box that streams live TV channels over the internet. **B1**

◆ **Activist hedge-fund** firm Elliott has nominated four directors to Twitter's board, according to a person familiar with the matter. **B1**

◆ **Walmart and Verizon** are in discussions to test 5G wireless service in the giant retailer's stores. **B3**

◆ **Car makers** are accelerating the move to do more business online in China. **B4**

World-Wide

◆ **New cases** of the novel coronavirus in Washington, New York, California and Rhode Island raised fears of a wider spread of Covid-19 in the U.S., prompting officials to ramp up testing efforts. **A1, A8, A10**

◆ **Pete Buttigieg ended** his run for the Democratic presidential nomination after a poor showing in South Carolina's primary. **A4**

◆ **Joe Biden tried** to leverage his victory in South Carolina before Super Tuesday. **A4**

◆ **Maine residents will** vote to decide whether to override a new law that eliminates nonmedical vaccine exemptions for school children. **A7**

◆ **A decadelong battle** over the quasi-independence of the Consumer Financial Protection Bureau lands at the Supreme Court this week. **A3**

◆ **Two federal agencies** are struggling to finish new rules to roll back auto-emissions regulations. **A3**

◆ **Turkey's air force** shot down two Syrian jet fighters as a battle for control of the Syrian rebel enclave in Idlib province continued. **A18**

◆ **Macron moved** to pass his pension overhaul without a vote in the French legislature, seeking to evade opposition amendments. **A18**

◆ **Died: Joe Coulombe**, 89, Trader Joe's founder. **B3**

CONTENTS	
Outlook.....	A2
Business & Finance B26	Small Business.....
Crossword.....	A14
Sports.....	A14
Heard on Street.....	B10
Technology.....	B4
Life & Arts.....	A11-13
U.S. News.....	A2-4, 6-7
Markets.....	B9
Weather.....	A14
Opinion.....	A15-17
World News	A8-10, 18



© 2020 Dow Jones & Company, Inc. All Rights Reserved



Sparse crowds turned out to watch the Tokyo Marathon on Sunday after the race was cut back to about 200 elite runners. **A8**

Disease Takes Toll on Companies

Virus disrupts global travel, supply chains, as businesses rethink investment and hiring

By THOMAS GRUYTA
AND RUSSELL ADAMS

Companies have endured financial meltdowns, civil wars and natural disasters. Now they are confronting a different kind of menace: a fast-spreading coronavirus that has abruptly dented supply

and demand across industries and continents.

The virus, which has infected more than 85,000 people, has swept through Asia and Europe, disrupted global travel and hobbled supply chains that churn out everything from smartphones to pharmaceuticals. In days, it went from pockets of woe to the top concern of chief executives world-wide.

Conferences are getting canceled, including the CER-AWeek energy conference in Houston and Facebook Inc.'s F8 developer gathering in Cal-

Fallout Spreads

- ◆ **Trump renews push for rate cut.....** A2
- ◆ **Korean church was petri dish for coronavirus.....** A10
- ◆ **Investors brace for hair-raising ride.....** B1

ifornia. Disneyland Tokyo is closed. Auto suppliers are warning of parts shortages. Generic-drug manufacturers are paying 50% more for some raw materials.

The organizers of CER-

AWeek, one of the world's top annual energy events, made public their decision on Sunday citing, among other things, "growing concern about large conferences with people coming from different parts of the world."

The epidemic's widespread nature and related uncertainty will put a hold on large corporate investments, mergers and hiring, said Nicholas Bloom, a Stanford University economist who has researched the impact of uncertainty on business. *Please turn to page A9*

Industries Fret Over Potential Bernie Sanders Presidency

Targets of proposals say he would be limited in implementing them

By GREG IP

The rapid ascent of Sen. Bernie Sanders in the Democratic primaries—despite a weak showing in Saturday's South Carolina vote—confronts American business with the once unthinkable: The most powerful policy maker in the world could soon be a strident, lifelong critic of capitalism and big business.

Current and former business leaders and analysts have greeted the prospect with a mix of concern, skepticism and disbelief. Most doubt the Vermont independent, who calls himself a democratic socialist and caucuses with Demo-

crats, could win against President Trump in November, and if he does, could not or would not implement his boldest ideas.

If they are wrong, some see an existential threat. For most businesses, contingency planning boils down to one word: Congress. Health companies assume a Republican-controlled Senate would block Medicare for All, which would ban private insurance.

If, along with a Sanders win, the Democrats take both the House and Senate, "There would

Please turn to page A6

◆ **Black voters elusive for Sanders.....** A6

Buttigieg Ends White House Run



Pete Buttigieg, right, hugged his husband, Chasten Buttigieg, Sunday night as the former mayor of South Bend, Ind., said he is dropping out of the Democratic presidential race. **A4**

Another Israeli Election? Bring On the Ice Cream

Companies tap into voter frustration; 33% off until a prime minister is picked

By FELICIA SCHWARTZ
AND DOV LIEBER

TEL AVIV—Everybody is tired of the never-ending election. Ori Potashnik just wants to throw a party.

On Monday, Israel will try to pick a prime minister for the third time in 11 months. Never before has the country cast so many ballots in such a short span of time.

"It's a joke," sighed Mr. Potashnik, who owns Xanadu, a wedding hall in the city of Petah Tikva. The election gridlock sparked an inspiration: He began offering 33% per

person discount for his venue—complete with a dance floor, strobe lights and speaker system—until Israel picks a prime minister. The promotion includes a free post-wedding party.

The offer ends April 1, however. Not because he thinks the country's political paralysis will be sorted out by then but because, said Udi Ben Simhon, the venue's manager, "the deal is too good."

Xanadu is among the many businesses, from the makers of ice cream to trash cans to feminine-care products, that are trying to tap into voter

Please turn to page A10

INSIDE



LIFE & ARTS

Adult children show new interest in learning about their parents' lives. **A11**

BUSINESS & FINANCE

Gourmet grocers are losing their edge as natural foods become mainstream. **B1**

AmEx Staffers Misled Small-Business Owners

By ANNA MARIA ANDRIOTIS

The American Express Co. saleswoman had finally convinced Bryan Daughtry to apply for a card. There was just one thing: She had to run a credit check.

Mr. Daughtry, who owns a disaster-cleanup company in Ohio, balked. He was trying to get a mortgage and didn't want the inquiry to dent his credit score. She refused to stop the process, he said, checked his credit, and his application was approved.

"That left a bad taste in my mouth," Mr. Daughtry said. Some AmEx salespeople strong-armed business owners to increase card sign-ups, according to more than a dozen current and former AmEx sales, customer-service and compli-

ance employees. The salespeople have misrepresented card rewards and fees, checked credit reports without consent and, in some cases, issued cards that weren't sought, the current and former employees said.

An AmEx spokesman said the company found a very small number of cases "inconsistent with our sales policies." "All of those instances were promptly and appropriately addressed with our customers, as necessary, and with our employees, including through disciplinary action," he said.

"We have rigorous, multilayered monitoring and independent risk-management processes in place, which we continuously review and enhance to ensure that all sales

Please turn to page A2

U.S. NEWS

THE OUTLOOK | By Kim Mackrael

Immigration Drives Canada’s Growth

Canada largely avoided the doldrums that afflicted other advanced economies last year amid a global slowdown. Immigration is a big reason why.

Economic growth over the long term generally has two sources: an expanding workforce and advances in productivity, or output per hour worked. When more people are employed, they produce more goods and provide more services, earn more and spend more, creating demand for more workers.

Canada owes its relatively solid pace of economic growth in recent years to gains in the labor force rather than productivity, which has stagnated.

Canada’s labor force grew 2% last year according to data from the Organization for Economic Cooperation and Development, faster than the U.S. and Japan, the only other two countries for which the organization had data available for 2019. Most of that was fueled by population growth, about 80% of which comes from immigration.

The growing head count, in turn, has supported growth in consumer spending and a rebound in home sales and prices that began during the second half of last year. That helped Canada overcome a sharp slowdown in trade, muted business investment and a cooling global economy last year.

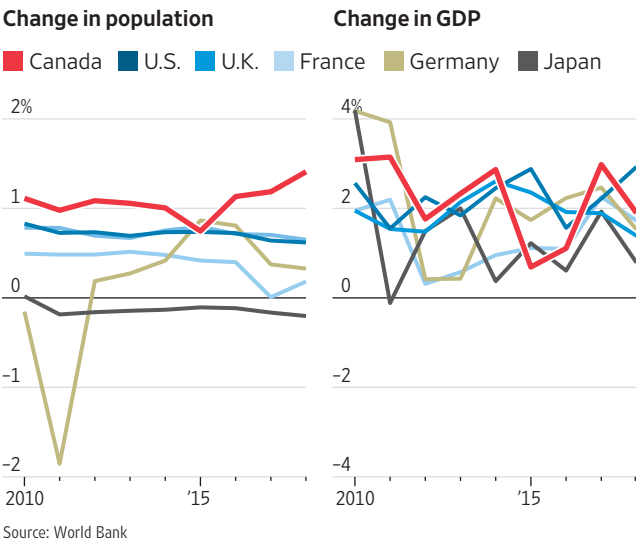
“Without the immigration

boom, the Canadian economy would be lost right now,” said David Rosenberg, chief economist at Toronto-based Rosenberg Research and Associates.

In any one year, economic growth is affected by many factors. The 2019 global slowdown largely resulted from trade tensions and China’s loss of momentum. The U.S. Federal Reserve and several other central banks responded with interest-rate cuts or other stimulus measures. The U.S. economy, which grew 2.3% last year, also benefited from the lingering effects of recent tax cuts and government spending increases.

Canada has enjoyed relatively high population growth—an annual average of around 1% since the early 2000s. It quickened after the Trudeau government bumped up immigration levels in 2016, reaching 1.4% in 2018, the fastest among the Group of Seven advanced economies, according to the World Bank. While full 2019 figures aren’t available, recent Canadian government estimates place the annual rate at 1.5% in the year ended in October.

Canada, with a population of 38 million, accepted about 340,000 new permanent residents in 2019, up from 270,000 in 2015. It also issued roughly 810,000 permits to international students and temporary workers in 2019, up from about 470,000 four years earlier.



Economists say that influx helped Canada’s economy expand 1.5% in 2019, the second-best pace in the G-7 after the U.S., according to International Monetary Fund estimates. The Trudeau administration’s higher level of immigration has provided stimulus that’s roughly comparable to an interest-rate cut of between a quarter percentage point and a half point, Bank of Nova Scotia economist Derek Holt said.

By contrast, economic growth was 0.5% in Germany and 1.2% in the euro area as a whole, according to the IMF, where waves of asylum seekers have hardened public attitudes on immigration.

Still, last year marked a loss of momentum amid the

global slowdown. From 2010 through 2018, Canada’s annual growth in gross domestic product averaged 2.2%, slightly below the U.S. and above the rest of the G-7, according to the World Bank.

The Bank of Canada has held its benchmark overnight interest rate since October 2018 at 1.75%, the highest among major advanced economies. Many analysts now see a rising likelihood of central bank interest rate cuts this year, including possibly by Canada, due to the coronavirus outbreak’s risk to global growth. The Bank of Canada’s next interest-rate announcement is due Wednesday.

One way population growth bolsters Canada’s economy is through its housing markets. Home prices are rising again in Toronto and

the surrounding area and have stabilized in Vancouver after mortgage rules aimed at limiting risky borrowing weighed on prices and sales in 2018 and early 2019.

“With more people living in the country, demand for housing has naturally increased,” said TD Bank chief economist Beata Caranci.

Economists say Canada benefits from a system that gives preference to immigrants with the ability to find and keep a job, based on criteria such as education, language skills and whether they have a job offer. About 60% of the immigrants to Canada are selected with this criteria, a figure that also includes those immigrants’ immediate family members. The rest come as refugees or to be reunited with family members already in Canada.

Among the recent arrivals in Canada is Albert Cuesta Reig, a Spaniard who came in 2016 to complete a master’s degree in business administration at the University of Toronto. After receiving a three-year work visa he launched an app-based travel services business—something he says wouldn’t have been possible in the U.S., where he had studied for a year on an exchange program.

In the U.S., “they have amazing schools, but then it’s hard to stick around and make use of the network you’ve built there,” he said.

ECONOMIC CALENDAR

Monday:

February manufacturing purchasing managers index data will be in the spotlight, with the **Caixin manufacturing PMI** for China expected to show an impact from the coronavirus epidemic. Measures of factory output in the eurozone and the U.S. are also due out Monday and will be closely scrutinized for comments on the supply-chain impact of the outbreak. Economists expect the U.S. factory sector remained narrowly in expansionary territory last month.

Wednesday:

Services PMI are on deck Wednesday, with data from the eurozone, the U.K. and the U.S. The Bank of Canada will also announce an interest-rate decision. The Canadian economy barely grew in the final three months of 2019 due to declines in exports and business investment, leading some economists to expect the central bank will cut interest rates—particularly given recent disruptions in global supply chains stemming from the coronavirus epidemic.

Thursday:

OPEC and its allies hold a two-day meeting in Vienna, which will be closely watched for any production cuts related to the coronavirus.

Friday:

The Labor Department releases the **February jobs report**. The payrolls report will offer insight into how the labor market fared in the second month of the year. Economists surveyed by The Wall Street Journal forecast the economy added 175,000 jobs in February and the unemployment rate ticked back down to a 50-year low of 3.5%. The Commerce Department will also release data on the **trade deficit** in January, which is seen narrowing to \$46 billion from \$48.88 billion in December.



Some American Express salespeople pressured business owners like Bryan Daughtry, shown at his Ohio shop, to increase card sign-ups.

AmEx Staff Misled Businesses

Continued from Page One

activities conform with our values, internal policies and regulatory requirements,” he said. “We carefully examine any issues raised through our various internal and external feedback channels and audits, and we do not tolerate any misconduct.”

Current and former employees said the dodgy sales tactics date to at least 2015, when AmEx was scrambling to retain Costco Wholesale Corp. small-business customers after the warehouse club ended a long-running partnership.

The deal’s demise was a blow to AmEx. Small businesses were particularly valuable. The warehouse club sells a lot of things they need, and AmEx was about to lose the stream of fees on all of those card purchases. Customers were also free to use their Costco-branded cards elsewhere, and they did. Those fees would go away, too.

So, AmEx launched an aggressive campaign. The push ushered in an era of escalating sales goals and hefty commissions that persists today.

AmEx is the largest business-card issuer in the U.S., according to the Nilson Report.

The task of retaining Costco customers initially fell to about a hundred AmEx salespeople in Phoenix. The “top client acquisitions” group employees were told that the Costco retention program—Project Lincoln—was a once-in-a-lifetime opportunity to make big money. Their task: dial up Costco business-card

holders and convince as many as possible to sign up for AmEx business cards.

AmEx managed to hang onto a big chunk of the Costco customers. Within six months of the push, some salespeople had earned commissions of \$50,000 to \$100,000, according to current and former employees.

Some salespeople took shortcuts to get there, current and former employees said.

Salespeople are required to call customers on their recorded desk lines, but some placed calls from personal cellphones, according to current and former employees. Senior managers sometimes closed sales on unrecorded desk lines.

There were red flags. Some 40% to 45% of cards being mailed out as part of Project Lincoln were being activated, according to a 2015 presentation by a senior employee in the division—well below the typical rate of at least 60%.

An executive at company headquarters in New York flagged the low activation rates, according to people familiar with the matter. Commissions were scaled back, and some salespeople were fired, the people said.

The Costco retention campaign ended in 2016, but the problematic sales practices didn’t, current and former employees said.

Salespeople sometimes told hesitant business owners they would send “welcome kits” in the mail. Instead, they used Social Security numbers and addresses gleaned from customer databases to submit applications on the business owners’ behalf. The “welcome kits” were simply the cards and their associated paperwork.

After Wells Fargo & Co. disclosed in September 2016 that branch employees had opened

fake accounts without customer consent, the Office of the Comptroller of the Currency asked AmEx and other banks it oversees to make sure employees weren’t doing the same thing. AmEx reviewed calls from desk phone lines of sales staff between 2014 and 2017 and found evidence of misleading behavior, according to people familiar with the matter.

Some customers were told their cards were being upgraded when they were being given new cards; others received more cards than they

Some 40% to 45% of cards mailed out were activated, well below a typical rate.

sought. Salespeople skipped over required disclosures and, in some cases, falsely told customers their credit wouldn’t be checked, the people said.

AmEx told the OCC it found few cases of inappropriate sales tactics, the people said.

The company reprimanded or fired a small number of employees and asked credit-reporting firms to remove inquiries from the reports of customers who didn’t consent to the checks, they said. AmEx asked customers who received cards they didn’t authorize if they wanted to keep them, the people said.

The review didn’t capture calls made from employees’ cellphones, nor did it catch those made by senior sales staff on unrecorded lines, people familiar with the matter said.

An AmEx spokesman said the company “found no evidence of a pattern of misleading

sales practices.”

Last year, the OCC listened to some AmEx sales calls and found evidence of misconduct, according to people familiar with the matter.

AmEx said the business-card sales teams were responsible for around 0.25% of 65 million new cards issued by the company world-wide between 2014 and 2019, or about 162,500 cards. “Less than 0.25% of the group’s sales activities have been identified by us as inconsistent with our sales policies,” a spokesman said.

As recently as last year, AmEx’s customer-service department fielded complaints from business owners who said they had received cards they didn’t sign up for, according to people familiar with the matter.

Some of those calls made their way to the company’s executive escalations department, some of the people said. Angry customers were often offered extra rewards points to drop their complaints, they said.

In the fall, an AmEx salesman convinced Glen Vitale to take out six business cards with an unusually generous offer. He said he was led to believe he would pay a single annual fee of \$295 for all the cards.

Mr. Vitale, an executive at an auto-parts manufacturer in Pompano Beach, Fla., began using one of the cards right away. The salesperson emailed to ask whether he would make a small purchase with the others to test their security chips.

Soon after, Mr. Vitale said he got six separate bills for \$295 each. The salesperson told him the rewards would more than cover the cost.

“I said, ‘I hope you’re right,’ and I went on with my business,” he said.

AmEx recently fired the salesman.

Trump Renews Push for Rate Cut

By NICK TIMIRAOS

President Trump said he is counting on the Federal Reserve to shoulder the government’s response to economic disruptions caused by the coronavirus, renewing the pressure campaign he has used against the central bank during previous bouts of market uncertainty.

After the stock markets’ worst week since the financial crisis, Fed Chairman Jerome Powell signaled in a statement Friday that the central bank is prepared to cut interest rates to cushion the U.S. economy against the effects of a potential public-health emergency and widening global slowdown.

“Good, it’s about time,” Mr. Trump said at a White House press conference Saturday, referring to the statement. He urged the Fed to reduce interest rates. “We need a Fed that’s going to be a leader.”

Mr. Trump said talk of an economic stimulus program from the White House or Congress, such as by cutting taxes for households and individuals, is premature.

“The big thing we are looking for is the Fed to do its job,” he said. “I don’t think the Democrats are going to approve any tax cuts.” The administration would unveil tax-cut proposals toward the end of this year, he said.

A Fed spokeswoman declined to comment.

Investors had pushed stocks to record highs previously, sloughing off concerns that

the coronavirus epidemic in China would drag the global economy into a prolonged slump. That changed last week, as cases spread in South Korea, Iran and Italy, raising the prospect that public-health officials would need to shift from containing the virus to mitigating its effects.

The S&P 500 suffered its fastest-ever 10% decline from an all-time high last week and the Dow Jones Industrial Average posted its worst week since the 2008 global financial crisis. Yields on the 10-year Treasury note and 30-year bond hit record lows, a sign of investors fleeing risky assets for havens and of expectations for lower U.S. growth.

As investors looked for reassurance, Mr. Powell reprised language he used when the central bank adopted an easing bias last June. “The coronavirus poses evolving risks to economic activity,” Mr. Powell said. “We will use our tools and act as appropriate to support the economy.”

Economists and investors now expect the Fed to cut rates at its next scheduled meeting, March 17-18, if not before then. The Fed’s benchmark rate has been in a range between 1.5% and 1.75% since October.

Mr. Trump has made the Fed a regular punching bag when the stock market declines or other potential portents of a recession appear.

He called on the Fed to cut rates or criticized its rate policy more than 80 times last year.

CORRECTIONS & AMPLIFICATIONS

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

THE WALL STREET JOURNAL

(USPS 664-880) (Eastern Edition ISSN 0099-9660)
(Central Edition ISSN 1092-0935) (Western Edition ISSN 0193-2241)

Editorial and publication headquarters: 1211 Avenue of the Americas, New York, N.Y. 10036

Published daily except Sundays and general legal holidays.
Periodicals postage paid at New York, N.Y., and other mailing offices.

Postmaster: Send address changes to The Wall Street Journal, 200 Burnett Rd., Chicopee, MA 01020.

All Advertising published in The Wall Street Journal is subject to the applicable rate card, copies of which are available from the Advertising Services Department, Dow Jones & Co. Inc., 1211 Avenue of the Americas, New York, N.Y. 10036. The Journal reserves the right not to accept an advertiser's order. Only publication of an advertisement shall constitute final acceptance of the advertiser's order.

Letters to the Editor: Fax: 212-416-2891; email: wsjltrs@wsj.com

Need assistance with your subscription?
By web: customercenter.wsj.com; By email: wsjsupport@wsj.com
By phone: 1-800-JOURNAL (1-800-568-7625)

Reprints & licensing:
By email: customreprints@dowjones.com
By phone: 1-800-843-0008

WSJ back issues and framed pages: wsjshop.com

Our newspapers are 100% sourced from sustainably certified mills.

GOT A TIP FOR US? SUBMIT IT AT WSJ.COM/TIPS

U.S. NEWS

Consumer Bureau Case Goes To High Court

By Brent Kendall
and Yuka Hayashi

WASHINGTON—A decade-long battle over the quasi-independence of a U.S. consumer-finance regulator lands at the Supreme Court this week, in a case that could have broad consequences for the structure of the federal government.

The court will hear oral arguments Tuesday on whether a Democratic-led Congress exceeded constitutional boundaries in 2010 when it created the Consumer Financial Protection Bureau. The CFPB, the brainchild of Democratic presidential candidate Elizabeth Warren, was designed to protect consumers from abusive financial-industry practices on products like mortgages, student loans and credit cards.

Lawmakers established the bureau as part of the Dodd-Frank financial law enacted after the 2007-08 financial crisis and said the bureau would be led by a single director, serving a five-year term, who could only be removed by the president for “inefficiency, neglect of duty, or malfeasance in office.”

“Congress was dealing with a substantial situation, a financial-market meltdown, a mortgage-market meltdown, and they put in place a lot of changes to try to prevent that from happening again,” said Richard Cordray, the CFPB’s first director.

Liberal-leaning judges have found that Congress acted comfortably within its powers in giving the agency some level of independence from political pressures. Some conservative judges have concluded the agency’s structure unacceptably weakens presidential authority and lodges an alarming amount of power in one unchecked individual. Those views could serve as a preview for the Supreme Court’s approach, where conservative justices hold a 5-to-4 majority.

“I will be surprised if there aren’t five votes to invalidate the CFPB’s current structure,” said University of Illinois law-school dean Vikram Amar.

The question, he said, may boil down to how far conservatives want to go in embracing the theory that almost everyone who exercises authority in the executive branch is answerable to the president.

Each of the court’s current conservatives has voiced concerns about giving too much power to government agencies, and the court’s newest member, Justice Brett Kavanaugh, is on record in saying the president must be able to fire the CFPB’s director at will.

The Trump administration, which has sought to roll back

The U.S. regulator’s quasi-independence is being challenged in the litigation.

Dodd-Frank, abandoned the legal position of the Obama administration and filed a brief agreeing with CFPB challengers that the current bureau structure isn’t legal. And because the government is no longer defending the bureau, the Supreme Court asked high-court lawyer Paul Clement, a noted conservative, to do so.

Mr. Clement called the challenge to the CFPB “remarkably weak,” because the debt-relief firm that brought it, Seila Law LLC, is contesting a CFPB subpoena that the Trump-appointed head of the bureau, Kathy Kraninger, is willing to enforce, even as she opposes the bureau’s structure.

Seila Law says it has a clear right to bring the case and it argued in court papers that the CFPB concentrates “substantial governmental power in a person answerable to no one.”

The Justice Department will argue alongside Seila. The Democratic-controlled House of Representatives will argue with Mr. Clement in support of the CFPB.

Detention Centers Face Resistance

Some local activists, lawmakers fight ICE efforts to put migrants in privately run facilities

By Alejandro Lazo

U.S. Immigration and Customs Enforcement is facing fights in communities around the country where activists and lawmakers want to block the federal agency from operating or expanding private detention centers.

Legislators in Maryland and Washington state are debating measures that would restrict private immigration detention. In California, locals blocked initial plans for the creation of two of three such detention centers that ICE pushed despite a new state law intended to prevent them.

The battles underscore how political leaders in left-leaning communities are looking for ways to resist Trump administration policies with which their constituents disagree.

ICE relied on private-prison companies to house 81% of the roughly 44,000 migrants it detained in 218 facilities as of January, according to a government-data analysis by the American Civil Liberties Union’s National Prison Project.

Lawmakers advocating for the bills banning or limiting these facilities argue they have poor records.

“Right now people are suffering and dying in ICE detention centers across the country,” said Maryland legislator Vaughn M. Stewart III, a Democrat who wrote that state’s bill.

ICE spokeswoman April Grant said efforts such as the ones in Maryland, Washington and California complicate the agency’s enforcement efforts.

“Policies and laws like this only result in detainees being housed at detention centers located further away from their families and communities,” Ms. Grant said. “ICE seeks straightforward cooperation with all local law enforcement and elected officials.”

The efforts to limit private detention come as the Trump administration has ratcheted up pressure on cities that declare themselves sanctuaries for immigrants without legal authorization. A federal appeals court last week said President Trump had the authority to withhold funds from states that resist helping with immigration enforcement.

On Feb. 10, Attorney General William Barr said law-enforcement officers are being “put in harm’s way by these ideologically driven policies,” and announced a series of lawsuits against local jurisdictions.

Sanctuary regulations traditionally limit cooperation between local law enforcement and federal immigration agents. The more recent movement to abolish private detention centers strikes at the other end of immigration enforcement—the ability to con-

Rollback of Car Emissions Rules Hits Roadblock

By Ben Foldy

Two federal agencies are struggling to finish new rules to roll back auto-emissions regulations, according to auto industry lobbyists and government officials with knowledge of the process.

The Environmental Protection Agency and Transportation Department are clashing over the underlying rationale for the new regulations, which are aimed at reducing requirements set under the Obama administration, these people say.

The new rule will set requirements for tailpipe emissions and fuel economy for vehicles built through mid-decade. Administration officials hope to complete the rule by April 1 but are likely to miss that target, the people say. The delays could further prolong uncertainty for the auto industry, which is trying to lock in plans now for new models due out in the coming years.

The rule requires the agencies to produce hundreds of pages of technical analysis, explaining its predicted impact on everything from the environment to highway safety and the U.S. labor market.

Some EPA staff have challenged the DOT’s analysis and don’t feel the agency has had adequate say in how the new regulations are being crafted, some of the people say.

The National Highway Traffic Safety Administration, the DOT’s primary agency on auto regulations, has been charged with taking the lead on the rule, according to a senior White House official. He defended the agency’s analysis.

This tension has left critical parts of the draft rule unfinished as the deadline nears, and a lack of input from the EPA could make the rule vulnerable to legal challenges down the line, Sen. Tom Carper (D., Del.) warned in a letter to the EPA’s inspector general.

Mr. Carper, a ranking Democrat on the Senate’s environ-

mental policy committee and an opponent of the rollback effort, called on the inspector general to open an investigation into whether the rule-making process is being conducted properly and transparently, according to the letter viewed by The Wall Street Journal but not yet made public.

NHTSA said in a statement that it is working closely with the EPA and expects the rule to be published soon. The EPA, in a statement, said it is focused on working with NHTSA to ensure the rule is completed.

The White House deferred comment to the EPA, NHTSA and the Office of Management and Budget, which is overseeing the final review. A spokesman from the budget and management office declined to comment, citing policy.

The interagency strife is the latest obstacle in the now yearslong push by the Trump administration to weaken environmental regulations for the U.S. auto industry set under the Obama administration and agreed to by most auto makers and California in 2012.

That effort began shortly after car companies asked President Trump to revisit the rules agreed to under President Obama, which called for a 5% annual greenhouse-gas reduction.

Within days of his taking office, auto executives met with Mr. Trump, arguing the current requirements were out of sync with what many customers were buying, namely bigger, less fuel-efficient trucks and SUVs. But the effort has stretched on for nearly three years and divided the auto industry over how to respond with some car companies advocating for stricter mandates than proposed by the administration.

In August 2018, the Trump administration proposed freezing the current regulations altogether at 2019 levels. His administration has since settled on a less-drastic cut, mandat-



The Trump administration wants to weaken environmental regulations for the U.S. auto industry agreed to by most auto makers and California in 2012. Above, traffic in San Francisco last month.

Auto Makers Set Contingency Plans

Car executives say uncertainty about emissions rules has left them in limbo, not knowing if they should engineer cars for the stricter Obama-era rules, the easier standards favored by the Trump administration, or somewhere in between.

The auto makers fear the prospect of having to develop separate versions of the same model for different parts of the country. California has a waiver under the Clean Air Act to set its own auto-emissions requirements separate from the federal mandates, and those rules are followed by 12 other states.

“You can’t do business that way. It’s just ludicrous,” said

ing car companies reduce greenhouse-gas emissions by 1.5% each year, people close to the process have told the Journal.

Steve Center, head of U.S. sales at Honda Motor Co.

Absent clarity, many auto makers are trying to put in contingency plans for different scenarios, said Brett Smith, director of technology at the Center for Automotive Research in Ann Arbor, Mich. “If you aren’t ready, you’re going to be in a lot of trouble,” he said.

Last summer, Ford Motor Co., Honda, Volkswagen AG and BMW AG agreed with California to meet 3.5% annual targets in reducing emissions in hopes of striking an industry-driven compromise. The move angered the White House. The Justice Department opened an anti-trust investigation into the four auto makers, which has since been dropped, and Trump administration officials accelerated efforts to revoke California’s

White House officials have argued the rollback would save lives by reducing prices for new cars with more safety features. But the auto industry

ability to set the standards.

In October, General Motors Co., Toyota Motor Corp., Fiat Chrysler Automobiles NV and other auto makers sided with the Trump administration in a lawsuit over California’s mandates arguing the federal government alone should set emissions regulations.

Those auto makers and others that haven’t sided with California met with officials from the Environmental Protection Agency, National Highway Traffic Safety Administration and Office of Management and Budget to discuss it last month. Industry executives at the meeting stressed their desire for a robust rule that will provide certainty for their new-model planning moving forward, according to two people briefed on the meeting.

worried it was too drastic and would be struck down in court.

—Mike Colias contributed to this article.

U.S. NEWS

Biden Seeks to Build on Big Win

Former vice president looks to become main alternative to Sanders before Super Tuesday

By Ken Thomas
And John McCormick

NORFOLK, Va.—Joe Biden pushed to leverage his massive victory in this weekend’s South Carolina primary ahead of a wave of coast-to-coast primaries, as one of his biggest competitors for moderate Democratic voters exited from the race.

The former vice president sought to become the main alternative to front-runner Vermont Sen. Bernie Sanders as former South Bend, Ind., Mayor Pete Buttigieg, a 38-year-old gay military veteran, announced he was dropping out of the campaign after a poor showing in South Carolina.

Mr. Biden’s landslide outcome in South Carolina gave him a much-needed boost and left several candidates, including Mr. Buttigieg and Minnesota Sen. Amy Klobuchar, struggling to find rationales to continue their candidacies. Billionaire Tom Steyer departed the race late Saturday, after spending more than \$250 million of his fortune on his bid.

The narrowing field also presents Democrats with choices between a nominee who would move toward a more expansive role for the federal government, which has been pushed by Mr. Sanders and Massachusetts Sen. Elizabeth Warren, or a centrist who would seek to build upon the agenda of former President Obama, which has been promoted by Mr. Biden.

Mr. Biden won South Carolina with a commanding support of African-American voters. Campaigning in Virginia on Sunday night, Mr. Biden pointed to his ability to attract an array of voters and told supporters that the “moment to choose the path forward for our party has arrived.”

“The decision Democrats are going to make across America in the next few days will determine what our party stands for, what



Former Vice President Joe Biden took a selfie with supporters at his election-night victory party at the University of South Carolina.

we believe in and what we can get done,” Mr. Biden said.

Mr. Obama, who hasn’t yet issued an endorsement in the race, called Mr. Biden to congratulate him after his victory in South Carolina, according to people familiar with the conversation.

The shifting Democratic landscape came ahead of a pivotal series of contests on Tuesday, including primaries in California, Texas and North Carolina, offering the winnowing field of candidates their largest batch of delegates to date.

Recent polling has shown Mr. Sanders with a comfortable lead in California and his aides are hoping a clear victory in the delegate-rich state will help cement his status as front-runner and push back the challenge presented by Mr. Biden and his other opponents.

“The candidate who wins here in California will likely be the Democratic nominee,” Mr. Sanders said during a rally in

San Jose, Calif., before being cut off by chants of “Bernie.” “So today I am here to ask respectfully for your support on Tuesday. And I’m here to ask you to help us change the political culture in America.”

While Mr. Sanders and Mr. Biden took aim at one another, others were fighting on, sustained by online fundraising and the possibility that no candidate would win enough delegates. That outcome could force the Democratic Party to deal with the rarity of a contested convention and the division it could trigger.

Former New York Mayor Michael Bloomberg, meanwhile, is seeking to slow both Mr. Sanders and Mr. Biden in the Super Tuesday states and beyond.

The Democratic field this week will compete directly for the first time with Mr. Bloomberg on a ballot. He skipped the first four nominating contests and focused on his advertising, travel and campaign

infrastructure in states hosting March primaries.

He has spent more than half a billion dollars on advertising alone and is more organized in the March states than his competitors, with the possible exception of Mr. Sanders.

Some in the party worry that Mr. Bloomberg’s presence in the race will help Mr. Sanders, who has benefited from a field crowded with more-moderate candidates who have divvied up the support of voters seeking a more centrist alternative.

Earlier Sunday, Mr. Biden, Mr. Bloomberg and several other candidates were in Selma, Ala., for events marking the 55th anniversary of “Bloody Sunday,” a defining moment in the civil-rights struggle. Toward the end of Mr. Bloomberg’s speech at a church, fewer than a dozen people stood up and turned their backs toward him in a sign of protest.

The administration of Mr. Bloomberg, a billionaire who

served three terms as New York City’s mayor, greatly expanded a policing program known as stop-and-frisk that disproportionately affected African-American and Hispanic residents and was ultimately ruled unconstitutional. Mr. Bloomberg, who continued with his speech and didn’t address the protesters, has apologized repeatedly for the program.

Mr. Biden, who wasn’t inside during Mr. Bloomberg’s speech, received a warmer reception. He later sat near Stacey Abrams, the 2018 Georgia gubernatorial nominee who has been floated as a potential vice-presidential candidate.

The Rev. Al Sharpton, who was speaking at the time, acknowledged, “our vice president. I’m talking about Stacey, not you, Joe.” The line brought a smile to Mr. Biden’s face as the audience applauded.

—Eliza Collins
and Joshua Jamerson
contributed to this article.

Bloomberg Offers Contrasting Style

By Tarini Parti

BENTONVILLE, Ark.—Kicking off a get-out-the-vote rally in the hometown of the country’s largest retailer, Michael Bloomberg had praise for “one of the most remarkable businesses in America.”

He wasn’t talking about Walmart, but the local Three Dog Bakery, known for its canine cakes and gourmet dog pastries.

“You know, I’ve been to a lot of places, but I think this is the first time I’ve been around the corner from a bakery for dogs,” he said. “We have two Labradors at home—one is a Labrador, and one is a questionable Labrador,” he added, drawing polite laughter from attendees.

The billionaire Americans have seen in television ads is traveling around the country in the final sprint before Super Tuesday, but he is showing no interest in the glad-handing, baby-kissing charm of a retail politician. Mr. Bloomberg’s humor is corny, often about a local business, sports team or highway in need of repair. If he uses a joke that he repeats in speeches, he tells the crowd so.



The former mayor is showing no interest in the glad-handing charm of a retail politician.

risma, and he is fine with that.

“I’m not a blowhard,” he said in an interview, interrupting a question to point out that his lack of charm and oratory skills isn’t new. “People in New York would tell you that, but they sure would tell you they were glad I was there, I think that’s fair.”

His style is a contrast to former Vice President Joe Biden, who is hoping his big win in South Carolina will help him keep Mr. Bloomberg from winning over moderate and black voters. Mr. Biden spends a lot of time connecting with voters at his events. Mr. Bloomberg is betting that voters don’t want a charming candidate so much as “a competent leader at the front,” especially as the coronavirus reaches the U.S.

His campaign spent \$1.5 million for three minutes of airtime on two networks Sunday to address the virus.

After a disastrous first debate performance and a mediocre second one, Mr. Bloomberg is also stressing that he isn’t a “typical politician.”

“I don’t make pie in the sky promises. We don’t talk until the cows come home,” he has said in recent speeches, adding the nation is electing a commander-in-chief, not “college debater-in-chief.”

Many supporters said in interviews they know they aren’t going to get rousing speeches or a personal connection.

“When I see him, I see business. I see, boom, here’s the problem, here’s the solution,” said Kristopher Green, 41, who attended a Bloomberg event in Houston. “Here it is, and let’s get it done.”

Others said it could be hard for him to reach voters who want more than a manager.

Patrice Chandler, 65, a retiree from Memphis who attended one of his events and voted early for Mr. Bloomberg, said she believed the billionaire could make small changes to expand his support. “He needs to add a bit of a personal touch—maybe a little smile,” she said.



Pete Buttigieg appeared before supporters in Iowa on Feb. 2, a day before the state’s caucuses.

Buttigieg Quits Race After Weak South Carolina Showing

By John McCormick

Pete Buttigieg announced his exit from the Democratic presidential race, ending an improbable and historic rise from youthful gay mayor of an Indiana city of about 100,000 people to serious nomination contender.

Speaking in his hometown and the city he governed, Mr. Buttigieg told campaign workers and supporters in South Bend on Sunday evening that he would step aside to “help bring our party and our country together.”

He didn’t endorse another candidate, though he will almost certainly face pressure to do so ahead of a coast-to-coast wave of primaries in 14 states on Tuesday that could be decisive in the nomination race.

“Today is a moment of truth,” Mr. Buttigieg said. “After a year of going everywhere, meeting everyone, defying every expectation, seeking every vote, the truth is that path has narrowed to a close for our candidacy, if not for our cause.”

Mr. Buttigieg said he viewed it as his responsibility to consider the effect of remaining in the race any longer. He didn’t elaborate, but he was one of a

group of candidates splitting the support of moderate Democratic voters, which some in the party feel is benefiting more liberal Sen. Bernie Sanders.

“I will no longer seek to be the 2020 Democratic nominee for president, but I will do everything in my power to ensure that we have a new Democratic president come January,” he said. He was at times interrupted by chants of “2024,” a nod from his supporters to his

The ex-mayor, 38, struggled to get the backing of African-American voters.

potential future in national politics.

Mr. Buttigieg, 38 years old, proved to be a prodigious fundraiser and rose to be a serious contender for the Democratic nomination.

But he struggled to assemble a diverse coalition of voters beyond the white, well-educated ones who were most strongly drawn to him. His exit

comes after a poor showing in South Carolina’s primary over the weekend.

The former mayor, who received support from just 3% of South Carolina’s black voters and finished fourth overall there, appeared Sunday morning with Jimmy Carter in Georgia. The former president expressed a fondness for his visitor, as well as some uncertainty about Mr. Buttigieg’s status in the race.

The news of his exit comes after he walked across the historic Edmund Pettus Bridge on Sunday in Selma, Ala., with other presidential candidates. His husband, Chasten, was also there for the march.

Mr. Buttigieg, the first openly gay person to win delegates in a presidential contest, built his campaign around a call for generational change and a stated willingness to work across the political aisle. His candidacy was also a bet that Democratic voters would reject the much-expanded government role in health care and other sectors proposed by rivals such as Sens. Elizabeth Warren and Mr. Sanders.

—Tarini Parti
and Ken Thomas
contributed to this article.

Themes of Election On Display At Event

By Alex Leary

OXON HILL, Md.—The impeachment of President Trump motivated her to fly up from Texas, but after a half day at the Conservative Political Action Conference, Cathie Broten was convinced a more sinister force is in play.

“It’s like Custer’s Last Stand: the Republicans vs. the socialists,” said Ms. Broten, 70 years old, wearing a pin reading, “Kiss me, I’m a capitalist.”

Mr. Trump, greeted by wild applause as he took the CPAC stage on Saturday afternoon, sought to portray Democrats as seeking policies that would turn the U.S. into a “large-scale Venezuela.”

“But we will never let them do that,” he said. Mr. Trump trash-talked the Democratic presidential candidates, at one point ducking down to mock Michael Bloomberg’s height.

He acknowledged the rise of Sen. Bernie Sanders, the self-described democratic socialist, in the fight for the party’s nomination. He asked the crowd to cheer to indicate which candidate he should face in November, Mr. Sanders or former Vice President Joe Biden.

By the cheers, the crowd

The CPAC crowd seemed itching for a showdown: America vs. Socialism.

seemed itching for the ideological showdown that was the theme of CPAC: America vs. Socialism. “We’ll probably end up with Crazy Bernie,” Mr. Trump said.

The event’s theme shows how Republicans plan to frame the November election, with or without Mr. Sanders as the nominee. Repeatedly, speakers portrayed the Democrats’ agenda on health care, the environment, college tuition and other issues as an attempt to radically transform America.

“Donald Trump and his allies are getting a little bit nervous about facing Sen. Sanders in a general election, and they’re all quickly realizing that the only way to attack someone who spent his entire life standing with the working class is to lie,” said Sanders campaign spokesman Mike Casca.

Amid the “crazy Bernie” and communist Cuba references at CPAC were warnings about being overconfident.

“Get your laughs out of the way and get the mockery out of the way and then get deathly serious,” said the young conservative activist Charlie Kirk. “Because we should not do what the left did in 2016 and dismiss an outsider populist candidate from thinking that person can’t win the White House.”

When Mr. Trump spoke at CPAC in 2011, saying he might run for president the following year, many in the Republican establishment laughed it off. He skipped it in 2016.

This year showed how Mr. Trump commands the GOP, injecting his own sense of grievance and fight. The mere mention of Mitt Romney, the party’s 2012 nominee who voted this month in the Senate to convict Mr. Trump on one article of impeachment, brought boos.

Before noon on Thursday, attendees had sat through four panels focused on “the coup,” with speakers dismissing the impeachment and other investigations into Mr. Trump as the work of Democrats and a bureaucratic deep state.

“They’re never going to stop,” said Rep. Jim Jordan of Ohio. “They tried to overturn the will of 63 million Americans—all of us who voted for President Trump.”

Democrats hit back at claims like Mr. Jordan’s, calling it “the oldest trick in the GOP playbook.”

“Republicans are trying to distract because they know they can’t win on the issues. In 2017, 2018 and 2019 Democrats won on a message of expanding access to health care,” said Daniel Wessel, a Democratic National Committee spokesman.

10 Ways to Generate Income in Retirement

If You Are Approaching Retirement or Already Retired,
Call 1-866-266-1390 for Your FREE Guide!

Making the Switch from Saving to Spending

Deciding how to generate income in retirement is one of the most stressful, complicated and confusing aspects of retirement life. Even if you have accumulated a large nest egg, making the wrong income moves could put your entire retirement at risk. That’s why we urge you to call for your free copy of *The Definitive Guide to Retirement Income*.

With This Free Guide You’ll Learn Ways to:

Set your retirement goals—from spending every cent to leaving a legacy

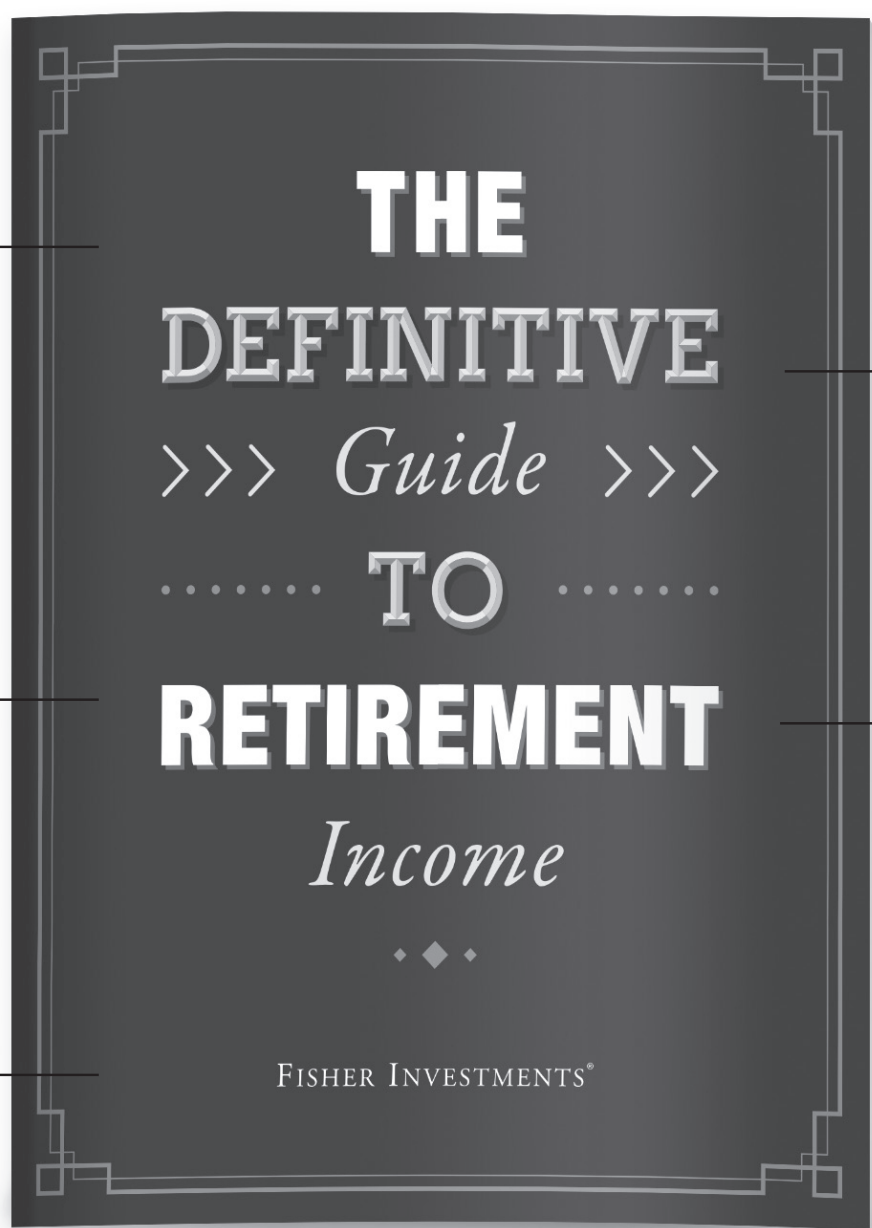
Get an estimate for how long you are likely to live so you can plan your income needs over your retirement years

Generate “homegrown dividends” to save on taxes

Estimate your retirement costs with the included worksheet, factoring in inflation and longevity expectations

Balance Social Security, pensions, retirement savings, real estate and other assets to create a dependable income stream

And many more suggestions and ideas to help you avoid running out of money in retirement!



Our Free Guide Can Help

Written specifically for those with \$500,000 or more in investable assets, what you learn might surprise you and give you peace of mind.

About Fisher Investments

Fisher Investments is a respected money management firm serving over 69,000 successful individuals as well as large institutional investors.* We have been managing portfolios through bull and bear markets for nearly 40 years. Fisher Investments and its subsidiaries use proprietary research to manage over \$121 billion in client assets.*

99 Tips to Make Your Retirement More Comfortable

While it’s easy to imagine retirement as a time of relaxation, enjoyment and fun, the fact of the matter is that a successful retirement doesn’t just happen. It takes thought, planning and action. To help you get ready for retirement or make your retirement even better, we’ve assembled 99 retirement tips. Importantly, we’ve gleaned these tips from our clients, people who have or are successfully navigating the transition from work to retirement.



If your portfolio is \$500k or more, call now for your FREE guide!
Toll-free 1-866-266-1390

U.S. NEWS

Result Shows Black Voters Still Elusive for Sanders

By JOSHUA JAMERSON
AND ELIZA COLLINS

NORTH CHARLESTON, S.C.—Terry Alexander says that four years ago, many black Democrats here had never heard of Bernie Sanders.

Mr. Alexander, a state lawmaker, said the Vermont senator told him at the time that he faced an uphill battle against Hillary Clinton in South Carolina’s primary, the first in the Democratic nominating calendar where the electorate is majority black. “It was very obvious,” Mr. Alexander recalled in a recent interview. “And no one knew him down here.”

In the days leading up to South Carolina’s 2020 primary Saturday, Mr. Sanders and his team were confident this time would be different. His name recognition was higher, he had

more staff on the ground, and the race lacked a stable front-runner, with former Vice President Joe Biden struggling in the first two contests.

But Mr. Sanders lost again here—badly—serving a blow to a candidate who was on the rise and rekindling notions that he will again be unable to pull a large chunk of black voters, a core Democratic constituency, into what he calls his political revolution.

Mr. Sanders’s nearly 30-point differential with Mr. Biden was closer than in 2016, when Mr. Sanders lost by 48 points to Mrs. Clinton. He lost black voters by 45 points, according to exit polls.

This cycle, the Sanders campaign believed he would narrow the margin in South Carolina. But after Mr. Sanders’s strong performances in Iowa

and New Hampshire, the campaign saw a path to victory in the state.

Mr. Sanders told reporters in mid-February that he had a shot at winning here. That day, a Wall Street Journal/NBC News poll found Mr. Biden—who had long led the field among black Democrats—had lost a substantial chunk of that support and was running about even with Mr. Sanders nationally. Entrance polls in the Nevada caucuses showed Mr. Sanders only about 10 points behind Mr. Biden with black voters there.

Interviews with Sanders surrogates, aides and advisers, and black Democrats in South Carolina suggest the senator made more of an effort to win the state in 2020 than in 2016. Former Ohio state Sen. Nina Turner, co-chair of Mr. Sanders’s campaign, said the sena-

tor started visiting even before he announced he was running for president.

Mr. Sanders employed roughly 70 staffers throughout the state for the 2020 cycle—double his on-the-ground presence in 2016. State director Michael Wukela described this year’s staff as “significantly more diverse, significantly more from South Carolina” than the staff Mr. Sanders put here in 2016.

At one field office Wednesday in North Charleston, Victoria Felder, a regional field director, said she saw a sharp increase in volunteers after his showings in Iowa, New Hampshire and Nevada. “It’s crazy,” she said. “This wasn’t what was going on just two months ago.”

Sharnice Williams, a 25-year-old nurse from North Charleston, was raking leaves

in her yard a few days before the Saturday primary when a Sanders volunteer approached her and went through the bullet points on Mr. Sanders’s plan to cancel all student-loan debt.

“I am going to go out there and support Mr. Sanders,” Ms. Williams said emphatically.

Still, some black voters said they didn’t back Mr. Sanders because they were looking for a candidate who would provide stability, rather than a revolution. Others worried he was too liberal to win a general election against President Trump. Mr. Biden also has gotten support because of his service alongside President Obama.

When he held campaign events throughout the state the week before the primary, Mr. Sanders drew mostly white crowds. Interviews with black voters at Sanders events in the

two days leading up to the primary found that some were considering backing him but were looking at other candidates, particularly Mr. Biden.

Most of Mr. Sanders’s black supporters interviewed by the Journal hadn’t heard from the Sanders campaign other than receiving emails they had subscribed to. They showed up at his events because they heard about them on the news or through work.

Fred Brisbane, who is from North Charleston and works in mortuary transportation, said he would vote for Mr. Biden.

“I like the organization,” Mr. Brisbane, 69, said as he walked into his polling place. He said he respected Ms. Turner and liked that Mr. Sanders had earned her support. “But I think he’s a little too, I guess you could say, liberal for me.”

Business
Frets Over
Sanders

Continued from Page One

be a close to apoplectic reaction” in the health-care sector, said Chet Burrell, former chief executive of CareFirst BlueCross BlueShield, which offers coverage in Maryland and the Washington, D.C., area. “There would be an intense effort to intercede...and shape what would happen.”

In energy, Mr. Sanders seeks to shut down the extraction of oil and gas, in particular by banning hydraulic fracturing, or “fracking,” of shale deposits, to deal with climate change.

“The shale revolution has created many, many jobs in the last decade,” said J. Nelson Wood, chief executive of Wood Energy Inc., a small oil and gas producer in Illinois, that employs 25 people and operates 200 wells. “That effectively ends if his policies are implemented.”

Mr. Sanders and his supporters argue policies under past presidents of both parties have disproportionately benefited the wealthy and corporations while ordinary workers’ wages stagnated. They say his policies would address essential needs such as health insurance and climate change. They say jobs lost would be more than offset by jobs gained elsewhere.

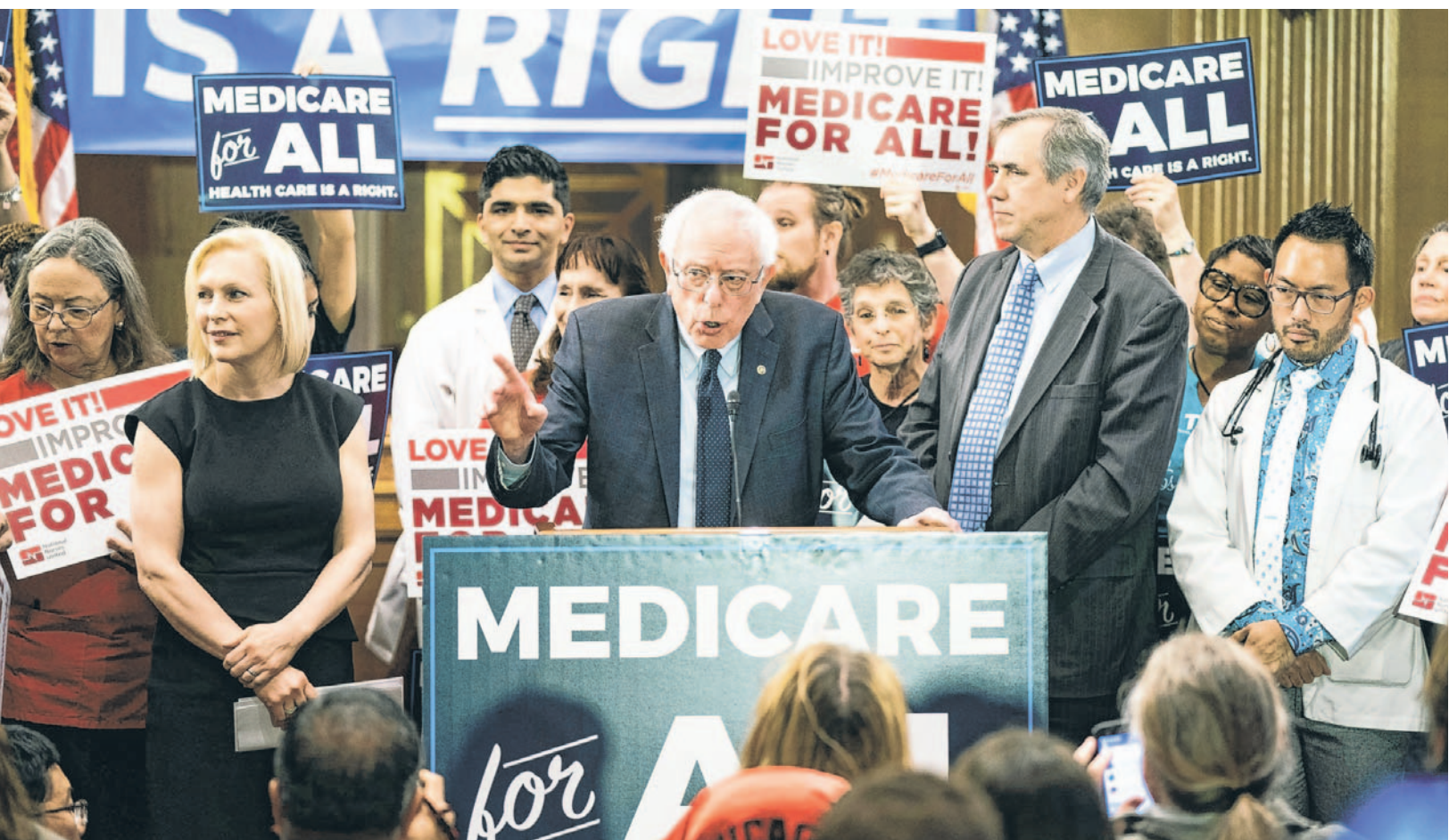
They also play down the socialist label. Mr. Sanders has said he doesn’t want the government to take over the means of production, the textbook definition of socialism. “What democratic socialism is about is saying, ‘Let’s use the federal government to protect the interests of working families,’” he said on “60 Minutes.”

“If you’re a modern day robber baron, then the policies of a Bernie Sanders administration will not be to your liking,” said Josh Orton, Mr. Sanders’s policy director, in an interview. “If you are a small or medium-size business that desperately needs infrastructure, [such as] high-speed internet access to prosper in rural areas, or a manufacturing company or worker sick of free-trade agreements that have offshored production, then you will like the agenda of a Bernie Sanders administration.”

Mr. Sanders places himself in the tradition of previous Democratic presidents like Franklin Delano Roosevelt—whose policies, Mr. Sanders has noted, were often labeled socialism. Mr. Roosevelt eschewed the socialist label even as he created a social safety net and enacted sweeping curbs on business. While running for re-election in 1936, he claimed, “The old enemies of peace: business and financial monopoly, speculation, reckless banking, class antagonism, sectionalism, war profiteering...are unanimous in their hate for me—and I welcome their hatred.”

Today, critics on the right predict Mr. Sanders’s policies would be catastrophic for the economy. Casey Mulligan, an economist at the University of Chicago who served in Mr. Trump’s White House, predicted Mr. Sanders’s policies would significantly shrink gross domestic product by discouraging work and investment with higher taxes and by replacing private ownership in some industries with less efficient public ownership.

Left-of-center economists dismiss those estimates as unfounded. Gabriel Zucman, an economist at the University of



Sen. Bernie Sanders introduced the Medicare for All Act in April. Some business leaders say that if he were elected, he could not or would not implement his boldest ideas.

California at Berkeley who has advised Mr. Sanders and Sen. Elizabeth Warren, another presidential candidate, on tax policy, noted in Scandinavia, which has an economic system closest to what Mr. Sanders seeks, average income per adult and average wealth per adult are about the same as in the U.S. He said broadening access to education and health care historically has helped growth, and he said Medicare for All would significantly boost household purchasing power by eliminating insurance premiums.

Only once has Mr. Sanders ever actually held the reins of government, as mayor of Burlington, Vt., from 1981 to 1989. “Bernie understood that you need business making a profit in order to do the social, environmental and cultural good that he espouses,” said Tom Torti, current president of the Lake Champlain Regional Chamber of Commerce, who has known Mr. Sanders since then and is neutral in the current race.

At the time, a private businessman wanted to redevelop the waterfront. Mr. Sanders intervened to favor a different plan that resulted in below-market rate boat slips for local residents, public access and a community sailing center, Mr. Torti said. It is now “a profitable development,” he said. “People make money. It’s capitalism working with a social conscience.”

Nowadays, Mr. Sanders seldom utters the word capitalism without modifiers like “unfettered,” “out of control” and “casino.” By contrast, Ms. Warren, who advocates many of the same policies, such as Medicare for All, calls herself a “capitalist to my bones.”

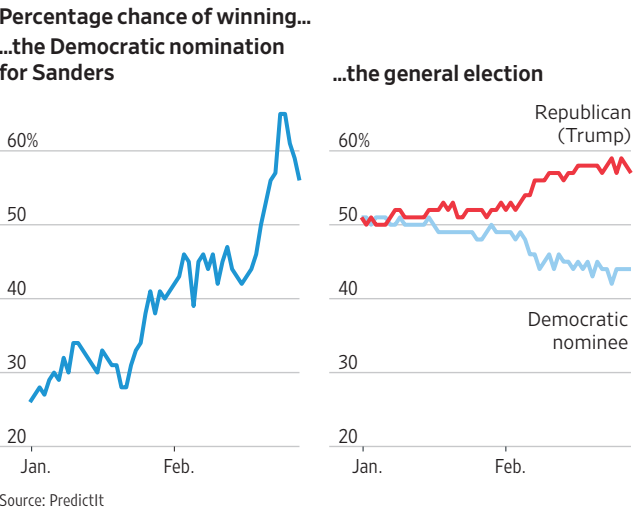
Yet business and investors have been less exercised about Mr. Sanders’s rise to front-runner than when Ms. Warren briefly reached the same position last fall.

Sarah Bianchi, a policy analyst at broker Evercore ISI, said one reason is that they thought Ms. Warren could beat Mr. Trump, but that Mr. Sanders couldn’t. Prediction markets show that as the probability of Mr. Sanders winning the nomination rose clearly above 50% this year, so did the probability of Mr. Trump being re-elected.

Another reason, Ms. Bianchi said, is that Ms. Warren’s affinity for the minutiae of policy suggests she would be more de-

Weighing the Candidates

As the probability that Bernie Sanders will secure the Democratic nomination has risen, so has the probability Donald Trump will win re-election, according to Predictit’s betting market.



termined and effective at implementing her ideas.

By contrast, Mr. Sanders has been criticized for his lack of detail, in particular how he will pay for his programs. Cornerstone Macro, an investment research firm, estimates Mr. Sanders’s promises would cost \$67 trillion over the coming decade, but his tax increases would raise less than half that.

Mr. Sanders told “60 Minutes” he didn’t have a price tag for all of his proposals but said “we have options out there” to finance Medicare for All. These include income-based premiums on individuals and employers that, his campaign said, would be lower than what most now pay in premiums.

Mr. Sanders has proposed sharply cutting drug costs, which he says are inflated by pharmaceutical companies, to what other wealthy countries pay. He would allow Medicare to negotiate drug prices and allow importation of drugs from other countries, and set prices according to an index based on international rates.

Ian Spatz, a health-care consultant, said the moves would hurt the development of new medicines. “When push comes to shove, do members of Congress want to kill the goose that lays the golden pharmaceutical eggs,” he said.

Even without passing Medicare for All, Mr. Sanders could crimp health insurers’ growth or margins through regulatory actions—for instance, tweaking the rules on how they manage

the private version of Medicare plans, a key business for the industry.

In energy, Mr. Sanders would withhold federal permits for any fossil-fuel infrastructure such as pipelines. He would also require electricity and transportation to be entirely based on renewable energy by 2030. Yet the necessary technology, such as for electric cars that are affordable for most consumers and profitable for manufacturers, doesn’t yet exist.

“Nothing he does and says will make cars and trucks move without gasoline,” said Chris

For most businesses, contingency planning boils down to one word: Congress.

Wright, chief executive of Liberty Oilfield Services, which operates fracking equipment. “All he can do is harm domestic production, drive up prices, and turn us from an exporter to importer.”

Mr. Sanders’s campaign proposes “massive investments in research and development” to “drastically reduce” the cost of energy storage and electric vehicles.

Kevin Book, research director at ClearView Energy Partners, an energy research firm, said a ban on private fracking wouldn’t pass Congress so long as the

Senate requires 60 votes for major legislation, and Trump-appointed judges would likely curb overly expansive regulatory action.

Mr. Book said that, much as Mr. Trump declared a national emergency on the southern border to justify redirecting federal funds to build a wall, Mr. Sanders could use his proposed designation of climate change as a national emergency to ban fossil fuel exports and shut down offshore drilling.

Mr. Orton of the Sanders campaign said that because scientists say the world has a tight window to take action before climate change does irreparable damage, “We are not going to let the fossil-fuel industry complain that we’re not going to compromise. They were uncompromising in their greed for the 40 years that they spent causing this crisis.”

Some of the fiercest opposition to Mr. Sanders comes from Wall Street. In an op-ed in Time Magazine, JPMorgan Chase & Co. Chief Executive James Dimon said socialism would be “a disaster for our country.” Former Goldman Sachs Group Inc. chief executive Lloyd Blankfein, a lifelong Democrat, told the Financial Times “I might find it harder to vote for Bernie than for Trump.”

Mr. Sanders, who advocates the Depression-era separation of banks and securities dealers and a tax on financial transactions, has revealed in their criticism. He has shot back at Mr. Blankfein on Twitter with barbs about his pay. One of his ads called Mr. Dimon “the biggest corporate socialist” in the country, citing the financial-crisis era bank bailouts and fines. JPMorgan has said it didn’t need a bailout in 2008 and accepted one only at the urging of the Treasury, and quickly repaid it.

Yet some on Wall Street don’t consider Mr. Sanders much more risky than other Democratic candidates, all of whom, including Mr. Bloomberg, have promised to tax or regulate finance more. “No one is freaking out,” said one banker. “It will be tougher under a Democratic president, but it can be tougher in a 100 different ways.” Most presidents, he said, have only enough political capital to accomplish one or two big things in their first term, and Mr. Sanders is likely to spend his on health care rather than banking, which has attracted lit-

tle attention in the campaign.

Compared to energy and health care, Mr. Sanders’s ideas for remaking corporate governance have drawn less attention but are potentially more sweeping. He proposes that employees own at least 20% of large or public companies’ shares and elect 45% of their directors. Companies that lay off employees because of foreign outsourcing or automation would have to issue them shares as compensation. Companies with larger gaps between executive and worker pay would pay higher tax rates. A new federal charter, mandatory for large and public companies, would require boards to consider the interests not just of shareholders, but of workers, customers and communities. Companies could be required to include women and minorities on boards.

Steven Fazzari, an economist at Washington University in St. Louis, said increased stock ownership by middle- and lower-income Americans could help offset rising income and wealth inequality, while rules “that would push big business to improve diversity could be helpful in addressing multiple dimensions of inequality over time.”

Corporate governance experts said the plans would create internal governance problems. Employees wouldn’t be independent directors, so conflict-of-interest rules would prevent them from serving on committees overseeing audits, board nominations and executive compensation, “which is where the critical work of the company gets done,” said Amy Borrus, deputy director of the Council of Institutional Investors.

Issuing 20% of shares to employees would, by diluting existing shareholders’ returns, make a company’s stock less attractive, encouraging it to issue more debt, said Nicholas Bloom, an economist at Stanford University. That would make it more leveraged and vulnerable to bankruptcy, he said.

And shareholders would likely sue to contest the expropriation of ownership and control from existing shareholders to employees, said B. Espen Eckbo, a finance professor who founded Dartmouth College’s corporate-governance research center.

—David Benoit, Christopher M. Matthews, Anna Wilde Mathews and Theo Francis contributed to this article.

U.S. NEWS

Maine Voters Weigh Override Of Vaccine Law

By JON KAMP

Maine residents heading to the polls on Super Tuesday will decide whether to override a new law that eliminates non-medical vaccine exemptions for school children.

Supporters of the law say limiting the ways in which people can opt out of vaccines will help keep preventable diseases like measles at bay by curbing a growing rate of unvaccinated children.

Democratic Gov. Janet Mills is urging voters to keep the new law, citing outbreaks of whooping cough in some schools. It would go into effect in 2021 and also limit vaccine exemptions for health-care workers, nursery-school teachers and college students.

Opponents say the vaccine rules infringe on parents' rights and wouldn't improve public health, while framing the debate as a rejection of big drug companies. They raised enough signatures last year to put a referendum on the ballot. Maine is also hosting a presidential primary vote Tuesday.

"If the goal is truly public health, that's best maintained through voluntary participation and education," said Cara Sacks, campaign manager for the effort to overturn the state vaccine law.

Vaccination is the most effective and easiest way to prevent infectious-disease outbreaks, say physicians and public-health officials. Roughly 95% of a population needs to be vaccinated against a disease to prevent it from spreading, according to the World Health Organization.

The most recent state data shows the vaccination-exemption rate among Maine kindergartners reached 6.2% for the 2018-19 school year, the highest level in 10 years of tracking

data. The majority of exemptions were for religious and philosophical reasons, not medical reasons.

Should the law go into effect next year, Maine would join a handful of states that have recently limited immunization exemptions. New York eliminated religious exemptions from school-vaccination rules last year. Lawmakers in at least 10 other states have active legislation that aims to tighten or eliminate nonmedical vaccine exemptions, according to the American Academy of Pediatrics, which supports such measures.

These efforts can be contentious. In Connecticut, opponents of strict vaccine requirements packed the capitol in Hartford to testify during a recent 21-hour hearing.

In Maine, opponents of exemption limits include parents who say their children were injured by vaccines. In testimony to lawmakers, a mother said two of her children had suffered long-lasting vaccine injuries and that the law would unfairly deny them an education.

"There was absolutely no flexibility and no posture of compromise" in the law, said Carroll Conley, executive director at the Christian Civic League of Maine, which opposes the exemption limits.

For South Portland teacher Sarah Gay, her son's suppressed immune system crystallized her support for robust immunization requirements. The 8-year-old had a heart transplant when he was an infant.

"Having a well-vaccinated and reliable pool of healthy people in our community means we can trust him to be safe at a playdate, we can trust him to go to school," Ms. Gay said.

—Joseph De Avila contributed to this article.

U.S. WATCH



HISTORY REMEMBERED: Rep. John Lewis joined others Sunday to cross the Edmund Pettus Bridge in Selma, Ala. Almost 55 years ago, on March 7, 1965, Mr. Lewis and other marchers on the bridge were tear-gassed and beaten by police, an event known as Bloody Sunday.

WASHINGTON

Court Voids Change In Asylum Policy

A federal court ruled that senior Homeland Security official Ken Cuccinelli served illegally last year in a position overseeing immigration and invalidated a change to asylum policy put in place during that time.

The decision, issued Sunday by the federal court in Washington, D.C., voided a policy that gave asylum seekers less time to prepare for screening interviews in the U.S. and that was enacted when Mr. Cuccinelli, currently the acting deputy secretary of Homeland Security, served as acting director of U.S. Citizenship and Immigration Services, or USCIS.

Potentially, legal experts said, the ruling opens the way for opponents to challenge any policy made by the agency when Mr. Cuccinelli, a Trump appointee, served as USCIS's principal deputy director from June through November of last year.

The Department of Homeland Security said the agency disagrees with the decision and will closely look at it.

The month before the policy change, then-acting Secretary of Homeland Security Kevin McAleenan reshuffled the order of succession at USCIS. Mr. McAleenan placed Mr. Cuccinelli in a newly created post of principal deputy director, outranking the deputy director and effectively putting him in charge, since the director's job was vacant. U.S. District Judge Randolph D. Moss ruled that the succession change was unlawful under a federal law governing federal vacancies.

—Michelle Hackman

DETROIT

Church Designated A Basilica by Pope

A Detroit church has been declared a basilica by Pope Francis, officials said Sunday, a rare honor for a Roman Catholic parish in the U.S.

Ste. Anne Church is one of only 86 churches in the U.S., including three in Michigan, to carry the title of Minor Basilica, the Archdiocese of Detroit said.

Ste. Anne parish, near the Detroit River, began in 1701 and is the second-oldest continuously

operating Catholic parish in the U.S., with 575 families, the archdiocese said. The current church was built in 1886.

"To demonstrate it met criteria for becoming a Minor Basilica, Ste. Anne extensively documented its heightened liturgical activity and its architectural stature," the archdiocese said.

—Associated Press

KANSAS

Five Dead, One Hurt In Interstate 70 Crash

The Kansas Highway Patrol says five people died and one person was injured when two vehicles collided on Interstate 70 west of Topeka.

Police said the crash occurred around 6:30 a.m. Sunday when a Ford F-150 pickup drove east in the westbound lanes and collided with a van near Maple Hill, Kan. The crash happened about 25 miles west of Topeka.

The driver of the truck and four people in the van died at the scene. One other person in the van was taken to a hospital in critical condition.

—Associated Press

CALIFORNIA

Rain Returns After Record Dry February

Snow and rain reappeared in California on Sunday, the first day of March, after the driest February on record for much of the state.

Downtown Sacramento and downtown San Francisco each recorded not a drop of rain for the month, according to the National Weather Service.

"Pretty remarkable. We've never had a dry February on record," weather-service meteorologist Cory Mueller said about the state capital. Records go back to 1878, he said.

It was the first rain-free February in San Francisco since 1864, the weather service in the Bay Area said in a tweet Sunday morning.

The dry beginning of the year has officials bracing for the possibility of an early and more intense wildfire season. About 75% of California's annual precipitation typically occurs from December through February.

—Associated Press

THIS IS
BREAKTHROUGHTM
WALLS GONE BRAINS UNLEASHED CURES FOUND POSSIBILITIES ENDLESS

University of Colorado
ANSCHUTZ
Medical Campus

Discover the stories at thisisbreakthrough.com

Children's Hospital Colorado

University of Colorado

uchealth

WORLD NEWS

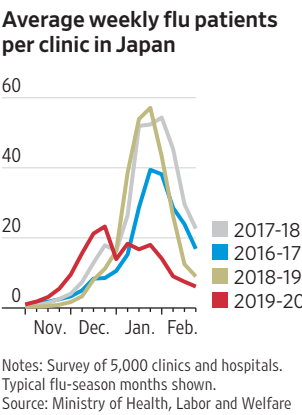
Precautions Help Japan Control the Flu

Number of cases falls amid improvements in hygiene, as country fights virus outbreak

By MIHO INADA AND PETER LANDERS

TOKYO—If there is a positive impact of the coronavirus epidemic, look for it in Japan, where people are observing better hygiene, and the number of influenza cases is far below a typical year. The trend hasn't been clearly seen in Europe or the U.S., where the threat of the epidemic has begun to hit home only in recent weeks, but if people elsewhere begin to take flu-prevention measures, thousands of lives could be saved. Minako Ohashi, a family doctor for more than two de-

acades, said the shift at her Tokyo clinic was unmistakable. "It was business as usual toward the end of the year," she said. Then, as publicity spread in mid-January about the viral outbreak in the Chinese city of Wuhan and cases started emerging in Japan, the number of flu patients suddenly declined. "I believe the coronavirus affected it in a good way, because people have become more careful about washing hands and wearing masks," Dr. Ohashi said. The typical clinic among 5,000 surveyed by the Japanese government saw only six flu cases in the fourth week of February, compared with nine in the year-earlier week and nearly 23 in that week of 2018. Through early January, cases had been running ahead of earlier years. The numbers each week re-



cently have been lower than at any time since 2010, when Japan and other countries were worried about the H1N1 swine-flu virus. Whether those favorable numbers will translate into fewer flu deaths has yet to be seen. In Japan, 3,300 deaths were attributed to the flu in 2018. A small percentage re-

duction in that number would exceed the deaths in Japan so far from the disease caused by the new coronavirus, Covid-19, which on Sunday stood at 12, including victims from the Diamond Princess cruise ship. An additional cruise passenger died in Australia. The government said it hoped stepped-up hygiene and emergency measures would halt the novel coronavirus in March and allow Japan to resume normal life in April. Shigeru Omi, a former World Health Organization official helping the Japanese government's virus response, said the connection between the public's heightened hygiene awareness and the drop in flu cases was plausible but not proven. Many parts of Japan have had a warm winter, which tends to tamp down the flu. Around mid-January, television programs, newspapers

and online media started offering frequent advice on how to prevent infection with the novel coronavirus. They typically stressed that the most effective measures were the same ones for flu prevention. Minoru Fukuda, a 51-year-old engineer, said he regularly washed his hands but was doing so more thoroughly now and used soap so frequently that his hands had dried out. He also started wearing a mask on the train and at work. "I have not had even a single cough this year so far," he said. On a subway in the southern city of Fukuoka in mid-February, when a passenger coughed without wearing a mask, an outraged neighbor pressed an emergency buzzer. Station personnel pulled the quarreling men off the train and gave the cougher a mask, an official of the subway company said. Research has long shown

that hygiene measures can have an effect on infectious diseases. One 2002 study in Pennsylvania had classrooms in a test group receive hand sanitizer and training on hand-washing and found that absences fell by half compared with classrooms that didn't get any intervention. Infections "are basically spread by poor hand hygiene," said Sverre Erik Mamelund, a research professor at Oslo Metropolitan University who has studied epidemics. The limits on public gatherings introduced in several countries including Japan are also likely to have an effect, Dr. Mamelund said. In the 1918 flu epidemic, one of the deadliest in modern history, flu infections jumped roughly a week after mass rallies to celebrate the end of World War I, and flu deaths surged a week after that, he said.

Wary Tokyo Holds Trimmed Marathon

By ALASTAIR GALE

TOKYO—It was meant to be part of a big buildup to the Olympics. Instead, a stripped-down Tokyo marathon showed the challenge facing Japan to save the 2020 summer Games from the threat of the coronavirus epidemic. Sunday's race was cut back to about 200 elite runners two weeks ago, eliminating more than 30,000 general participants, to reduce the risk of the spread of the virus. Spectators were also asked to stay home, and for large stretches through central Tokyo, the athletes ran along empty streets. Japan has been one of the worst-affected countries from the new coronavirus, with more than 900 cases, mostly among passengers and crew on a cruise ship, and 12

deaths. Cases of infection have been reported across Japan and the State Department advises U.S. citizens to exercise increased caution in considering travel to Japan. Race staff at the Tokyo marathon held up signs at train station exits along the course with a message: "Please refrain from coming to watch." The men's race was won by Birhanu Legese of Ethiopia in two hours, four minutes and 15 seconds. Doctors took the temperature of the athletes before the race and officials were given surgical masks and asked to use hand sanitizer as a precaution. On Saturday, Prime Minister Shinzo Abe said he hoped to clear up concerns about the coronavirus epidemic quickly so Tokyo can host the Olympics as scheduled. The opening ceremony is scheduled for July 24.



A runner passed a line of police buses during the Tokyo marathon on Sunday, which was cut back to around 200 elite athletes,



Communities In Schools

In schools to encourage healing.

As if dealing with his mom’s death wasn’t hard enough, Sean had to adjust to a new home and new school. It was a lot to handle, so he struggled emotionally and academically. Lee from Communities In Schools helped Sean develop coping skills by finding positive outlets for his feelings. As his attitude improved, his grades followed—going from D’s to B’s. Now, he’s focused on football and a promising future. There are millions of at-risk kids like Sean who need a caring adult to help them stay in school and succeed in life.

See how we help all kids succeed. | [CommunitiesInSchools.org](https://www.CommunitiesInSchools.org)



WORLD NEWS

More Cases Emerge In U.S.

Continued from Page One
tration official said.

Public-health experts said a shortage of tests had limited the ability to identify and contain cases and likely contributed to the virus's spread. There had been relatively few diagnostic tests conducted in the U.S., with most state and local health departments sending patient samples to the CDC and waiting days for results.

The number of deaths from the virus globally approached 3,000 on Sunday as more countries reported their first coronavirus fatalities and the toll grew in places such as China. The fast-rising number of cases and the spreading death toll set off a new round of travel restrictions, sending markets spiraling down and forcing closures of popular public events and tourist sites, including Paris's Louvre museum.

U.S. Health and Human Services Secretary Alex Azar said the administration is working with pharmaceutical makers to prevent shortages of drugs, especially if the virus disrupts supply from China. He said the administration has found several such drugs and is working to find replacements "that may be in shortage for a short period of time."

Messrs. Pence and Azar said more people in the U.S. are expected to be infected—and more are likely to die—but they said the overall risk of contracting the virus remains low.

"We will see more transmission of cases in the United States," Mr. Azar said on CBS on Sunday. "It's simply just a matter of math."

A former Food and Drug Administration official speaking on the same show said hundreds, even thousands, of people could be infected. Former FDA Commissioner Scott Gottlieb cautioned that the overall risk for people in the U.S. becoming infected "is still very low" because the country is so large.

At least 30 people have been



Shoppers buy toilet paper, food and water at a store in Los Angeles. Some people are stockpiling essential goods, fearing the virus.

MARK RALSTON/AGENCE FRANCE-PRESSE/GETTY IMAGES

diagnosed with the novel infection within the U.S., not including repatriated Americans.

The first death in the U.S. related to the new virus came Friday night. A man in his 50s, with underlying health conditions, died at EvergreenHealth Medical Center in Kirkland, in King County, Wash., after test results confirmed he had the novel coronavirus, according to a letter from the EvergreenHealth health-care system. He had no travel history to areas where the virus was circulating.

A second death also occurred in King County, a man in his 70s with underlying health conditions. He died Saturday and also received treatment at EvergreenHealth.

That patient's death, along with three other cases, were reported in the county Sunday, bringing total cases in the area to 10. All of the new reported cases were residents of the Life Care Center nursing facility in Kirkland, Wash., where health officials are investigating a potential coronavirus outbreak. Officials

confirmed two cases connected with the center earlier in the weekend, including the first novel coronavirus case in a U.S. health care worker.

The first death doesn't have known links to the long-term care facility, health officials said.

Washington state started testing patient samples locally on Friday, officials said, which contributed to a quick uptick of reported cases in the region. Testing now shows the virus was likely circulating in the community for weeks.

In the San Francisco Bay Area, five new cases of Covid-19 were reported Sunday—including two health-care workers exposed to a woman who became the nation's first known victim of the disease from community spread, local health officials reported.

Both are employees of a Vacaville, Calif., hospital where the unidentified woman was treated last week, and both are in isolation in their homes, officials said.

They said the woman is "slowly recovering" at UC Davis

Medical Center in Sacramento, and that her family remains in quarantine despite testing negative. Other staff and medical officials who came into contact with her at the NorthBay VacaValley Hospital have also been placed under quarantine. So far, none has tested positive.

Health authorities in Santa Clara County, where four cases were confirmed last week, announced Sunday three more people had tested positive for the virus and that all are hospitalized. One is a woman whose circumstances are still under investigation. The others are a husband and wife who recently returned from a trip to Egypt, they said.

The Florida Department of Health reported Sunday night it has two presumptive cases of coronavirus, in Hillsborough and Manatee counties. One patient did not have any recent travel history, and another had traveled to Italy, officials said.

In New York, a woman who recently traveled to Iran is the state's first confirmed case of the coronavirus, Gov. Andrew

Cuomo said Sunday.

The woman, in her late 30s, has respiratory symptoms and is isolated in her home, according to the governor's office. She isn't in serious condition, the office said.

Rhode Island's first two cases were linked to a European trip organized by St. Raphael Academy, a college preparatory school in Pawtucket. The school will be closed for the remainder of this week, officials said. The patients are a man in his 40s and a teenage girl who had traveled to Italy, France and Spain in mid-February, said Dr. Nicole Alexander-Scott, director of the state Department of Health. A second adult is being tested.

Officials said all 38 people who went on the trip are monitoring themselves for Covid-19 symptoms at home for 14 days.

Earlier in the weekend, California, Illinois and Oregon reported other new cases of the viral infection. The patients were tested following a change in the CDC guideline, which the agency expanded on Thursday to in-

clude people with recent travel history to Japan, Italy, Iran and South Korea as well as people with severe respiratory illnesses and a fever without a clear cause of infection. The agency expanded the guideline after the patient at UC Davis Medical Center wasn't tested right away because she didn't meet the stricter guidelines, but ended up testing positive.

HHS has launched an investigation into a manufacturing defect in an early testing kit for the coronavirus, according to an administration official.

FDA Commissioner Stephen Hahn said the agency was alerted to possible issues with the test by the CDC, and has worked with the centers to "determine that problems with certain test components were due to a manufacturing issue," Dr. Hahn said.

Dr. Hahn didn't provide further details on the problem, which he said was resolved. He said the FDA "has confidence in the design and current manufacturing of the test."

So far, about 80% of the coronavirus cases are mild, with the most common symptoms being a fever and a dry cough. Many patients recover within a few weeks. But the rapidly spreading virus can also be deadly, especially among older adults and those with underlying health conditions, such as cardiac disease, lung disease and diabetes.

People can protect themselves and their communities by taking steps such as frequent hand-washing, avoiding contact with people who are sick and staying home if they develop symptoms, health authorities said.

The FDA said it would let 300 to 400 academic-hospital labs begin testing for the virus, allowing for checks of thousands of people rather than the few hundred already tested. About 30 public-health labs across the country are able to test for the virus, the Association of Public Health Laboratories said.

On Saturday, the administration expanded travel restrictions, barring foreigners who have visited Iran in the past 14 days.

—Joe Barrett, Jennifer Calfas, Jim Carlton, Stephanie Armour, Melanie Grayce West and Andrew Restuccia contributed to this article.

Disease Takes Toll On Business

Continued from Page One
ness cycles.

"A lot of the damage is already being inflicted, purely from major decisions being delayed," Mr. Bloom said. "I can't see many firms greenlighting any projects until they can figure out what is going on."

Larry Kudlow, director of the White House's National Economic Council, said on Friday that the threat from the virus for people in the U.S. is low and the "coronavirus is not going to sink the U.S. economy." The White House tightened travel restrictions over the weekend after health officials in Washington state reported the first U.S. death from the illness.

The virus surfaced as U.S. companies were riding atop the country's longest economic expansion on record, matched by soaring stock-market returns. But profit growth for S&P 500 companies started to cool last year, squeezed by rising labor costs and trade disruptions.

Chinese government gauges of activity in the manufacturing and services sectors plunged to record lows in February, the country said on Saturday, dropping into territory that indicates a contraction.

U.S. business activity in February fell to its lowest level in more than six years on fears of the epidemic.

virus might damage business. Economists have struggled to project the extent of the economic fallout, which they said depends on whether the epidemic continues to spread—and on public reaction if it does. While some forecasters have said the virus's spread in China and elsewhere would slow the U.S. economy in the first quarter, economists expect a swift U.S. recovery from any downturn as companies work to meet pent-up consumer demand after the health threat subsides.

"Every CEO that I know has got to manage an employee dimension, supply-chain dimension, in many cases a revenue dimension," as well as Wall Street's needs, said Mike White, who ran PepsiCo Inc.'s international division in 2003 when SARS hit. He now sits on the boards of Whirlpool Corp., Kimberly-Clark Corp. and Bank of America Corp. "We're still in the middle of the river here," he said.

Economists expect a swift U.S. recovery from any downturn caused by the virus.

Whirlpool cited its sales and supply chain in China and elsewhere in Asia in trimming its first-quarter profit guidance on Friday. The appliance maker said the outbreak in northern Italy, where the company has manufacturing operations, would hurt sales there, too.

Airlines have taken one of the hardest, earliest hits from the crisis. Asian and European carriers have implemented cost-cutting measures to accommodate canceled flights to China and curtailed services to other affected areas such as Italy.

On Friday, United Airlines Holdings Inc. postponed until September an investor meeting that was scheduled for March 5, saying it couldn't have a productive conversation on its long-term strategy until the epidemic abates. United is offering certain pilots the option of taking April off with reduced pay, according to a letter from the pilot union chairman to members.

As the spread of the virus

in China has slowed, some Chinese factories are reopening, though many are short-staffed and transportation is still difficult. For example, smartphone makers are expected to ship 64 million fewer devices in the first half of 2020, market researcher International Data Corp. said, hampered by component shortages and quarantine mandates.

The disease is still spreading in other countries. Hyundai Motor Co. on Friday stopped building its popular Palisade SUV and other U.S.-sold sport-utility vehicles after a factory worker in South Korea tested positive for coronavirus. Google said on Friday that one of its employees in Zurich had been diagnosed, but the office remains open.

China is a key supplier of chemical and raw materials used by many pharmaceutical manufacturers, a potential problem for popular blood-pressure medicines and several older antibiotics that are no longer manufactured in the U.S. Experts believe China is also the only maker of key ingredients in a class of decades-old antibiotics known as cephalosporins, which treat a range of bacterial infections including pneumonia.

Automotive suppliers are warning car companies they could run out of certain parts used in North American factories in the coming weeks, particularly electronic components. Hoping to stave off factory stoppages, some manufacturers have taken the unusual and costly step of flying in critical parts by cargo planes.

Some companies have benefited from the outbreak, which has spurred buying of respiratory face masks and disinfecting wipes, propping up shares of some makers of such items. Clorox Co.'s stock briefly hit records last week while the broader market plunged.

"The good news is that the shock from the virus is hitting at a time when households appear to be in good shape," wrote Bob Schwartz, a senior economist with Oxford Economics.

Mr. White, the former PepsiCo executive, said the long-term economic outlook is solid even as companies face short-term pressures. "Almost every company is going to have an issue with their first-quarter numbers," he said.

PAID ADVERTISEMENT



"I've gotten many compliments on this watch. The craftsmanship is phenomenal and the watch is simply pleasing to the eye."

—M., Irvine, CA

I'LL TAKE MINE BLACK... NO SUGAR

In the early 1930s watch manufacturers took a clue from Henry Ford's favorite quote concerning his automobiles, "You can have any color as long as it is black." Black dialed watches became the rage especially with pilots and race drivers. Of course, since the black dial went well with a black tuxedo, the adventurer's black dial watch easily moved from the airplane hangar to dancing at the nightclub. Now, Stauer brings back the "Noire", a design based on an elegant timepiece built in 1936. Black dialed, complex automatics from the 1930s have recently hit new heights at auction. One was sold for in excess of \$600,000. We thought that you might like to have an affordable version that will be much more accurate than the original.

Basic black with a twist. Not only are the dial, hands and face vintage, but we used a 27-jeweled automatic movement. This is the kind of engineering desired by fine watch collectors worldwide. But since we design this classic movement on state of the art computer-controlled Swiss built machines, the accuracy is excellent. We have priced the luxurious Stauer *Noire* at a price to keep you in the black... only 3 payments of \$33. So slip into the back of your black limousine, savor some rich tasting black coffee and look at your wrist knowing that you have some great times on your hands.

An offer that will make you dig out your old tux. The movement of the Stauer *Noire* wrist watch carries an extended two year warranty. But first enjoy this handsome timepiece risk-free for 30 days for the extraordinary price of only 3 payments of \$33. If you are not thrilled with the quality and rare design, simply send it back for a full refund of the item price. But once you strap on the *Noire* you'll want to stay in the black.

Exclusive Offer—Not Available in Stores

Stauer Noire Watch \$399+

Your Cost With Offer Code **\$99 + S&P**

Save \$300

OR 3 credit card payments of \$33 + S&P

1-800-333-2045

Offer Code: NWT504-07

You must use this offer code to get our special price.

† Special price only for customers using the offer code versus the price on Stauer.com without your offer code.

Stauer®

14101 Southcross Drive W., Ste 155, Dept. NWT504-07 Burnsville, Minnesota 55337 www.stauer.com

27-jewel automatic movement • Month, day, date and 24-hour, sun/ moon dials

- Luminous markers • Date window at 3' o'clock • Water resistant to 5 ATM
- Crocadille embossed leather strap in black fits wrists to 6½"-9"

Stauer... Afford the Extraordinary.®

WORLD NEWS

A Church Was Petri Dish for Coronavirus

South Korea had plan to fight infection, but giant congregation overwhelmed defenses

By DASL YOON
AND TIMOTHY W. MARTIN

DAEGU, South Korea—To enter the nine-story **Shincheonji Church of Jesus** building Feb. 16, the 61-year-old woman needed to press her finger into a digital scanner.

She was nursing a sore throat and a fever, local health officials report, and any doctor would have advised her to stay home—especially as the new coronavirus lurked in South Korea. But skipping Sunday service wasn't an option: Church leaders take attendance by checking a follower's Shincheonji-issued photo ID, said current and former church members.

Pushing through the glass door, she would have walked by a first-floor museum dedicated to the group's founder, Lee Man-hee, who members believe immortal. She descended into a basement worship hall with no windows or furniture. She spent roughly two hours there, health officials determined, crammed shoulder-to-shoulder sitting on her knees on the floor with about 1,000 others. Hewing to the church's strict routine, she would have embraced others repeatedly, wailing "amen!"

The spiritual moment was a perfect incubator for disease, as was the church.

On Feb. 17, health officials diagnosed the 61-year-old as South Korea's 31st coronavirus patient, later declaring her Patient Zero for the wave of Shincheonji-linked cases. She had also attended services the Sunday before. Health officials trace about three-fifths of the country's more than 3,500 cases to her as of March 1.

"It was like they sprayed the virus within the church," said a city official in Daegu, which has about 2.4 million residents.

The Shincheonji outbreak represents a worst-case combination of factors seen in other coronavirus outbreaks—large gatherings, participants fanning out into public, delays in identifying the threat, slow or hindered responses.

Days before the lockdown of Wuhan, China, where the virus spread originated, Wuhan officials held an annual residents banquet for more than 10,000 families. Passengers on a cruise ship docking in Japan mingled for days after its first confirmed case. In Singapore, it took 10 days for health authorities to realize a cluster of infections had formed at a conference there and spread abroad.

Religion complicated the recipe for disaster in South Korea, pitting the government against an enigmatic church that has an allergy to outsiders and teaches members they will live forever, according to former members.

The broader global crisis harks back to December, when China disclosed the outbreak after dozens fell ill in Wuhan. The virus spread in China, where 79,394 people had been sickened as of Feb. 29, according to the World Health Organization, and there have been 6,009 confirmed cases in 53 other countries, with South Korea at No. 2. The WHO says more than 2,900 people have died.

South Korea in early February had a technologically advanced, transparent, well-funded plan to confront the coronavirus. But the outbreak at the secretive church with its rituals that demand mass human contact punched a hole in the defenses.

Shincheonji members, pressured to recruit followers, travel across a country the geographic size of Indiana. Most acolytes hide their Shincheonji ties from their families. The government recently called Shincheonji a "Korean cult."

"To Shincheonji members, their priority is not the safety issue," said Ji-il Tark, a **Busan Presbyterian University** theology professor who studies the group, "but rather protecting their own organization."

The group's opacity stymies some fundamentals of outbreak prevention. Without a coronavirus vaccine, officials must bank on healthy individuals to avoid contact with the sick. When infections occur, institutions and individuals must share information to locate the virus' source and prevent further spread.

"Failure to do so creates distrust, and distrust disrupts transparency," said Tim Brown, an infectious-disease researcher at the East-West Center who has consulted with the WHO, "making containment even more challenging, if not impossible."

Health officials say they don't fully know who might be covertly carrying the illness because, they contend, Shincheonji is withholding information.

Daegu's mayor said at a Friday briefing he is taking legal action against Shincheonji's leadership for lying about the



Health workers at the Shincheonji church in Daegu, South Korea, last week. Most of the country's coronavirus cases are connected to it.

number of followers and facilities. Gyeonggi-do province, near Seoul, has twice raided its headquarters to unearth more information.

"If we can prevent contact with Shincheonji-linked patients," Daegu Mayor Kwon Young-jin said Wednesday, "we will be able to prevent the virus from spreading to other regions."

Shincheonji in a Friday press conference said it is cooperating with the investigation, has shut its facilities and believes its members are the victims. It denied concealing information.

Baek In-yeop, a planning-department executive at the Daegu Shincheonji church, said in an interview he and 15 other followers rushed to get the city a list of the more than 1,000 people who attended the same two Sunday services as the 61-year-old. Any discrepancies, he said, were honest mistakes or a result of not having full information on certain members.

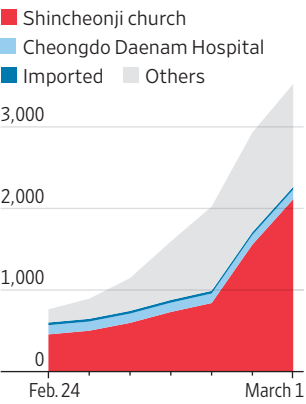
Mr. Baek said he didn't attend the same services but was in the building and saw followers wearing masks. Hand sanitizer had been placed around the building.

"It's a witch hunt against us," Mr. Baek said between coughs, noting that he was tested for coronavirus and expected the results soon. "They frame us as if we are a devil organization. We are Daegu citizens before being Shincheonji members."

Hard Hit

The majority of South Korea's coronavirus cases are linked to the Shincheonji church.

Confirmed cases, by cluster



Source: Korea Centers for Disease Control and Prevention

South Korean officials said they haven't pinpointed how the 61-year-old, who hadn't traveled abroad recently, contracted coronavirus.

The government has pledged to test every Shincheonji member in the country, after receiving a list of 210,000 members on Wednesday. The group later released names of roughly 100,000 others, mostly including Shincheonji "trainees" who had yet to become full members by finishing six months of education and passing a written test, health officials said.

Over the past week, more than 1.1 million citizens had signed a petition to the presi-

dential Blue House demanding Shincheonji be dismantled.

South Korean health officials have said they expect the country's confirmed cases to keep rising. JPMorgan Chase & Co. said it anticipates infections for Daegu alone to reach 10,000 and peak around March 20.

Two weeks ago, the country had diagnosed only 30 patients, just before the tally began mushrooming after the virus hit Shincheonji. Since granting itself maximum authority on Feb. 23 to block the virus' spread, Seoul has struggled to free up hospital beds, doctors and key supplies. It has injected more than \$13 billion of emergency funds into its paralyzed economy.

Uncertainty is seeding paranoia for people like Jeon So-young, 31, who lives near the Daegu Shincheonji church and believes a co-worker may have been a member after her office building closed for disinfection. "It feels like a game now," she said, "trying to figure out if people around me are Shincheonji members."

Fears appeared validated last week when an infection-prevention manager at a Daegu health center dealing with the outbreak had to step aside, said Mayor Kwon at a briefing, because he was a Shincheonji follower. The follower has since tested positive.

The news didn't surprise Kim Jin-sook, 49, who attended the Daegu Shincheonji church until late last year. For three years, Ms. Kim, a piano teacher, sneaked to services by telling her husband she had a Sunday tutoring session. Even when not at Shincheonji, she could open a secret phone app where she could watch the founder's sermons, she said; "I lived a double life."

Mr. Lee, 89, founded Shincheonji in 1984. Born near Daegu, he joined several cults before creating his own doctrine, said Shin Hyun-wook, a former senior Shincheonji official who manages a website about the church's history and tactics.

Mr. Lee is a self-proclaimed "savior," an embodiment of Christ with exclusive scriptural knowledge who presses members to recruit new followers, said current and former members. Shincheonji says global membership stands around

245,000 and it aspires to hit a million in three years.

The city of Seoul has sent prosecutors a legal complaint that accused Mr. Lee and other senior Shincheonji leaders of homicide, causing harm and violating the country's infectious-disease law, Seoul's mayor said in a Facebook post on Sunday. A formal probe could follow.

One concern about the spread of the virus is how well-traveled Shincheonji members must be to aid their recruitment push, targeting busy street corners and university campuses, the Daegu official said. Active members target as many as 10 people a week, the official added.

One tactic is becoming a "reaper" by infiltrating another church to lure members. Reapers attract potential recruits—"fruit," in Shincheonji parlance—by heaping them with praise and inviting them to Bible-study groups reserved for "exclusive" members, said former church members.

Shincheonji hasn't disclosed all of the gathering places to which it invites prospects, said Lee Dong-heon, an anti-cult counselor in Daegu. Nearly all the venues have no formal association with Shincheonji, potentially keeping them off lists of areas for investigation.

He estimated there are 2,000 hidden venues and said Shincheonji has provided information on only a little over half. "Many trainees attending these places," he said, "don't even know they are being recruited into Shincheonji."

Some members still don't believe the virus threatens them, judging from the account of Kim Gwi-hui of Daegu, who said her 39-year-old daughter attended the same church on Feb. 16 that the 61-year-old did. Ms. Kim said her daughter joined Shincheonji to live the eternal life it promised her.

Authorities called to check on the daughter's health. She didn't show symptoms but complained of a stomach ache, and the clinic sent her medication. She hasn't been tested for the virus but is under quarantine, said Ms. Kim, who is also under quarantine and calls her daughter daily to tell her of new cases and deaths.

"It's unbelievable to her," said Ms. Kim, "that Lee Man-hee's followers can die."



A closed Shincheonji branch in Seoul last week. The church teaches members they will live forever.

FROM PAGE ONE

Ads Riff on Another Israeli Vote

Continued from Page One

Frustration. There is a lot of it. The wave of elections in Israel has resulted in fatigue toward all things politics, so pervasive in fact, that it has begun to shape daily discourse. Israelis use the failure to form a government as an expression to put off anything they don't want to do.

"Now people say, 'after we have a government,'" said Fleur Hassan-Nahoum, deputy mayor of Jerusalem. "It's become an excuse for people not to do anything."

Monday's contest pits Prime Minister Benjamin Netanyahu of the Likud party against Benny Gantz of the Blue and White party, after both men failed to form gov-

ernments in the previous two elections. Mr. Netanyahu faces the challenge of having been indicted on charges of bribery, fraud and breach of trust in connection with three corruption probes. His trial begins on March 17, just two weeks after the vote and during the coalition formation process. He denies wrongdoing.

Ice cream maker Ben & Jerry's Israeli subsidiary offered its Facebook users a forum to vent over Israel's politics and to suggest, perhaps as a way of cooling tempers, an election-themed ice cream. The marketing campaign is based on a Hebrew expression that translates as "third time ice cream," which is said after two people have bumped into each other twice.

One Facebook user suggested overpromising and under-delivering—like politicians everywhere. "Promise a lot of great ingredients but in reality, it's just pistachio," the post read.

The Manufacturers Association of Israel estimates the

cost of overtime pay during a voting holiday—plus the cost of operating the elections—comes to about \$660 million each time the vote is held, or about \$2 billion for all three elections. The time off workers have been given to cast ballots hasn't translated into enough consumer spending to offset those losses, the group says.

Ron Tomer, president of the association, said the continuing impasse over the next prime minister makes the country's look rudderless. "It's like not holding the steering wheel of a ship and just letting the waves take you wherever they will take you," Mr. Tomer said. "You don't want your country to be without any captain."

If, like the April 2019 and September 2019 votes, the March 2 vote is inconclusive, then Israel will try for a fourth time. According to Hebrew media, Israel's Central Elections Committee has already picked a date: Sept. 8. Few find such a prospect funny.

"I've genuinely lost my sense of humor about it," said

Jason Pearlman, a political adviser who has used more than one year of political hiatus to work in short-term roles as he awaits a full-time government. "There was a moment of humor and fun-poking, but I think that moment has passed."

The company Yaad Pirzul,

‘Which trash can will you choose this time?’ reads an ad playing off the vote.

which sells home goods, is still trying to poke fun at Israel's political malaise to sell trash cans. Its advertisement on the main highway into Tel Aviv shows a hand placing a voting slip into the can as if it were a voting booth.

"Which trash can will you choose this time?" it reads. While his ad is about selling waste bins, Eyal Weininger, the company's CEO, said the

product is symbolic of the vote being another wasteful political exercise.

"Of course it has a double meaning that the situation is trash," Mr. Weininger said.

Dynamica, which sells cell phones, has offered two election sales already. It's offering a third this time, and a promise that if there is a fourth election, "we'll pay you," to buy the phone.

While the businesses try to capitalize on voter fatigue, the campaigns are trying to combat it. The Blue and White party began a campaign last Sunday aimed at luring what it said were 162,000 voters who stayed home last time in Tel Aviv. Mr. Netanyahu, meanwhile, has ads aimed at what his campaign said were 300,000 Likud voters who stayed home last time.

The growing public apathy toward politics is encouraging companies to go with ever edgier campaigns. Multi-Gyn, which sells feminine-hygiene products, released one election-themed ad inspired by

Blue and White's centrist slogan: Israel before all else.

"There is no right or left," reads the ad, designed like a campaign poster. "Your vagina before all else."

Ben & Jerry's Israel didn't have trouble drawing attention to its election-themed ice cream. Avi Zinger, the unit's chief executive, said the company received thousands of ideas and so settled on a mix of everything: vanilla, chocolate, almonds, brownies, blondies and white chocolate chunks.

The final product is called "One Sweet Vote." The ice cream will be served at two Ben & Jerry's locations in Israel, the day before the vote, as a sort of inducement to go to the polls.

On a recent afternoon in Tel Aviv, however, Israelis testing the flavor said it probably wouldn't work. "The idea is sweet," said Maya Lusky, a manager at a Tel Aviv co-working space in her 20s who shared the carton with her co-workers. "The elections are crap."

GREATER NEW YORK

High-Income Families Get Tuition Breaks

Private schools offer flexible rates to lure parents who don't expect traditional aid

By LESLIE BRODY

Thousands of families with annual incomes over \$250,000 are seeking financial assistance to cover the mounting cost of tuition at private K-12 schools.

But some schools don't call it financial aid. Instead, they use such terms as "flexible" tuition to attract parents who might assume they earn too much to qualify for traditional aid, or balk at a perceived stigma.

Flexible tuition "reduces sticker shock," said Jeffrey Shields, president of the National Business Officers Association, which serves independent schools.

"It's more and more common that families are coming to the table and want to negotiate," he said. "Every family, regardless of resources, is looking for a deal."

Almost 10% of about 123,000 families seeking financial assistance earned more than \$250,000 in the 2017-18 school year, according to the most recent statistics available from the National Association of Independent Schools. That share rose from less than 6% four years earlier.

Many schools were likely holding the line on large awards to high-need students, and meeting more of the demand from higher-income families who need small or medium-size grants, the association said. It cited data from the main service that evaluates aid applications for its member schools.

School leaders say they



Andy Hebrank helps his children, Maisie, 6, and Sam, 10, at a science night at the Park School of Buffalo, which has flexible tuition.

hope using such terms as "flexible," "indexed" and "sliding scale" tuition will encourage more families to see private school as within reach. Schools often strive to counter the barbell effect, in which most enrollment comes from two extremes: low-income students on hefty scholarships and the very wealthy who can pay full freight.

About 4% of independent schools were using such terms as "flexible tuition" in 2016, and 12% were considering switching to them, according to a 2016 survey by the independent schools association.

The Park School of Buffalo changed to flexible tuition

four years ago. For this year, it cites price ranges for each grade level, such as \$9,000 to \$23,560 for ninth grade.

The progressive school's head, Jeremy Besch, said that beyond attracting students, flexible tuition aims to fulfill a mission of kindness, with the most affluent families subsidizing others.

"Some are fully on board and think this is a wonderful thing to do," he said. "Others think it's unfair and choose to go somewhere else."

Jennifer Lodi-Smith Hebrank, a college professor married to a computer programmer, says she sends her two children to the Park

School for its focus on nature, the arts and the development critical thinking skills—and because she wasn't impressed by her local public options. She considers her family middle- or upper-middle-class, and pays about 75% of the top rate.

"I have a number of colleagues who I think would be perfect fits but they're scared because of the price," she said. She urges them to tour the school because "the administration really works one on one with each family to try to make it work."

Setting prices and discounts is a balancing act as private schools try to survive

and diversify amid strong district options, charters, online education, home schooling and declining numbers of children in some areas, said Mr. Shields, of the National Business Officers Association.

Nearly 1.4 million students attended nonsectarian private schools in 2017, according to the latest data from the National Center for Education Statistics. That was about the same as 15 years ago, and included a dip during the recession. Some big cities, including New York, Chicago and Boston, have seen drops in applications in recent years.

"The competitive landscape is the most daunting it's ever

been for private schools," Mr. Shields said.

Some brand-name institutions, however, report being flooded with applications despite mounting prices.

Private-day-school tuition rose about 41% in the decade ended in 2018, hitting a median of \$26,866 this year nationwide, said the National Association of Independent Schools. New York City rates are much higher. At Trinity School on Manhattan's Upper West Side, for example, tuition and fees this year cost about \$55,000. Trinity gives financial aid to families with incomes as high as \$475,000.

The Caedmon School, a small elementary on Manhattan's Upper East Side, started flexible tuition in 2017 to fill spots and encourage more families to check out its Montessori-style approach.

"Independent schools are trying very hard to make themselves more inclusive," said its director of finance, Simon Prosser. "There is still a perception these are just schools for rich kids. How do you define rich nowadays?"

Caedmon's full tuition for grades one through five hit \$46,060 this year. Of about 230 students enrolled, 60 students have flexible arrangements and pay from \$6,000 to just over \$20,000.

The school expects to devote \$1.8 million to flexible tuition grants and receive \$9 million in tuition revenue in the next school year, Mr. Prosser said.

Often high earners getting discounts have several children enrolled.

"If a family comes in with an income of \$250,000 and one kid, maybe they can afford" full tuition," he said. "Two kids, no way. Three kids, they're probably moving to the suburbs."

Investment Firm Buys Debt on Condo Tower

By KONRAD PUTZIER

An investment firm owned by Japan's SoftBank Group Corp. bought the defaulted mortgage on a downtown luxury condo tower, the latest sign that a wave of investors is scavenging the wreckage of Manhattan's condo glut.

Fortress Investment Group LLC paid about \$230 million for the defaulted mortgage for 125 Greenwich Street, an 88-story residential building in the Financial District, according to the debt's seller, investment firm BH3.

BH3 was moving to foreclose on the property, which is under construction but mostly completed. By buying the loan, Fortress is also inheriting the right to continue the foreclosure lawsuit. The company de-

clined to comment.

The tower's developers, a group including Bizzi & Partners Development, defaulted on the loan amid a weakening market for high-end apartments. Last year a group of lenders that includes Singapore's United Overseas Bank filed to foreclose on the tower. The bank ended up selling the loan to BH3 in July for around \$195 million.

A surge in new construction has created a glut of luxury condominiums in Manhattan. That, in turn, has created an opening for investors to bail out developers at high interest rates, buy defaulted loans or take over struggling projects for bargain prices. "Condo inventory loans"—mortgages to refinance projects with a large number of unsold apart-

ments—have become common.

A September study by listings site StreetEasy found that more than a quarter of the 16,242 New York City condos built since 2013 hadn't found a buyer.

BH3's co-founder Gregory Freedman said he expects more opportunities to buy distressed debt in Manhattan's condo market, as well as retail spaces and rent-stabilized apartments.

"History repeats itself, and everything is cyclical," Mr. Freedman said.

The company's other co-founder, Daniel Lebensohn, said that Fortress had followed 125 Greenwich for a while and approached BH3 about buying the loan. He said he "would not expect" Fortress to slow the foreclosure process.



Fortress Investment Group paid about \$230 million for the defaulted mortgage on 125 Greenwich Street.

STATE STREET | By Jimmy Vielkind

Bloomberg Is Rewriting His Record, Some New Yorkers Say



Former New York City Mayor Michael Bloomberg has touted his

three terms leading the nation's largest city during debates and candidate forums ahead of the Super Tuesday presidential primaries.

But his claims on schools, criminal justice and lobbying for same-sex marriage have prompted some New Yorkers to say: Ahem!

The highest-profile rebuke came from Democratic Gov. Andrew Cuomo in response to Mr. Bloomberg saying he was responsible for securing the needed Republican support in the New York state Senate to legalize same-sex marriage in 2011.

Four GOP senators crossed party lines in the Republican-controlled chamber in a dramatic late-night vote that year. In interviews last week, three of the men said Mr. Bloomberg called them before and after the vote and later organized a fundraiser to benefit their reelection campaigns.

But former state Sen. Steve Saland recalled that he and the three other Republicans



Then-Mayor Michael Bloomberg and Gov. Andrew Cuomo in 2012. They have different accounts of a 2011 vote on same-sex marriage.

had much more contact with the governor, who negotiated changes to the bill's language that helped win his support. Former state Sen. Jim Alesi said he spoke with the governor almost daily in the weeks leading up to the vote.

"The mayor had an active

role, but at the end of the day, this was Andrew Cuomo's signature accomplishment," said Mr. Alesi, who was later appointed to a utility regulatory board by Mr. Cuomo.

Mr. Alesi declined to seek re-election to the Senate in 2012 amid the threat of a

conservative primary challenge. The three other GOP senators lost support from the Conservative Party and were later defeated. Mr. Bloomberg donated to each man and gave a \$1 million contribution to state Senate Republicans in 2012, when they narrowly retained control of the chamber.

Speaking at his office on Thursday, Mr. Cuomo said the mayor's statements on securing four Republican senators' votes were "demonstrably false."

"People have to remember Bloomberg was a Republican before he was a Democrat, and as a Republican he supported the Republican Senate," said Mr. Cuomo, a longtime friend of former Vice President Joe Biden. "The four who did all lost their seats, and they did it as a matter of conscience, and they're political heroes to me."

A Bloomberg campaign spokeswoman said the former mayor thanked Mr. Cuomo for his leadership at the time and is still grateful for it.

Michael Mulgrew, head of New York City's United Federation of Teachers, said he was meeting with educators last Tuesday when, during

the debate, Mr. Bloomberg said he "treated our teachers the right way, and the unions will tell you exactly that."

"My phone blew up," Mr. Mulgrew said in an interview. "This guy is on a national stage blatantly lying to the whole country."

Mr. Bloomberg agreed to two contracts with the UFT that cumulatively raised teachers' pay by 43%. Mr. Mulgrew said the extra money was awarded in exchange for a longer workday and that Mr. Bloomberg regularly disparaged teachers.

Bloomberg campaign spokesman Michael Frazier said the candidate "made New York a better place to live and where an economy could thrive. He created jobs. He turned around a failing school system. He helped to make the city more sustainable, healthier and safer."

Mr. Frazier also noted Mr. Bloomberg had apologized for the overuse of the stop-and-frisk policing policy, in which police officers had far-reaching authority to stop people whom they suspected of criminal behavior, ask questions and search them.

The mayor said during last

week's debate that he "realized" the policy got out of control and cut it back. New York City Mayor Bill de Blasio said on Twitter that the statement showed "self-centered delusion." Bloomberg campaign aides later tweeted criticism of Mr. de Blasio, who ended his own presidential bid in September.

Monifa Bandele, a police-reform advocate from Brooklyn, said last week that the program was racist and that Mr. Bloomberg resisted efforts for change. She said a decline in stops starting in 2012 came in response to a federal lawsuit. Former federal judge Shira Scheindlin, who ruled in August 2013 that stop-and-frisk was unconstitutional as applied, agreed with Ms. Bandele's assessment during an interview.

Ms. Bandele helped organize a march Saturday near Mr. Bloomberg's townhouse on the Upper East Side of Manhattan to protest his record.

"I think it's really important that as New Yorkers, we alert the rest of the nation of what we know about Michael Bloomberg," she said.

jimmy.vielkind@wsj.com

GREATER NEW YORK



Shopper Jennifer Stamm put groceries into a reusable bag she brought from home Sunday at a Westside Market on Broadway.

Shoppers Adjust to Plastic-Bag Ban

By JOSH BARBANEL

A new ban on single-use plastic bags took effect Sunday in New York City, amid some confusion and grumbling. Many shoppers dug out colorful canvas and nylon totes that have accumulated at home for years, backpacks and gym bags and dragged them to supermarkets for the first day of shopping under the new law. But some large stores and small bodegas weren't ready. On Friday, the day a lawsuit was filed challenging the new law, New York state agreed to delay enforcement of the ban on plastic bags until April 1. The suit was brought by an association of bodega owners and a plastic-bag manufacturer. The plastic-bag ban is statewide; some localities, including New York City, also introduced a 5-cent fee for each paper bag sold, to encourage

customers to switch to reusable bags. After the court hearing, a spokesman for the New York state Department of Environmental Conservation said the state had always planned a period of education before issuing summonses. The department estimates New York state residents use 23 billion plastic bags a year. Mike Rosenberg, a pediatrician who lives in Riverdale in the Bronx, was armed with shopping bags and ready for the new ban Sunday. But when he arrived at Fairway Market in West Harlem, he found to his surprise that plastic bags were still available at every checkout counter. Dr. Rosenberg said he was a long supporter of the ban—in theory. In practice, he hadn't regularly brought reusable bags with him on shopping trips, as his wife did. "I have been guilty of using plastic," he said. "The ban has been a long time coming. It

should have been done a long time ago." At Fairway, the manager on duty said the grocery store planned to switch over when it used up its backlog of plastic bags, probably by Monday. He said some other Fairway Markets had already made the switch. Reusable shopping bags were available for purchase. At a Dominican bodega, Super Value Meat Market, on West 141st Street and Broadway, aluminum racks at the cashier's counter still held thick wads of plastic bags. Pedro Guzman, who runs the grocery, said he was aware of the bodega-industry lawsuit and plans to comply with the government rules within the next few weeks. He said he remembers life before the proliferation of plastic bags in the 1980s. "Everyone used paper bags," he said. The bodega will offer durable shopping bags for 79

cents and provide them free to regular customers. Nery Morales arrived at Food Universe Marketplace, on West 138th Street and Broadway, with a prized Hershey's shopping bag that once carried a gift from her son. That bag was in turn filled with other shopping bags. "We have no more plastic bags," said Frank Beras, the manager. "The people understand." Grocery stores and delis can still offer plastic bags for unpackaged produce and prepared foods. But they won't be available at the checkout line, and customers will have to use either paper, reusable bags or totes. At one liquor store on Broadway, a clerk said that for now the store had only single-bottle size paper bags available for 5 cents each, and customers would have to provide their own shopping bags for larger purchases.

City Builds Trove Of Data for Public

By KATIE HONAN

When Adrienne Schmoeker walks around New York City, she sees data sets everywhere. As the city's deputy chief analytics officer, she encourages other people to view the city this way, too. "How many street trees did you pass? Did you pass any construction sheds managed by the Department of Buildings?" she said in an interview. "Can you imagine we put on a set of glasses and walked around the city that way?" In 2012, the city enacted an open-data law, which mandated that every city agency publish certain data online. Since then, the Mayor's Office of Data Analytics has made public more than 2,000 sets of city data, ranging from the most popular baby names to the leading cause of death in New York City to the location of abandoned cars. The open-data website has downloadable data on how many tons of garbage the sanitation department picks up each month, as well as information from the health department on dog bites. Every quality-of-life complaint made to the city's 311 service is uploaded almost in real time to the portal. Last fall, the mayor's office added the first piece of data that wasn't compiled by the city: a squirrel census of Central Park, which was built in part using the data of footprints of buildings found on the city's site. Now the office is looking to add more nonagency data to the portal to help understand New York City better, said Kelly Jin, the city's chief analytics officer. Some of that could be research from local colleges and universities. When the open-data law passed, it was praised by activists, who saw it as a necessary evolution from the state's Freedom of Information Law that passed in the 1970s. That law

required state and city agencies to make certain documents and information available to the public. But city agencies would sometimes charge for information that is now found online free of charge. Now each city agency has an open-data coordinator; all 90 work closely with the Mayor's Office of Data Analytics on what to publish and what to update. Developers have used the city's open data to build tools that track pedestrian safety such as the "Crashmapper," which allows someone to create a filter of any area to see over time if there have been fewer crashes since Vision Zero, the city's street-safety program, began in 2014. Another organization created a map of where revelers went after a recent NYC Pride Parade, using data to find clusters of taxi drop-offs from people picked up along the route. The office works with community organizations including BetaNYC, a good-government

Data sets available include baby names, dog bite information and a squirrel census.

group that is co-organizing the city's annual Open Data Week, which started Friday. BetaNYC built BoardStat, a website for Manhattan community boards to analyze 311 service requests and complaints. With BoardStat, board members can see which bars have the most noise complaints when voting on their liquor-license renewals, and they can learn about bad landlords through tenant complaints. But Noel Hidalgo, BetaNYC's executive director, said some agencies are better at publishing data than others. "It is still a tale of two cities, even within government," he said.

THIS IS

NOT

STEAK.

This is a masterclass.

This is 100 years of family tradition.

This is exclusive, premium beef.

This is aged to peak tenderness.

This isn't steak.

THIS IS OMAHA STEAKS

THE BEST STEAK OF YOUR LIFE.

Try our most popular

6-STEAK FLIGHT

+ 8 FREE BURGERS

2 (5 oz.) Butcher's Cut Filet Mignons

2 (10 oz.) Boneless New York Strips

2 (10 oz.) Ribeyes

\$200.97* separately

INTRODUCTORY PRICE

\$99⁹⁹

YOU WILL LOVE IT

100% GUARANTEE

Always

OUR FAMILY PROMISE

The Best Steaks of Your

Life or Your Money Back.

AMERICA'S ORIGINAL BUTCHER

OMAHA STEAKS

SINCE 1917

Ask for the Perfect Steak Flight

62476NDW

ORDER NOW 1.800.811.7832 | OmahaSteaks.com/perfect101

*Savings shown over aggregated single item base price. Limit 2. Free burgers will be sent to each shipping address that includes (62476). S&H added per address. Not valid with other offers. Expires 5/31/20. All purchases subject to Omaha Steaks, Inc. Terms of Use & Privacy Policy: omahasteaks.com/terms-of-useOSI and omahasteaks.com/info/privacy-policy or call 1-800-228-9872. Photos exemplary of product advertised. SRC0677

“

I am the beginning of many ideas.

”

MAX, AGE 11, BOSTON

826 NATIONAL

826NATIONAL.ORG

STUDENTS WRITE THE FUTURE.

VOLUNTEER. SUPPORT. BE INSPIRED.

LIFE & ARTS

A Parent Talk, Before It’s Too Late

Adult children often don’t know what shaped their parents’ lives—and wait too long to ask. That’s starting to change.

By CLARE ANSBERRY

For years, Sarah Smith wanted to know more about her mom’s relationship with her own mother. “I’d like to know why my mother felt unloved,” says Ms. Smith, a stay-at-home mom in Dallas. “And what was said that made her feel insecure and less confident.”

Ms. Smith, 45, didn’t press. Now, she’s unlikely to ever know. Her 74-year-old mother has early-onset Alzheimer’s and lives in a memory care unit.

As significant as parents are in life, their adult children often don’t know what shaped them and what they were like before they became mom and dad. They may be curious about their parents’ background and choices, but don’t think to ask questions or know how to begin. They are busy with raising their families and jobs or live hundreds of miles away. Other topics—children, school, work—can seem more pressing.

Parents themselves aren’t always forthcoming, telling only the happy stories and filtering out painful ones. Some don’t think their lives are all that interesting.

Yet today, for some people, that is starting to change. There’s a growing interest in understanding our parents’ lives. Part of it is generational: Younger people are more transparent and used to telling the story of their own lives, often online for many to see, and expect it from others.

“I think younger people find it difficult to understand parents and grandparents who haven’t documented in the way they are doing,” says Rutger Bruining, 41, CEO of StoryTerrace, a company that helps people create their own biography books. “Kids want an answer to everything.”

A growing interest in ancestry and the rise in home DNA kits leaves people wanting to know more of their family stories, while greater awareness of dementia makes capturing them soon all the more urgent.

New technology makes it easier, too. StoryCorps, a nonprofit oral history project, has a free app that provides suggested questions, and directions on recording, saving and sharing a conversation with a family member. There are many journaling apps, too.

About a third of Americans admire what their parents have achieved but don’t know how they did it, according to a recent survey of 990 adults by StoryTerrace, which pairs ghostwriters with people who want to document their lives in a book. One in five don’t know anything about their parents before they became parents, and 45% learn more about their parents from discovering photos and family possessions than direct conversations with them, according to the survey, which was conducted in November.

Yet relationships with parents, regardless of how complicated, are the ones a person takes through life, says David Isay, who founded StoryCorps. It has recorded 600,000 interviews between family members or friends and archived them in the American Folklife Center at the Library of Congress.

Nearly everyone, he says, talks about their parents. “Someone might be 100 years old and the first thing they talk about is their parents,” he says. “It’s a reminder of the primacy of that relationship.” Mr. Isay interviewed his own dad and listened to the recording hours after his father died and found it comforting.

Dan Ryan was 24 when his dad died of cancer. His mom died of a heart attack two years later. “I always thought there would be more time,” says Mr. Ryan, a 60-year-old executive coach for CEOs based in Franklin, Tenn. He never got around to asking them about their childhood or courtship, his mother’s life on an Illinois farm, and his dad’s time as a Marine in Iwo Jima.

“I’m sure he saw death on a daily basis and at a young age,” says Mr. Ryan, but his dad, Robert, never talked about it. Mr. Ryan remembers visiting the cemetery with him on Memorial Day and putting flags

QUESTIONS TO ASK YOUR PARENTS

- Many people want to know more about their parents, but aren’t sure what to ask or how to start the conversation. StoryCorps suggests some prompts below.
- Do you remember what was going through your head when you first saw me?
 - How did you choose my name?
 - What was I like as a baby? As a young child?
 - Do you remember any of the songs you used to sing to me? Can you sing them now?
 - What were my siblings like?
 - What were the hardest moments you had when I was growing up?
 - If you could do everything again, would you raise me differently?
 - What advice would you give me about raising my own kids?
 - What are your dreams for me?
 - How did you meet mom/dad?
 - Are you proud of me?
 - What were your parents like?
 - How was your relationship with your parents?
 - How would you describe yourself as a child? Were you happy?
 - What was your best memory of childhood?

TELLING A STORY

StoryCorps is a nonprofit oral history project with mobile recording studios that allow two people to record 40-minute conversations. The free StoryCorps app lets people record and upload their interviews using their mobile device.

StoryTerrace is a biography writing service that matches people with professional ghostwriters to interview them and write their life story. Prices vary based on special requests but can range from \$1,900 for 4 hours of interviews and a 55-60 page book, to \$7,450 for 10 hours of interviews and a 115-125 page book.

“Finding True Connections: How to Learn and Write about a Family Member’s History,” by Gareth St. John Thomas, is a manual offering steps, guides and 100 questions, along with follow-up prompts, to help document a person’s life story. List price \$24.99.

on veterans’ graves. “I can only guess at what was going through his mind. I wish I knew.”

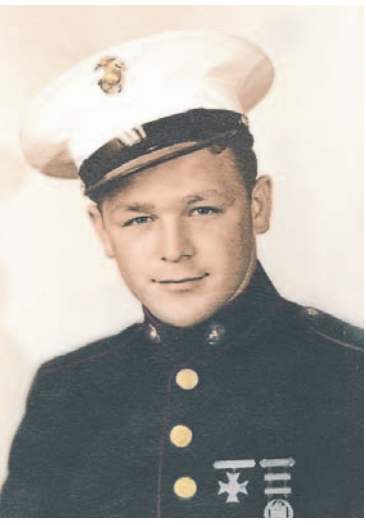
One undiscussed incident lingers with him. After high school, Mr. Ryan entered the U.S. Naval Academy,



Top, Sarah Smith, right, and her mother, who now has Alzheimer’s disease. Above, Ms. Smith’s mother, Rebecca Bearden, pictured during her college days.



Dan Ryan at Naval Academy in 1977 with his parents. Right, his father.



Elizabeth Jacobson, left, her daughter, Naomi, and her mother, Pat Wilson, on her mother’s 70th birthday. ‘We need to tell our stories,’ says Ms. Jacobson.

emy, which he suspects made his father tremendously proud. A homesick Mr. Ryan remembers calling home and telling his dad he wanted to leave the academy. A month later, he did. His father never tried

to talk him out of it. After his father died four years later, Mr. Ryan’s mother, Helen, told him that his father was disappointed in Mr. Ryan’s decision.

“I have always wondered why

he didn’t say so when I called those many times to say I wanted to leave,” he says. “I suspect he didn’t want to intervene and that I was adult enough to make my own decision.”

Knowing what he missed with his own parents, a few years ago he interviewed his in-laws and taped their conversation on his phone. “None of us think about how many more days we have.” His mother-in-law died 11 months ago.

Ms. Smith, in Dallas, regrets that her mother’s Alzheimer’s has dimmed the chances to learn more about her past.

Her mother, Rebecca Bearden, was selective about the stories she told. “She only wanted to communicate things she wanted me to hear,” says Ms. Smith. That, along with the dementia, left Ms. Smith with questions that can’t be answered. Why, for example, did her mother, who was admired by others for her leadership and generosity, lack confidence? “I could compliment her all

day and she would say it wasn’t true,” says Ms. Smith.

At one point, her mother said that she never felt fully loved by her own mother. When Ms. Smith asked her to explain why, her mother dropped it and so did Sarah, sensing her mother’s reluctance. “I think she was trying to protect me. She knew how much I loved my grandmother.” Her mother, she says, did grow closer to her own mother late in life.

Ms. Smith has three children and wishes she had answers for their sake. “I want to know what not to say to my children,” she says.

Her mom’s dementia gives her a greater appreciation of the importance and urgency of transparency and storytelling. She wrote a book about caregiving, “Broken Beauty: Piecing Together Lives Shattered by Early-Onset Alzheimer’s,” and now journals daily. “It’s so easy for us to grab the phone and take notes, and journal. I do that now and it’s my hope our kids will go back and look at things I’ve written.”

Some parents feel compelled to answer unasked questions to explain themselves and why they were the parents they were. Elizabeth Jacobson, 42, knew her mother was overly protective. She remembers being dropped off at college, forgetting her coat and her mother making the four-hour round trip drive back the next day with it. “I thought, ‘I don’t know any parent who would do that,’” says Ms. Jacobson, who lives in Tacoma, Wash.

She never really thought about it or asked why. “I thought, ‘This is just mom,’” she says.

A few years later, when she was in her mid-20s and married, she visited her parents. While there, she says her mother, Pat Wilson, revealed to her for the first time that she had been married before, had a son, and that her ex-husband had taken him when he was 3 to see Santa and never returned. She hired a private detective and after years of looking, Ms. Wilson gave up her search and tried to get on with her life. It was the early 1970s, before the internet made tracking people down easier.

Ms. Jacobson was blown away. “I sobbed the whole way home,” she says. “There was so much to take in. Everything started to make sense. Why mom was so sad all the time and why she was so protective.” Ms. Jacobson wishes her mother had told her earlier. “I think of all those years she must have stuffed down those feelings,” she says.

Her mother and her son ultimately reunited in 2016, when his then-wife tracked Ms. Wilson down through ancestry.com and Facebook. After the reunion, Ms. Wilson decided to write a book called “Beauty for Ashes,” and hired a StoryTerrace ghostwriter, to help her. It would have been too hard, she says, to write on her own.

“I wanted to explain myself. It was such a huge part of my life and affected my parenting,” says Ms. Wilson, 73.

Ms. Jacobson plans on sharing the story with her own 10-year-old daughter, when her daughter is older. “I want to make sure she knows what happened,” she says. “We need to tell our stories.”

FROM TOP: NICOLE HAGER PHOTOGRAPHY; BEARDEN AND SMITH FAMILY: DAN RYAN (2); ROBERT WILSON

LIFE & ARTS



WHEN STRANGERS ask Darren Reckner about the chunky ring on his finger, he proudly explains it's from his championship archery dodgeball team.

He's used to the chuckles.

Mr. Recnker is 37 and obsessed with a sport that's like dodgeball but for the large, foam-tipped arrows players use instead of balls to nail each other.

Mr. Reckner discovered the game in 2018 after a friend shared a link to a new archery dodgeball gym near his home in Sharonville, Ohio. The message read: "Why aren't we doing this?"

A project management consultant for a global consultancy group, Mr. Reckner had never shot an arrow before his first visit to Archery Arena in West Chester, Ohio, near Cincinnati. After an hour of shooting arrows with tips that resemble jumbo marshmallows at people, he was hooked. When he learned the gym was forming a league, he recruited five friends to form a team, the Cincy Aimbots.

John Jackson, founder of Ashley, Ind.-based Global Archery Products, is credited with founding the sport in 2011. Also known as combat archery and archery tag, it's grown to more than 1,300 locations throughout the U.S.

Rules differ state to state, but essentially when a referee blows a whistle, teams rush to a central dividing line, grab as many arrows as possible and attempt to hit their opponents while simultaneously dodging incoming fire. Un-



like dodgeball, players can shield themselves behind inflatable obstacles. If players are hit, they're eliminated and move to their team's sideline. If they catch an arrow, the shooter is out and a sidelined teammate can return.

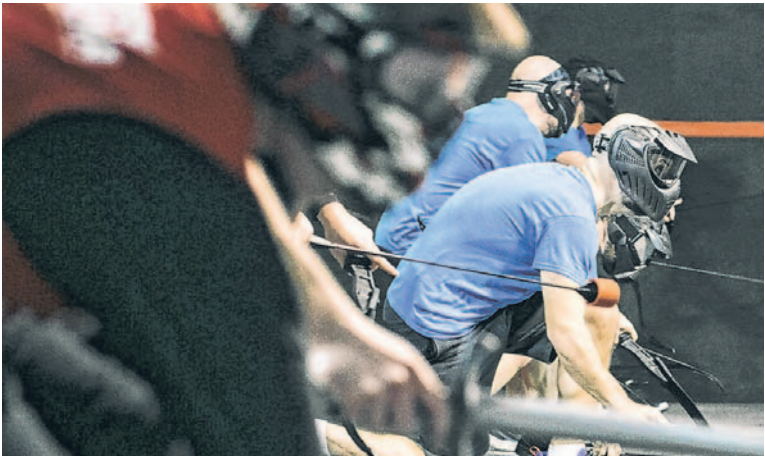
"At a distance, you can catch or dodge an arrow, but at close range you're getting hit," Mr. Reckner says. "The speed and force is comparable to a dodgeball thrown by an adult who is pretty good at dodgeball."

Games consist of seven rounds, each of which may have different rules. For example, each team may have a target resembling a domino, with foam circles as dots. If a player shoots a foam circle out of the opposing target, an eliminated player on the shooter's team can return to play.

The round ends when one team has all players eliminated.

"It's easy to think the most accurate shot wins, but really the game is more about being quick on your feet, being fast with the bow and having solid cardio conditioning," Mr. Reckner says. The Cincy Aimbots have won a round in as little as 30 seconds, but Mr. Reckner says some last over five minutes. "Getting gassed in the middle of a round makes you an easy target," he says.

The Cincy Aimbots are the defending champions in Archery Arena's spring and fall leagues. The 2020 spring season starts in early March, with games played



Players start the game by grabbing arrows, above. They can hide behind obstacles, top right. Mr. Reckner's championship ring, left.

every Thursday. Despite the team chant, "Aimbots, Aimbots, Don't Get Hurt," Mr. Reckner says the only injuries teammates have sustained are having the wind knocked out of them or nicking a finger while releasing an arrow.

The Workout

The team practices once a month at Archery Arena. "Catching arrows is a big part of the game, and the only way to practice that is to have a lot of arrows shot at you," Mr. Reckner says.

After his first season, Mr. Reckner bought his own equipment and started watching YouTube videos of Danish archer Lars Andersen to fine-tune his mechanics. His wife, Amber Reckner, won't allow archery in most of the house, so he practices his bow skills nightly in the basement. "I don't have enough space for long shots, so I pile pillows on the couch and practice firing quick draws," he says.

To build speed, he lines up five arrows on the ground and attempts to pick up, load and fire all five within 10 seconds. "Being able to quick draw is probably the number-one skill in this sport," he says. He repeats the drill 10 to 20 times. To build muscle memory, he loads an arrow on the bowstring and draws it back 25 to 50 times as quickly as possible.

Mr. Reckner says being able to hold an extra arrow is very useful—you become vulnerable when you attempt to grab an arrow from the gym floor. To build grip strength, he practices shooting while holding an extra arrow or two in his left hand. He also keeps three grip trainers of varying resistances in his living room. While watching TV, he'll do three sets of 10 reps with each grip trainer. "I don't have the biggest hands, so a strong grip helps me hold a bow and extra arrows," he says.

He rides his Peloton bike four

Yes, This Sport Can Be Exercise

Sports like archery dodgeball and pickleball may sound silly, but if they motivate you more than the treadmill, you're more likely to stick with them, says Kyle Kercher, an American College of Sports Medicine-certified exercise physiologist at Indiana University Bloomington.

"When it comes to physical activity, the most important thing is to find something that's sustainable," he says.

Mr. Kercher says activities from our childhood usually bring back carefree memories and are associated with fun rather than work.

These activities also force us to disconnect. "You can't be checking emails during a dodgeball game," Mr. Kercher says.

If you're wondering if a sport like archery dodgeball can really count as exercise, he suggests wearing a step counter or heart-rate monitor.

"These types of sports often require short bouts of high intensity, which can be just as if not more effective than slogging on an elliptical," he says.

to five days a week, simulating hill climbs to build leg strength.

"There is a lot of squatting during the matches, to either hide behind a low barrier or to pick up an arrow from the arena floor," he says. He isn't as committed to his strength routine and says he only uses his home gym one to two days a week, performing dead lifts, squats, bench presses and overhead presses.

The Diet

Breakfast is Honey Nut Cheerios Medley Crunch with almond milk, Greek yogurt and coffee. Mr. Reckner packs leftovers for lunch, usually grilled chicken, rice and green beans. Midday he can't resist a Coke Zero. During the week, he keeps dinner simple, eating chicken or fish, potatoes or rice and a vegetable. When he's going to splurge, he buys a pint of Buckeye Blitz Chocolate Chip from Cincinnati ice cream brand Graeter's.

The Gear and Cost

Mr. Reckner had the team logo put on T-shirts, hats and league championship rings. He finds Adidas high-top basketball sneakers provide more ankle stability. Players wear paintball-style masks to protect their faces.

He bought a bow for \$50 on eBay and spent \$100 on a 20-pack of arrows. His Captains of Crush grippers cost \$25 each. He invested around \$800 on his home gym, including mats, dumbbells, barbells, a bench and a power rack. He purchased most of the equipment on Craigslist. His Peloton bike cost \$2,245, and he pays a \$39-a-month subscription. His membership at Archery Arena costs \$55 a month.

A New Front Man Re-Energizes Norway's Kvelertak

By NEIL SHAH

THE NORWEGIAN metal band Kvelertak just released an album, its first after the tricky feat of replacing the lead singer without losing momentum.

The cult act, whose name means stranglehold and is pronounced "kveller-talk," is known for playfully blending punk, classic rock and underground metal styles. As the band made strides, such as opening for groups like Metallica, it suffered a blow when its lead singer departed in 2018. For their fourth album, "Splid" ("Discord"), out in February, the members of Kvelertak enlisted a punk-rock veteran as their front man and, for the first time, performed two songs in English.

Original member Vidar Landa, 33, spoke with the Journal about the challenge of changing front men and how the band shapes its genre-hopping sound. Here are edited excerpts.

Kvelertak has been championed by many of metal's biggest names, including Metallica. How did that happen?

We met [Metallica's] James Hetfield in San Francisco when we played a show in 2013. I don't know how he heard about us, but early on, people like Dave Grohl [of Nirvana and Foo Fighters] and the guy in Mastodon got a hold of our stuff, probably through John Dyer Baizley [of American metal band Baroness], who did album-cover artwork for us. It was word of mouth. Baizley had played somewhere in Europe and somebody gave him a demo.



Ivar Nikolaisen, the lead singer of Kvelertak, performed with the metal band last year in Barcelona.

We were in the studio, with Kurt Ballou of [metal act] Converge, recording the first album, and we got this email out of the blue from John. It was crazy, for a band from Stavanger, Norway, who hadn't released anything yet. Some of our biggest musical inspirations were reaching out.

Why did your former lead singer, Erlend Hjelvik, leave?

He was just done. Personally, at that point, when we were on tour with Metallica, it felt like everything we had worked for was starting to pay off...We've been on the road almost continuously since our debut album in 2010. We're all friends, but we also make a living from the band—we

depend on each other. So, it's a very intense lifestyle. I can't speak for Erlend, but he was done with that, and found other priorities. (In a July 2018 Facebook post, Mr. Hjelvik wrote "our individual goals, needs and motivations have changed, leading us in different directions.")

There's a lot of strong personalities in the band. That can be exhausting. But at the same time, it's one of the things that feeds that energy and attitude we have live.

How did you handle replacing Erlend?

Right before that Metallica tour was the first time Erlend started talking about leaving. It was weird, going on stage as a unit, winning over arenas and then walking off-

stage with someone who didn't want to be in the band and us not knowing what the future would bring. But the rest of us, we were stoked about the tour and also already starting to talk about the next album. This band is so much about the guitars. The front man is important, no matter what. I'm not trying to downplay Erlend's role. But first and foremost, it's about the music.

Ivar [Nikolaisen, the new singer] is a guy we've been a fan of as long as we've been playing music. He was a guest vocalist on our first album—that was a big deal for us. In the late 1990s and early 2000s, he was in a glam-punk band and they were a pretty big deal in Norway, but he was fed

up with the music industry and moved back into the woods. Around 2015, we started to see him being more [musically] active.

He was the only one—we knew that if we could get him as the new front man, we were kind of saved. As soon as people could hear him on the album or come to a show, we knew all that stuff about "new and old singer"—that we would ride it out easily. Luckily, he wanted to do it.

Kvelertak is known for high-energy shows. Does Ivar change that?

It's more energetic now. And it's more of a punk vibe that Ivar has. It reminds me of the first few years...When we started playing as Kvelertak, there wasn't an owl mask [one of their well-known stage props]...I feel like we're even closer to the original live energy.

You mash up rock and metal genres. When creating songs, how do you approach this genre-hopping?

There are two different ways. One is, we have a lot of fun when we're arranging songs. We become like dumb teenagers, where it's like, "Oh, a Mötley Crüe beat? That's funny." And then we do another part.

The other answer is we all come from different genres. Bjarte Lund Rolland, who plays guitar, is sort of the key element to binding all these things together. The rest of us came from a punk rock, hard-core and metal background, but Bjarte was more pop. We're into riffs and heavy songs, and he was writing songs, like pop songs. That's what I'd say the key to our sound is.

ART REVIEW

Donald Judd’s Plainspoken Poetry

His first American retrospective in over 30 years is an ode to material and spatial transformation

By LANCE ESPLUND

New York
‘IT’S JUST BOXES,’ I once overheard a viewer say to his companion about an installation of Donald Judd’s raw-plywood sculptures at Dia:Beacon in Beacon, N.Y. “I woke up in a box. I traveled here in a box. And now,” he continued, “I’m in another box looking at more boxes.” Although Judd (1928-1994) didn’t like being referred to as a sculptor, or his objects being called “sculptures” (he may have preferred the term “boxes”), it’s impossible, from our vantage point, not to see his groundbreaking work, which did away with the pedestal, as anything but sculptures.

It’s true that Judd, a pioneer of American Minimalism (another term he abhorred), worked with boxes: raw, painted, solid, closed, open, hollow, compartmentalized and transparent—in plywood, plexiglass, iron, acrylic, aluminum, copper, brass and stainless, painted and galvanized steel. And his bare-bones sculptures suggest architecture and building blocks, and sometimes push toward Minimalism’s mute extremes. But what matters in Judd is his exactitude, his rigorous attention to scale, amount, increment and interval; how he beautifully orchestrates the various qualities and properties of his materials—not just colored plexiglass and reflective metals, but light, shadow and empty space. How he compresses, pools, patterns and halos colored reflections; how he meticulously speeds up and slows down our movements among forms, around corners and across planes; how he transforms void into elastic, palpable volume.

These gifts are in full force in “Judd,” a retrospective of 70 sculptures, drawings and paintings (almost all are “Untitled”) at the Museum of Modern Art. Organized by Ann Temkin, MoMA’s chief curator of painting and sculpture, and former associate curator Yasmin Raymond, with curatorial assistant Tamar Margalit and research fellow Erica Cooke, “Judd”—his first U.S. survey in more than 30 years—is commandingly handsome.

This is the kind of chilly, upright exhibition that makes you tighten your coat and straighten your posture. Right angles; clean, crisp edges; and faceless, industrial materials abound. There is little here, beyond its many square yards of raw plywood, that is remotely personal or warm and fuzzy. But there is surprise, mystery. Judd’s most compelling works are powerfully impersonal and plainspoken feats of poetic engineering.

“Judd” stumbles, instructionally so, only at the outset. Two lackluster abstract paintings from about 1960 and 1961 (meandering neutral ribbons on fields of yellow and blue, respectively) greet viewers in the loggia. They’re little more than launching pads propelling us into the first of four chronologically installed galleries, where we encounter Judd’s initial freestanding sculptures and reliefs from the early 1960s, when he abandoned two dimensions for three.

The opening gallery is spirited, uneven, experimental, handmade. It suggests—especially because of a work from 1963/1975 that resembles a jungle gym—a children’s playground. The overwhelming color is cadmium red light—that bold, transitional hue that refuses to be ei-



‘What matters in Judd is his exactitude, his rigorous attention to scale’

ther pure orange or pure red. Across the top of one red box, from 1963, a hollow iron pipe—an open tunnel lying end-to-end—is half-submerged, like fruit encased in Jell-O.

One relief, from 1961, consists of a tinned steel baking pan inserted in paint resembling black tar—reminiscent of Byzantine icons. These first works, made by Judd’s own hand, with the help of his father, imbue quotidian forms with magical properties, revealing an artist intent, perhaps, on metamorphosis—but not always successful at it. Another large relief here, from 1963, suggests a roll-up storefront door—not sculpture. Soon, Judd would painstakingly design and then have professionals fabricate

Donald Judd in Marfa, Texas, in 1993, left; Judd’s ‘Untitled’ (1976-77), above; ‘Untitled’ (1969), below; and ‘Untitled’ (1968), bottom center; all in the retrospective now on view at the Museum of Modern Art

his work. It was the right choice. In the best of these sculptures from the mid-1960s to 1992, Judd gives visual purity to his ideas. A translucent, ghostly box, from 1964—made of sparkly, orange pebbled plexiglass with endcaps of hot-rolled steel—is weighty yet atmospheric, a mirage suspended in amber. Other floorworks, boxes made of brass or anodized aluminum and colored acrylic sheets, reminded me of sarcophagi and reflecting pools.

What’s uncanny about many of these progressions of boxes on the floor, and especially Judd’s iconic stacks of boxes—often made of metals and colored acrylic, evenly spaced and running up the wall—is their sense that something momentous is transpiring; that forces are aligning. They suggest large abstract distillations of classical columns, pedestals and plinths; primitive totems, spines and vertebrae. Their forms and compartments, perfectly attenuated and spaced, have electric charge and geometrical precision—like the collision of spiritual with earthly realms in early Renaissance paintings of visitations, annunciations and the Assumption.

Judd completely transforms his materials. In one box, from 1973, he creates a rectangular mirrored brass tunnel through what looks like an aquamarine pool. It’s a confluence of both inside and outside—like buried treasure suspended in a solid piece of Caribbean Sea. And on the surfaces of an evenly spaced stack of 10 polished-copper boxes, from 1969, your body is reflected as if in a funhouse mirror, and the sculpture’s forms melt and soften into waves, as if you were confronted by floating rectangles of rose-colored liquid gold.

In other reliefs, such as a horizontal anodized aluminum work, from 1970—a series of variously sized and shaped purple boxes that cling to the bottom of one long sil-



ver box—Judd moves us, from box to box, at an inchworm’s pace and then he slingshots us along the entire distance of the roughly 22-foot-long sculpture, as if a train were rushing past.

Like ancient Egyptian sculpture, this work, and others by Judd, demands frontality and distance; it also requires that you look through its silver tunnel, which is open from end-to-end. When I did so, a MoMA guard’s head, as if seen through a

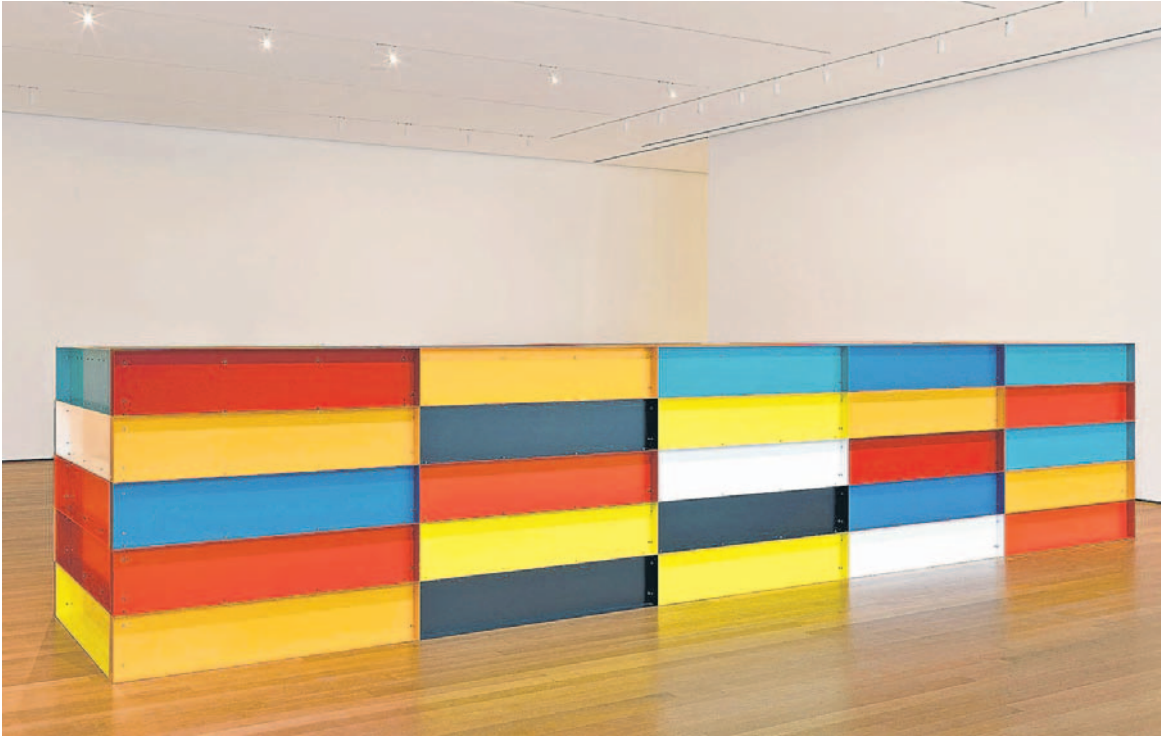
telescope, was perfectly held there, like a pearl. Sure, this sculpture is “just boxes,” but boxes reimagined, transfigured.

Judd
Museum of Modern Art, through July 11

Mr. Esplund, the author of “The Art of Looking: How to Read Modern and Contemporary Art” (Basic Books), writes about art for the Journal.



Donald Judd’s ‘Untitled’ (1967), above, and ‘Untitled’ (1991), right



SPORTS

At Trials,
It Was All
About the
Shoes

By Rachel Bachman

Atlanta

Galen Rupp reasserted himself as the top U.S. men’s marathoner, and Aliphine Tuliamuk edged out her competitors to finish as the top woman in Saturday’s U.S. Olympic marathon trials, a race that played out against the backdrop of an arms race in shoe technology.

All three male qualifiers—Rupp, Jacob Riley and Abdi Abdirahman—and the third-place female finisher, Sally Kipyego, wore shoes from Nike’s controversial Vaporfly line, which feature thick soles and a carbon-fiber plate. Vaporflys made their debut as prototypes in the 2016 U.S. marathon trials, drew complaints from critics who said they gave runners an unfair advantage and spurred competitors to create their own versions.

The top two men Saturday wore the Nike Alphafly, the most recent model in the line, which Nike offered free to all competitors at the trials. Abdirahman wore an earlier Vaporfly model.

Riley, the men’s second-place finisher, didn’t have a shoe sponsorship and chose to run in Nike Alphaflys. “I would prefer not to think that my presence on this team is due to having a better shoe,” said Riley, adding that he was in the best shape of his life. “But I think there’s no question that plated shoes are kind of changing the face of the game. I think if you’re not in one of those, whatever brand it is, you’re probably giving yourself a disadvantage. And there’s probably no way to argue against that.”

Riley noted, however, that the top two women finishers weren’t wearing Nikes. Tuliamuk wore Hoka One One’s yet-to-be-released Rocket X shoes, which have a carbon-fiber plate, and Molly Seidel wore Sauconys. Kipyego wore Nike’s NEXT%, an earlier Vaporfly shoe.

Trials runner Sarah Sellers said she dropped a sponsorship from another shoe company a month ago so she could wear Alphaflys. “I feel like they made a difference, for sure,” said Sellers, who finished a higher-than-expected 11th place.

Kevin C. Cox/Getty Images

Galen Rupp wins the marathon trials.



Emma Hinze, above, in action at the UCI Track Cycling World Championships. The spread of coronavirus is threatening to blow a hole through the cycling calendar.

Coronavirus Scare Shakes Cycling

Global travel and bruised immune systems make the sport uniquely vulnerable to the epidemic

By Joshua Robinson

Berlin

Danish cyclist Michael Morkov spent 34 hours in isolation here this weekend, trying to remember if anyone had coughed on him.

Morkov had more reason to worry than most. On Thursday, he had left a bike race in the United Arab Emirates hours before it went on lockdown because of two reported cases of the novel coronavirus. And on Sunday, he was supposed to race in the track cycling World Championships.

Unsure if he’d been exposed, Morkov locked himself in his hotel room in Berlin. But by Sunday night, Morkov had two things going for him again: not only did he not have coronavirus, he was also a world champion.

“Two days ago, I was afraid to not even participate,” Morkov said after taking gold in the two-man “madison” relay. “But I just focused on my preparation by myself, in my isolation.”

Though the two cases in the U.A.E. came back negative for coronavirus, Morkov’s bizarre weekend highlighted professional cycling’s unique vulnerability to the epidemic. The elite road circuit consists of just 19 men’s teams and 12 women’s outfits whose entire busi-

ness hinges on sending skinny athletes with threadbare immune systems to races around the globe for 10 months of the year.

Already, the spread of coronavirus is threatening to blow a hole through the cycling calendar. Races in China are already postponed through April and May. And just as the season turned its attention to high-profile events in Italy, the country turned into a coronavirus hot zone with more than 800 confirmed cases.

“When you have a look on what the potential effects in the season can be, they’re huge,” said UCI president David Lappartient. “But who knows what the situation will be. For today all the races are maintained in the world calendar.”

That might not be the case for long. RCS Sports, the Italian organizer of the disrupted U.A.E. Tour, is concerned about holding the Strade Bianche race next Saturday, Tirreno-Adriatico the following week, and Milan-San Remo on March 21.

“There is no Plan B,” RCS Sport’s head of cycling Mauro Vegni told the Corriere della Sera.

The loss of income from any of those would be significant for a sport that seems to live permanently on the verge of financial crisis. But that would pale in compari-

son to the impact of scratching off one of cycling’s Grand Tours.

Should the situation devolve any further, that’s exactly what RCS might have to do: the Giro d’Italia, which runs from May 9 to May 31 and draws millions of fans to the roadsides, could be in danger for the first time since 1945.

Questions would then follow about the Tour de France in July. France on Friday banned all gather-

The loss of income would be significant for a sport that seems to live on the verge of crisis.

ings of more than 5,000 people that were likely to bring together large groups of foreign visitors.

“Cycling can deal with a few cancellations,” said EF Pro Cycling team manager Jonathan Vaughters. “But if the Tour gets canceled, oof, that’s a blow.”

But even if the season unfolds as planned, the epidemic is clearly on cyclists’ minds. They are already notorious germaphobes—their favorite performance enhancer these days might as well be hand sani-

tizer. And that’s when there isn’t a global epidemic.

Three-week races like the Tour de France are so punishing to their immune systems that riders are constantly coming down with colds, flu and chest infections, even in the middle of the summer. Team doctors will quarantine them in hotels and make them eat meals by themselves at the slightest hint of a cough or sniffle.

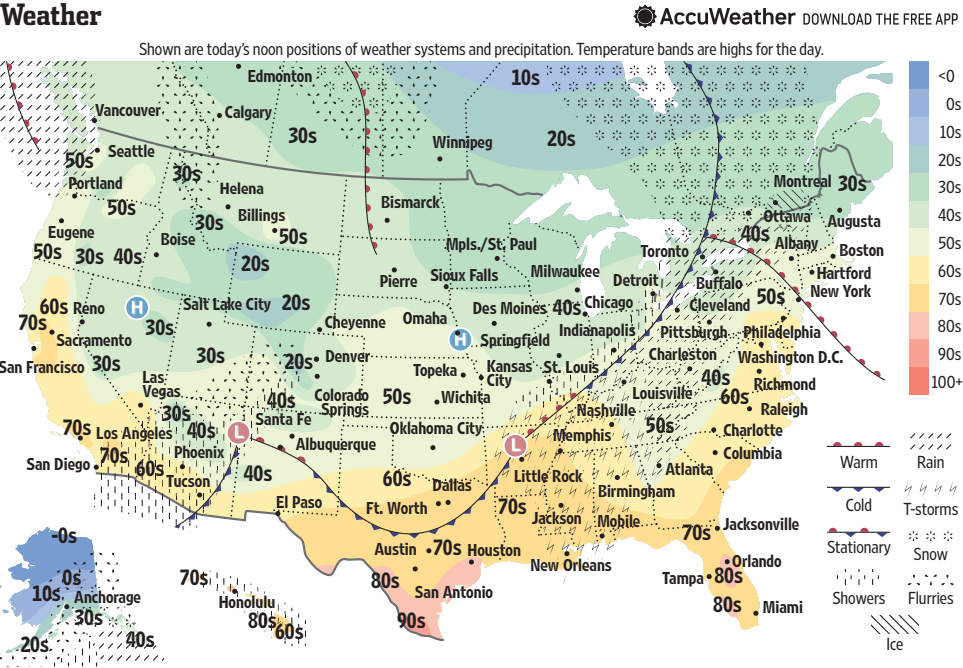
What happened at the U.A.E. Tour last week showed just how devastating even a single case of coronavirus could be for the sport.

The panic began Thursday evening when organizers reported that two staffers of an unnamed team had come down with the illness. The final two stages of the race were canceled and Emirati health authorities put everyone on lockdown. Riders, staff and media were all confined to their hotel rooms until tests could be carried out.

As of Sunday afternoon, a few teams had been cleared after more than 160 tests came back negative, but several more were stuck in their hotels and tearing up airplane tickets.

Morkov had escaped just under the wire. “I felt lucky that I left in time,” he said. “But I also realized I could be affected too so I had to take the precautions.”

Weather



U.S. Forecasts

s...sunny; pc... partly cloudy; c...cloudy; sh...showers; t...tstorms; r...rain; sf...snow flurries; sn...snow; l...ice

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Anchorage	25	2	sf	13	1	pc
Atlanta	58	55	sh	67	54	sh
Austin	78	60	c	72	58	t
Baltimore	63	45	c	62	46	sh
Boise	48	34	s	55	36	pc
Boston	52	46	c	59	46	c
Burlington	43	35	r	47	34	c
Charlotte	61	50	r	69	52	r
Chicago	48	31	pc	52	34	pc
Cleveland	51	35	r	50	36	c
Dallas	74	52	sh	63	52	r
Denver	48	27	c	54	31	s
Detroit	50	28	r	48	34	pc
Honolulu	81	69	sh	82	70	pc
Houston	80	67	c	78	66	r
Indianapolis	53	34	r	52	35	pc
Kansas City	53	35	c	62	41	s
Las Vegas	65	48	pc	70	49	s
Little Rock	72	54	t	64	50	r
Los Angeles	71	54	pc	76	50	s
Miami	78	70	pc	83	73	pc
Milwaukee	43	30	pc	48	33	c
Minneapolis	38	29	s	42	28	c
Nashville	62	55	t	67	47	r
New Orleans	78	66	t	80	66	t
New York City	56	48	c	58	48	sh
Oklahoma City	57	38	c	65	45	c

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Omaha	50	34	c	59	39	s
Orlando	80	60	s	85	64	s
Philadelphia	60	46	c	60	46	sh
Phoenix	64	48	sh	71	49	s
Pittsburgh	51	43	r	53	36	r
Portland, Maine	41	39	c	53	40	c
Portland, Ore.	51	44	c	56	44	sh
Sacramento	71	43	s	74	42	s
St. Louis	52	36	c	61	42	pc
Salt Lake City	42	27	s	47	31	pc
San Francisco	69	51	s	68	48	s
Santa Fe	55	27	pc	58	29	c
Seattle	50	46	r	53	42	c
Sioux Falls	43	34	s	47	33	c
Wash., D.C.	63	48	c	63	48	c

International

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Amsterdam	47	36	r	46	37	pc
Athens	65	54	pc	67	55	c
Baghdad	69	44	pc	72	49	pc
Bangkok	95	80	pc	95	81	s
Beijing	52	28	s	50	26	s
Berlin	48	36	c	45	32	c
Brussels	47	34	r	46	36	pc
Buenos Aires	86	72	r	84	71	s
Dubai	84	68	pc	77	66	s
Dublin	44	34	sh	44	32	c
Edinburgh	44	35	pc	45	33	pc

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Frankfurt	50	37	r	48	33	pc
Geneva	45	33	r	45	34	pc
Havana	84	62	s	88	65	s
Hong Kong	74	66	pc	75	64	pc
Istanbul	57	50	pc	63	50	pc
Jakarta	87	75	pc	88	76	sh
Jerusalem	56	40	pc	63	48	s
Johannesburg	74	54	t	77	58	t
London	47	36	r	48	35	pc
Madrid	56	37	sh	58	48	pc
Manila	90	73	pc	90	74	s
Melbourne	65	54	c	69	55	pc
Mexico City	82	54	s	80	53	s
Milan	48	43	r	56	37	r
Moscow	41	35	c	40	36	r
Mumbai	89	73	pc	88	74	pc
Paris	50	35	r	47	39	c
Rio de Janeiro	77	72	r	80	73	t
Riyadh	77	47	pc	76	48	pc
Rome	62	50	r	58	40	r
San Juan	82	73	sh	83	74	sh
Seoul	47	29	pc	51	33	pc
Shanghai	53	43	pc	57	45	c
Singapore	91	77	pc	90	77	pc
Sydney	93	68	pc	73	69	sh
Taipei City	66	63	c	78	65	pc
Tokyo	51	46	r	59	47	s
Toronto	44	29	r	39	32	c
Vancouver	46	41	sh	50	39	sh
Warsaw	47	35	r	53	36	r
Zurich	47	35	r	45	31	c

The WSJ Daily Crossword | Edited by Mike Shenk

1	2	3	4		5	6	7	8		9	10	11	12	13
14					15					16				
17					18					19				
					20					21				
					22					23				
25	26	27	28			29	30				31	32	33	
34						35				36				
37						38				39				
40						41	42			43	44			
45						46				47				
						48				49				
						50	51				54	55	56	
57						58				59			60	
61						62				63				
64						65				66				

TWISTED THREADS |

By Andrea Carla Michaels

Across	Down	Across	Down
1 Puts two and two together	1 In the style of, in cookbooks	29 Inventor's inkling	46 Horse race pace, sometimes
5 It's true	2 Visa balance, for example	31 Yahoo! alternative	47 Most despicable
9 Clear writing?	3 Salvador the surrealist	34 Perform some publishing house work	48 Fizzling firecracker
14 Spring	4 Drove 90 in a 75 zone	37 "So Big" author Ferber	49 Charged particle
15 What the nose knows	5 University in the Bronx	38 "To Kill a Mockingbird" author Harper	50 Really nervous, and a hint to the circled words
16 Romeo or Juliet, for example	6 Parting word	39 Nobel Peace Prize winner Wiesel	57 Joe without the jolt
17 Fit for duty	7 Expense	40 Green tea, vitamin D and amino acids, for example	58 "The King ____"
18 Prepare for the judge's entrance	8 Sequoia or sycamore	45 Kamala Harris or Elizabeth Warren, e.g.: Abbr.	59 Spreadsheet features
19 Wed in secret	9 Mournful		61 Make amends
20 Gain rival	10 Playbill listings		62 "Nothin' ____"
23 Fri. preceder	11 Bard's river		63 Topic of a golf lesson
24 "Whether ____ nobler in the mind to suffer...": Hamlet	12 Labor Day mo.		64 Good judgment
25 Montana's capital	13 Before, in verses		65 Minor problem
	14 Sicilian volcano		66 Tranquil practice
	15 Roads with nos.		
	16 Doesn't ignore		
	17 "Fantastic Beasts and Where to Find Them" star Redmayne		
	18 Sheet material		
	19 Coup d'____		
	20 Clumsy		

Previous Puzzle's Solution

EXACT	LET	PROSE
SODIOT	ORR	DOMES
QUEEN	ANNE	QUANT
UTILE	ORG	SHOE
ESP	N	GUEST
STARS		
IGO		OUS
HAIKU	LENIN	DIE
SODIOT	ORR	DOMES
EXPENSE	ACCOUNTS	
SEA	GUSTO	CLASP
HAIT		HON
COMMON	CORE	ASTO
OPTIC	GONERS	ERA
CALLS	SEARCH	OUT
OLLIE	TAD	ABUSE
ASSET	SLY	BOLTS

The contest answer is TOTAL. The first two letters in each word of the theme answers form an entry in the grid if another letter is added: QUEen ANNe + T = QUANT; GUest STars + O = GUSTO; EXPense Accounts + T = EXACT; COmmon COre + A = COCOA; and SEArch OUT + L = SEOL. Those added letters spell the contest answer.

OPINION

Give Philanthropy the Market Test



INSIDE VIEW
By Andy Kessler

I'm always mystified by philanthropic foundations and how fruitlessly they disperse their capitalism-provided funds. Bloomberg Philanthropies spends a chunk of its \$8 billion on "Sustainable Cities." The new \$10 billion Bezos Earth Fund is backing climate activists. The \$12 billion Ford Foundation insists, "To address the climate crisis, we must address inequality."

Huh? Way more than philanthropy, free-market capitalism gets people out of poverty, raises living standards and cures the world's ills. Of the four things you can do with your money—spend it, pay taxes, give it away or invest it—investing is the only one that increases productivity, the scaffolding of capitalism and societal wealth.

So my eyebrows rose when I was offered a chance to meet Raj Shah, president of the \$4 billion Rockefeller Foundation. Maybe I'd be able to gather some squishy grant-making examples to make fun of. Boy was I wrong.

Perhaps the Rockefeller difference traces in part to the foundation's founder. John D. Rockefeller was an interesting guy, much maligned despite bringing light and heat to the masses (and saving whales). On top of his heroic business efforts, he understood where philanthropy could be useful.

A favorite book of mine, Ron Chernow's 1998 "Titan," describes how Rockefeller made his money, then gave it away. He looked for big projects only he could fund, such as eradicating hookworm—a parasite that struck people who walked barefoot, predominantly Southern blacks. Rockefeller funded tests for thousands of rural citizens and provided shoes. It worked. One branch of the Bill and Melinda Gates Foundation uses a similar philosophy to fight malaria and HIV.

Mr. Shah told me about the Rockefeller Foundation's current big project, Smart Power India. World-wide, 840 million people live without access to electricity. Hundreds of millions more get only a few hours a day of expensive government-monopoly-provided current. Digital bits drive the First World, while the Third World still needs electricity.

Mr. Shah had a previous job funding power in emerging markets, so he had Rockefeller team up with India's Tata Power in 2015, launching a \$1 billion deal to produce mini-grids. With solar panels and battery backup, Mr. Shah explains, the project can deliver containers to remote parts of India and provide 24/7 electricity at a competitive price.

Wait, "price"? This is philanthropy; surely they give the electricity away. Nope. And that's what makes this effort interesting. By providing smart meters, they create a market for electricity. Then voilà, all sorts of commerce is erupting. Someone buys a few

sewing machines and starts a clothing company. Someone digs a well and provides irrigation to farms—all using juice from the grid, something we take for granted.

Smart Power India hopes to make electricity available to 25 million people. The 30-kilo-watt-hour grids cost \$60,000,

A project to electrify rural India shows how investment helps the poor more than aid.

a figure that drops as lithium-ion batteries get more efficient. They estimate that three-quarters of power will go to small businesses. Electricity prices have dropped from 80 cents to 23 cents, and may soon hit 12 to 15 cents—less than in California!

They've installed 250 mini-grids so far supporting 300,000 people and almost 10,000 enterprises. In the past three years energy consumption has doubled, and revenue has increased by one-third for shops and more than 50% for commercial enterprises. That includes carpentry, wheat grinding, honey processing, mustard-oil production and water purification—much of which was unavailable before Rockefeller got involved. *That's* productivity.

Thirty percent of the proposed funding is equity, split 80/20 between Tata and Rockefeller. The rest is debt. I learned a new term, as Mr.

Shah calls his contribution "concession capital": No return-driven investor in his right mind would provide it, based on the risks of currency, rule of law and execution. Rockefeller intends to reap a small return or break even. That allows Tata to seek a 14% return on investment, which helps it get better debt financing—the road to scale.

A foundation seeding a project, then selling its output: It almost feels like, dare I say, capitalism! An abstract calculation might suggest \$200 billion in grants could electrify the whole world. Sadly, that squishy stuff crowds out real investment. Instead, like venture capitalists, Rockefeller is to fund a sustainable business that will eventually build out all those grids. Africa is next, where a lack of electricity helps keep 400 million in poverty.

It's too soon to know how far this could scale, because governments often get in the way. But it could popularize a new model for philanthropy—perhaps a fork in the road for a stodgy sector. Mr. Shah calls it "unlocking a solution for poverty." Put up risk capital to identify a big problem, find a low-cost solution, and try a new business model to execute it. It could work for food distribution, water, internet access and maybe even the trendy climate stuff.

We knew capitalism and productivity fund philanthropy. Now philanthropy is mimicking capitalism! I didn't see that coming.

Write to kessler@wsj.com.

BOOKSHELF | By Michael Auslin

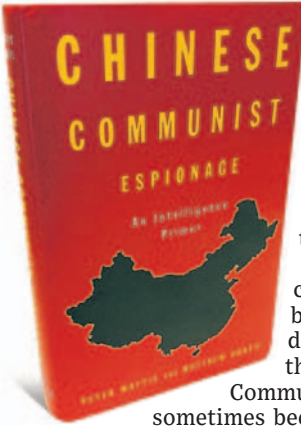
Spycraft As Statecraft

Chinese Communist Espionage

By Peter Mattis and Matthew Brazil
(Naval Institute Press, 359 pages, \$45)

Kevin Mallory was no James Bond. The hapless former CIA agent attempted to deflect suspicion that he had been selling the Chinese secret information by voluntarily turning over a Chinese-provided cell phone to FBI investigators. Mr. Mallory assumed any compromising communications with the foreign agents had been erased, but a chip preserved the evidence of his treason. Last May Mr. Mallory was sentenced to 20 years under the Espionage Act. Six months later, another former CIA operative, Jerry Chun Shing Lee, received a 19-year sentence for selling CIA secrets to Beijing that may have resulted in the crippling of the CIA's network in China and the disappearance or death of dozens of agents.

Messrs. Mallory and Lee are the human face of China's global espionage. Equally prevalent are Chinese lurkers in the cyber shadows, penetrating the most secure computer networks. Old-fashioned traitors now vie with sophisticated digital operatives who purloin trade, military and govern-



ment information. Long overlooked in the face of German espionage during the world wars—as well as the bitter, often romanticized struggle between the CIA and Britain's SIS against the KGB during the Cold War—China is today's greatest intelligence threat to U.S. interests.

In China, espionage and counterintelligence have often been inextricably linked. Indeed, as Peter Mattis and Matthew Brazil recount in "Chinese Communist Espionage," the two have sometimes been all but indistinguishable, as they were during the decades-long struggle between Mao Zedong's Chinese Communist Party and Chiang Kai-shek's Nationalists, and during the full-on war between the United Front (a tenuous covenant between the CCP and Nationalists) and the Japanese during the Pacific War. Many of the CCP's most senior leaders, such as Zhou Enlai, were intelligence professionals, putting spycraft at the core of the Party. Famous fellow travelers, such as Madame Sun Yat-sen, widow of the leader of the 1911 Chinese Revolution, further aided the communists through surreptitious activities.

Forged in war against foreign and domestic enemies alike, China's communist spies were run primarily by the People's Liberation Army, long giving a distinct military tint to intelligence operations, while domestic surveillance was the province of the national police, reaching down to ferret out "counterrevolutionaries" at the local level.

Tellingly, it was in the midst of China's era of "reform and opening up," under Deng Xiaoping, that the Ministry of State Security was established in 1983. The MSS is China's equivalent of the CIA, founded as the missing counterpart to the military intelligence department and the FBI-like Ministry of Public Security, concerned with domestic control. Given the relatively recent formation of the MSS, along with the long-time military focus of intelligence, Messrs. Mattis and Brazil intriguingly theorize that China's traditional weakness in using human assets abroad may be responsible for the country's focus on cyberspace since the 1990s, leading to decades of electronic espionage conducted safely from home territory.

How much of China's dramatic military and economic rise could have been achieved without the use of espionage?

Despite the often dramatic stories related in "Chinese Communist Espionage," this is not a popular treatment. Much of the text consists of alphabetical thumbnail sketches of dozens of intelligence leaders and notable spies, from the 1920s through today. Details overwhelm the bigger picture. Readers will often wonder why a particular individual chose to betray his country, or how China's spy agencies operate. The lines between internal policing, counterintelligence and external espionage are often blurred in the outline sketches, leading as well to significant repetition.

A different approach would have helped the reader appreciate as well as contextualize the authors' yeoman effort. Given the complex history of China's intelligence organs, an integrated narrative history would perhaps have more impact than the cataloging of names and organizations.

Even so, Messrs. Mattis and Brazil's book is the most comprehensive attempt yet to outline the range of China's spying and the complicated web of agencies that carry it out. The scale of China's relentless espionage activities is far more understandable thanks to their work. Readers may be surprised, for example, to find out that some of the earliest American Cold War spies gave their loyalty to Beijing, not Moscow, prompting one to wonder: Does China today have its own Kim Philby? The ignominious list of Americans, both of Chinese descent and otherwise, who have sold national or corporate secrets to China, or attempted to do so, is enough to raise questions about how much of China's military and economic rise could have been achieved without espionage.

"Chinese Communist Espionage" is particularly well-timed. The Trump administration is taking China's espionage seriously after years of American neglect. FBI Director Christopher Wray has labeled China the greatest counterintelligence threat the United States faces, and the administration has moved against China's cyber and traditional spying.

In October 2018, a high-ranking MSS officer was arrested in Belgium and extradited to the United States, charged with economic espionage at U.S. aerospace firms, while in September 2019 a Chinese-born naturalized U.S. citizen, Edward Peng, was arrested by the FBI after a "double cross" operation revealed he was acting as a courier for the MSS. A Chinese military officer was indicted for lying on her visa application to study at an advanced physics laboratory at Boston University, with instructions to covertly gather information on leading U.S. scientists.

As political relations between Washington and Beijing have soured, Chinese spies are becoming more brazen. One was arrested trying to breach security at President Trump's Mar-a-Lago resort. Others have been apprehended stealing onto American military bases, occasioning car chases out of a Jason Bourne movie. If a new Cold War is shaping up between the U.S. and China, countering Beijing's espionage had better become as much a priority as stopping Russian spooks was in the days of Checkpoint Charlie.

Mr. Auslin is a fellow at the Hoover Institution at Stanford and the author of the forthcoming "Asia's New Geopolitics."

Bernie Rewrites Cuban History



AMERICAS
By Mary Anastasia O'Grady

opinion of Cuba, Mr. Sanders exposes the depth of his socialist views.

Mr. Sanders's enthusiastic support for the Socialist Workers Party in the 1980s is well documented, as is his endorsement of Castro and Nicaraguan Sandinista Daniel Ortega, both of whom were Soviet pawns during the Cold War. On CBS's "60 Minutes" on Feb. 23 we learned that Bernie's ideology hasn't changed much since he was advocating for tyranny in his youth.

Interviewer Anderson Cooper played a film clip from the 1980s in which Mr. Sanders explains why Cubans didn't side with the U.S. against Castro: Because he "educated the kids, gave them health care, totally transformed the society." To Mr. Cooper, he said: "When Fidel Castro came into office, you know what he did? He had a massive literacy program. Is that a bad thing, even though Fidel Castro did it?"

In fact, according to the late historian Hugh Thomas, Cuban literacy was already around 80% in 1958, making it the fourth most literate country in Latin America, in keeping with a relatively prosperous economy. Mr. Sanders's claims

about a "popular" revolution are also guff. A good part of the Cuban population resisted the Communist takeover of the island, and Castro's gun-toting buddies met that resistance with deadly violence.

Immediately after dictator Fulgencio Batista fled, Fidel and his henchmen began executing policemen and soldiers without trials in a campaign of terror. Cuba Archive, a non-governmental organization that documents deaths during the revolution, counts 1,003 firing-squad executions in 1959.

The slaughter didn't end there. Castro turned on his allies, targeting those he suspected of being against his one-man takeover. Cuba Archive has documented another 1,862 executions from 1960-67 and 816 combat deaths.

Propagandists like to describe Castro's victims as greedy capitalists. But they were a cross-section of society. Castro slaughtered thousands of farmers who owned and worked small plots across the island because they resisted collectivization. The Soviet-coached cleansing of dissidents in the Escambray mountains is legendary, but the purge also took place in other parts of the country.

Thousands of Cubans who had been part of the struggle to overthrow Batista and restore the 1940 constitution looked on with horror at the rise of the megalomaniac Castro. Around 2,800 Cuban men trained for the Bay of Pigs invasion in 1961. They had been promised U.S. air cover, but

President Kennedy reneged at the last minute and the Communists easily defeated them.

Yet that's only half the story. Castro had infiltrated resistance groups on the island. Before the invasion, the military rounded up tens of thousands of civilians, including the elderly, women and adolescents, whom he suspected of disloyalty. The numbers were so large that the military used stadiums, theaters and schools to hold the prisoners in unsanitary conditions without food.

He lamely concedes that the regime is 'authoritarian.' No, it's totalitarian.

Armando Valladares was a 22-year-old post-office clerk in 1960 when he refused to place a sign supporting communism on his desk. Castro's jackboots arrived at his home in the night, shoved his mother out of the way, and hauled him off to prison.

Twenty-two years later his devoted wife managed to win his release and he flew to Paris. Less than two months after that he was granted residency in the U.S. He would become U.S. ambassador to the U.N. Human Rights Commission in Geneva and write a memoir, "Against All Hope" (1985), which graphically describes the torture and privation in Castro's dungeons.

In Mr. Sanders's interview

Against Sanders, Trump Is the Lesser Evil

By James Huffman

If Bernie Sanders is the Democratic nominee for president, he'll have to secure the votes of people like me. He won't have a chance. A man who sings the praises of Fidel Castro's Cuba and promises to dismantle the most productive economy on the planet won't win over America's moderate middle, even running against an ill-mannered, ignorant and demagogic Donald Trump.

Until 2016 I was a registered Republican. I voted for some Democrats, but mostly Republicans. In 2010 I was Oregon's Republican nominee for U.S. Senate, challenging incumbent Ron Wyden as a social moderate and fiscal conservative. In July 2016, I wrote an op-ed in Oregon's leading newspaper urging the state's Republican National Convention delegates to lead a "revolution of conscience"

against Mr. Trump's nomination. When he was nominated, I changed my registration to "unaffiliated."

In November I voted for Libertarian Gary Johnson. If I lived in a swing state, I'd have voted for Hillary Clinton. Mr. Trump has been even worse

The president has been even worse than I expected, but I may have to vote for him.

as president than I imagined—less civil, less informed, more demagogic. Yet if Mr. Sanders is the Democratic nominee, I'll vote for Mr. Trump.

Voting for Bernie Sanders will not be an option for millions of moderate Republican and independent voters, including those in swing states. They may like some of the

things Mr. Trump has done, but they can't abide his rude behavior, narcissism and disregard for the truth. But neither can they accept Mr. Sanders's socialism with its limitless, unfunded promises.

The lesser evil is clear. Most of the harm Mr. Trump has caused, and will cause in another term, will pass when he leaves office. It will take time but civil dialogue can be restored, foreign relationships repaired, tariffs repealed, executive orders revoked, and new people appointed to important positions. Contrary to the "resistance," democracy and the rule of law are not in peril. Mr. Trump is a product of democracy, and the courts—including judges appointed since 2017—continue to enforce the law.

If Mr. Sanders's socialist agenda were to become a reality, undoing it would be nearly impossible. Once created, social-welfare programs are al-

most never reversed. It is a one-way ratchet to more spending, mounting debt and growing dependence on government at the expense of individual responsibility. Lawmakers have known for decades that Social Security and Medicare are unsustainable without major reforms, but there are no reforms.

Everything government does is funded by the capitalist economy that Mr. Sanders's proposed policies would deliberately undermine. Some hope that even Democratic congressional majorities would put the brakes on a President Sanders's agenda. But in an era of unbending party loyalty, moderates can't rely on that. That's why people like me may end up pulling the lever for Donald Trump.

Mr. Huffman is a professor and dean emeritus at Lewis & Clark Law School in Portland, Ore.

OPINION

REVIEW & OUTLOOK

The Afghan Withdrawal Deal

President Trump has made clear he wants all American troops out of Afghanistan, and on Saturday the U.S. signed an “agreement for bringing peace to Afghanistan” with the Taliban. The coming months will tell if this is a genuine path to peace or political cover for a U.S. exit.

The good news is that this agreement is better than what the U.S. had seemed to accept in September. The Taliban have killed thousands of Americans, and Mr. Trump shouldn’t reward them with a Camp David signing ceremony as he first suggested.

The Taliban, or at least their representatives, have agreed to negotiate with the elected Afghan government for the first time. The Taliban want to establish an Islamist emirate and have previously refused to talk to the Kabul government. The Taliban have also promised to reduce their attacks on Afghan civilians and troops, as a week long test leading to Saturday demonstrated is possible.

For the first time the Taliban have also sworn support for al Qaeda and are promising to prevent Afghanistan from being a safe haven for any group planning attacks against the U.S. This is the reason the U.S. sent troops to the country after 9/11, and the deal makes clear this is the main American priority.

In return, the U.S. is making significant concessions, in particular a 14-month path to the withdrawal of all American forces. The initial reduction to 8,600 troops from some 13,000 shouldn’t be a problem. General Austin Miller, the U.S. commander in Afghanistan, says this is enough to fulfill the U.S. mission.

The gamble, and it’s a big one, is over the drawdown to zero by May 2021, including from all military bases in the country. This is conveniently after the November election, so Mr. Trump needn’t worry about a Taliban march on Kabul before then. Secretary of State Mike Pompeo also promised on Saturday in Qatar that this will be a “conditions-based troop withdrawal,” and that it can cease if the Taliban reneges on its promises.

But the Taliban know how much Mr. Trump wants out, and it could decide to stand down until U.S. forces leave and then resume its siege

against the government. A residual U.S. force including air power and special forces would be safer, but the Taliban and Mr. Trump both want the political boast of complete American withdrawal.

It’s far from clear that the Taliban negotiators can deliver on their violence reduction promises. The group is led by local and regional commanders who may not take orders from leaders based in Pakistan. The Afghans are releasing 5,000 Taliban fighters from prison as part of the deal, and many of them will return to the fight.

As for talks with the Kabul government, the Taliban will have to abandon their desire to rule by unaccountable Shariah law. Perhaps some power-sharing or regional-control arrangement can be worked out.

But it’s hard to see the Taliban agreeing to lay down their arms and join the Afghan security forces. The deal also has no guarantees to protect Afghan women, who have made great strides in education and health care since the U.S. intervention. Afghan President Ashraf Ghani will need a united front that includes political rival Abdullah Abdullah to have a chance at negotiating a decent outcome.

* * *

Americans are in a sour mood about foreign interventions, and after 18 years in Afghanistan the desire to come home is understandable. But public frustration shouldn’t ignore the major U.S. accomplishments.

Our forces have denied terrorists a safe haven and protected the homeland from another large-scale attack. We have killed the al Qaeda leadership, including Osama bin Laden. We have assisted a Kabul government that, while far from perfect, is free and democratic. We have brought basic education to millions of young Afghans who never had it. And we have trained and equipped Afghan security forces to defend themselves. No one should diminish the sacrifices that Americans have made with their lives and long deployments by dismissing these achievements.

“We will not squander what they and you have won through blood, sweat and tears,” Mr. Pompeo said on Saturday in Doha. No doubt he means it. We hope President Trump does too.

Trump agrees to a 14-month timeline if the Taliban honor their security commitments.

The feds are calling on academic labs and Big Pharma for help.

Americans naturally turn to the government when their health or physical security is at risk, but a core U.S. strength is the breadth of its private medical resources. That’s on display now as the government is calling on private actors to buttress the federal response.

On Saturday the Food and Drug Administration said it will allow hundreds of academic hospital labs to begin testing for the coronavirus. The country had relied on the Centers for Disease Control and Prevention, but its testing kits turned out to be faulty. By unleashing academic labs, the U.S. will have the capacity by the end of this week to screen “probably 10,000 people a day,” says Scott Gottlieb, the former FDA commissioner who writes for these pages. Within two weeks that

should be 20,000 a day, Dr. Gottlieb said on CBS’s “Face the Nation.”

On Monday President Trump will meet at the White House with executives from the pharmaceutical industry to talk about developing a vaccine and therapeutics that can moderate viral symptoms and save lives. A vaccine might be a year away, but therapeutics could be available within months.

The Bernie Sanders campaign is saying the virus shows how Medicare for All would better serve the country. The opposite is true. By putting government in charge of every health care decision, Medicare for All would eliminate the adaptability of private innovation, which is an American advantage. The Trump Administration is right to exploit it.

The Joe Biden Comeback

At 77 years old, Joe Biden can’t really be called a Comeback Kid. But then he is year younger than Bernie Sanders and Michael Bloomberg, and his runaway victory in South Carolina’s primary on Saturday revives his bid as a serious challenger for the Democratic presidential nomination.

The former Vice President won with 48.4% of the vote, well ahead of Mr. Sanders, who finished second with about 20%. Tom Steyer, the billionaire who spent \$22 million on media in the Palmetto State and pandered to African-Americans by endorsing reparations for slavery, was third with 11.3%, less than the 15% he needed to win state-wide delegates. Everyone else finished far out of the running.

Mr. Biden’s blowout victory has the potential to reset the Democratic race going into the 14 state contests across the country this Tuesday. A win by Mr. Sanders in South Carolina would have put him in a commanding position. Mr. Biden has now broken his momentum thanks to two realities that will continue to play in the primaries.

One is Mr. Biden’s strength with African-American voters who were a majority of the South Carolina Democratic electorate and will be a major force throughout the southern states voting on Tuesday. Mr. Biden has a chance to rack up delegates in Virginia, Alabama, North Carolina, Arkansas, Tennessee, Oklahoma and perhaps Texas. Mr. Sanders is competitive in many of those states, and is expected to do well in California, Colorado and Vermont, but Mr. Biden now has a chance to stay competitive in the delegate race.

The other reality is the Democratic Party’s growing anxiety that Mr. Sanders’s undisguised and polarizing socialism will be a liability against President Trump. Voters are only beginning to learn what the Vermont Senator really believes, as opposed to his social-justice applause lines. Mr. Biden emerges from South Carolina as the most plausible alternative for Dem-

ocrats in other states who don’t want to gamble on nominating the most left-wing major-party presidential candidate in history.

Mr. Biden’s victory speech Saturday was by far the best of his campaign, offering a contrast both with Mr. Sanders and President Trump. He said the country wants “results,” not “the promise of a revolution” a la Bernie, while also pitching himself as a “healing” contrast to Mr. Trump. The former VP may have found a message that justifies his candidacy if he can maintain the vigor to deliver it.

The wild card for Mr. Biden is that Mr. Bloomberg will be on the ballot for the first time in Tuesday’s states, where his TV ads have been helping the former New York City mayor build support. Mr. Bloomberg is competing for the same non-Sanders, center-left Democratic voters. Mr. Bloomberg will have to win a big chunk of delegates on Tuesday or reconsider his candidacy.

Tuesday should at long last weed out the also-rans. Mr. Steyer dropped out Saturday, having proved that money can buy attention in politics but is no guarantee of votes. Amy Klobuchar might win her home state of Minnesota but isn’t doing well enough anywhere else to slog on. Pete Buttigieg’s shooting star has fallen on his failure to attract minority voters and glibness without substance. Elizabeth Warren might lose her state of Massachusetts to Mr. Sanders, and she has failed to peel national progressives from the truer-blue socialist.

Mr. Sanders remains the frontrunner, with his loyal progressive base that lets him win delegates nearly everywhere as long as he gets 15% of the vote. But Democrats will have a stronger case to defeat him at the Milwaukee convention if he can be held to a smaller plurality. Mr. Biden’s South Carolina victory means Democrats have a chance to reconsider nominating a socialist who calls American business “corrupt” and wants a revolution that would put government in control of the economy.

His South Carolina victory offers a renewed challenge to Sanders.

LETTERS TO THE EDITOR

No Need for a PCAOB If Conflicts Eliminated

Former Securities and Exchange Commission Chairman Arthur Levitt ignores the failure of the SEC, the Public Company Accounting Oversight Board (PCAOB) and my profession (CPAs) in the last financial crisis (“Without an Independent Watchdog, Who Will Audit the Auditors?,” op-ed, Feb. 20). The mandatory finger of blame never points inward.

There is a principle of “substance over form” that was supposed to be applied by all the watchdogs, who readily stayed in their respective dog houses. Junk bonds are a useful mechanism in the market, as long as you call them junk. If a collateralized mortgage obligation (CMO) includes a majority of borrowers with a FICO score of two and have unverified income, that sounds like junk to me even with a purchase rating of triple-A. And if they were “insured” with a credit default swap that really wasn’t insurance (inadequate reserves to cover potential losses), it was obvious to me that appropriate reserves should have been required (50%, 85% or 100%) to carry these fallacious assets. How many of these CMOs would have been sold if the purchaser could only have them on their books at 15% of their purchase price? I suspect very few, and the accumulation of those garbage loans would have died on the vine.

Technically, all the “loans” were legal, but if the watchdogs had done their jobs, the market would have corrected itself. The critical responsibility of the accounting profession and the SEC is the proper application

and valuation of all accounting principles to insure market stability. I blame the SEC and the accounting profession for looking the other way. More bureaucratic oversight wouldn’t have been needed if Mr. Levitt’s successors had only done their jobs.

DAN WEBB
Reno, Nev.

Mr. Levitt suggests that the semi-independent PCAOB is preferable to the SEC absorbing the board. The inherent conflicts noted by Mr. Levitt remain under either arrangement.

A significantly better (honest and ethical without conflicts of interest) arrangement is to have truly independent auditors. All we need is the major pension plans and institutional holders to insist that any organization in which they hold stock be audited periodically by a truly independent auditor. Most of the periodic scandals to which the Big Four subject stakeholders would disappear.

EM. PROF. J.H. HEIZER
Texas Lutheran University
Camp Verde, Texas

Auditors abide by the stiffest, most comprehensive independence rules of any job in the private, public or nonprofit sectors. Instead of attacking them, Mr. Levitt’s advocacy for the PCAOB would be more credible if he explained what has been achieved during its 18-year tenure. Maybe what’s really needed is an audit of the auditors’ auditor.

EDWARD ABAHOONIE
Sparkill, N.Y.

Why the Big Swarms of Young Sandernistas?

William Galston’s explanation for “Why the Young Back Bernie Sanders” (Politics & Ideas, Feb. 19) can be summed up that their generation got a raw deal. Young adults today are much more willing than were prior generations at the same age to entertain the possibility of radical change, and support Sen. Sanders as a leader who will make that happen.

Mr. Galston misses the gross malfeasance on the part of educators who failed to provide a relevant frame of historical reference for what they now consider to be a grossly unjust and irresponsible nation. Were things that much better for young adults who graduated from college just before World War I, the Great Depression, World War II, the Korean War or the Vietnam War?

Young adults today received a steady diet of social-justice, secular-progressive and climate-change dogma from grade school to graduate school. The New York Times 1619 Project that repackages American history as four centuries of white, male privilege and exploitation of all others is the latest example of an agenda-driven story peddled to a more diverse generation split between guilt-ridden whites and victims of white privilege.

If you are blessed to be born in a country that has outperformed the world for 400 years and still offers better prospects for a comfortable lifestyle than any other nation, and you think the country needs a radical makeover by Bernie Sanders, you were

punked by the left-wing ideologues teaching your social-studies classes.

LOU PETERS
Savannah, Ga.

Young people have been told all of their politically aware lives that the economy is rigged, the American dream is dead, and “you didn’t build that.” The idea of success has been replaced with an image of inherent corruption and criminality attributed to all “millionaires and billionaires.” They’ve been told that the world is biased and rife with bigotry, and that they’re likely victims whose only hope is to rely on the government to take care of them.

Much of this has been politically expedient rhetoric for the politicians who spout such notions to win elections, but to the young and inexperienced, it appears to have stuck. Is it any surprise, with this onslaught of deliberate negative messaging, that the young support someone calling to overthrow the foundations of America?

JOHN FOSTER
Portola Valley, Calif.

Where is President John F. Kennedy who exhorted Americans: “Ask not what your country can do for you, ask what you can do for your country.” Today many of the youngest voters in the Democratic Party who support the entitlement policies of Bernie Sanders have turned those words around: Ask what your country can do for you.

WERTENBAKER TURNER
Charlottesville, Va.

Sanders and Castro’s ‘Education’ Revolution

Regarding your editorial “Bernie’s Cuba Illiteracy” (Feb. 25): Fidel Castro’s “literacy program,” as Sen. Bernie Sanders likes to call it, was not a reading and writing program for Cubans, who were already quite literate. It was a propaganda and indoctrination system meant to program a captive population to become good comrades and soldiers for the revolution. Further, the “teachers” served the police state to round up and weed out any independent-minded troublemakers, who were then imprisoned in re-education camps or worse.

Bernie Sanders is a master at deflection, making something evil look like a virtue.

PETR ZEGARELLI
Sleepy Hollow, N.Y.

Before the revolution in 1959, Cuba had been led for seven years by the U.S.-backed military dictator, Fulgenicio Batista. Similarly, the revolution in Nicaragua in 1979 ousted another U.S.-backed military dictator, Anastasio Somoza.

It’s understandable why the people in both of these countries supported, at least initially, the new governments produced by a popular uprising that removed brutal dictators. Sen. Sanders’s conditional praise for these regimes should be viewed in that context.

JOHN E. STAFFORD
Rye, N.Y.

Letters intended for publication should be addressed to: The Editor, 1211 Avenue of the Americas, New York, NY 10036, or emailed to wsj.ltrs@wsj.com. Please include your city and state. All letters are subject to editing, and unpublished letters can be neither acknowledged nor returned.

Pepper ... And Salt

THE WALL STREET JOURNAL



“Do you regret the Botox?”

OPINION

The U.K. Wants a U.S. Trade Deal

By Elizabeth Truss

The U.K. left the European Union on Jan. 31, and today we are taking the first step toward a new free-trade agreement with our most important security partner and our biggest export market—the U.S.

Since the British people voted in 2016 to begin a new chapter, the government has been clear that one of our priorities is to pursue an ambitious trade agreement with America. It is fitting that today, as our negotiators sit down with their counterparts in Brussels for the first day of discussions on our future relationship, we are publishing our objectives for a U.K.-U.S. trade deal.

Brexit gives us a chance to build our trans-Atlantic bond and boost traffic by almost \$20 billion a year.

These goals are a clear declaration of the importance the U.K. places on our special connection with America. Britain's break with the EU is an enormous opportunity to enhance our relationship in key areas such as agriculture, business services and advanced manufacturing, and to lead the world in setting new standards for digital trade and protecting intellectual property.

Our analysis shows a U.K.-U.S. agreement could increase annual trade between both countries by £15.3 billion (roughly \$19.5 billion) compared with 2018. This would give the U.S. economy a nearly \$9.6 billion boost each year, the benefits of which would be felt across every state in America and up and down the U.K.

For the service sector particularly, we have the potential to agree on best-in-class rules that will allow American and British firms to access each other's markets—including key U.K. export sectors such as finance, professional and business services, and transportation.

The U.S. and U.K. have one of the world's best economic relationships. Trade and investment between us sustains millions of jobs on both sides of the Atlantic, but we can do even better.

Small and medium-size businesses—the bedrock of our economies and societies—will benefit significantly. Cutting trade barriers and eliminating tariffs can reduce the cost of doing business, delivering huge gains for smaller players. Throughout the negotiations, we will prioritize small companies. The objectives we publish today include a bespoke chapter on small and medium-size businesses as well as provisions friendly to them on everything from customs and trade facilitation to intellectual property. The tens of thousands of small businesses in the U.K. and U.S. already exporting to the other country would benefit, and the new deal could help countless more start trading.

This deal is about more than boosting employment and squashing tariffs. Working together, the U.S. and U.K. can set the global standard for trade in emerging areas like data and digital.

We are ready to begin bringing our two countries closer than ever before. When I met U.S. Trade Representative Robert Lighthizer in London last week, we discussed the imperative of beginning negotiations. The appetite is clear on both sides, and we stand ready to begin talks as quickly as possible.

For the U.K. this is a crucial step in the development of our new independent trade policy and in strengthening our relationships beyond Europe. For both of our countries, it's an opportunity to enhance our economic and national-security ties and create a better future for all our citizens.

Ms. Truss is the U.K. secretary of state for international trade.

By Robert D. Kaplan

Nowhere other than in China is the coronavirus epidemic more severe than in Iran, where authorities confirmed Sunday that at least 54 people, including an 81-year-old former ambassador, have died from Covid-19. The real death toll may be considerably higher than that; on Friday, BBC Persian tallied 210 deaths from individual hospitals. Seven prominent officials have contracted the disease, including Vice President Masoumeh Ebtekar, who in her youth served as a spokesman for U.S. Embassy hostage-takers. Deputy Health Minister Iraj Harirchi broke out in a sweat Feb. 24 as he assured the public that the epidemic was under control; the following day he announced he was sick.

President Hassan Rouhani has lamely insisted the epidemic is “one of the enemy's plots.” His government, meanwhile, has inspired unprecedented apathy. Turnout in February's parliamentary elections was the lowest in the Islamic republic's history: 43% nationally and 25% in Tehran.

These are symptoms of a broader malaise. The world-wide material and human progress of the past few decades has largely left Iran behind, despite conditions that should encourage success. It sits at the crossroads of Eurasia and has a highly educated population of 85 million. Perhaps the greatest cultural, economic and geopolitical tragedy of our time is the near-absence of the Iranian nation in a world perfectly suited for its human potential.

History often moves on a hinge, and there were many hinges in the late 1970s. Shah Mohammad Reza Pahlavi suffered from lymphatic cancer: that, and his prednisone regimen, adversely affected his judgment and decisiveness. President Jimmy Carter was prone to vacillating and misread the intentions of the Iranian clerical movement. Iraqi Vice President Saddam Hussein expelled the Ayatollah Ruhollah Khomeini from the Shiite holy city of Najaf, forcing Khomeini into exile in the Paris suburb of Neauphle-le-Château. There he sat cross-legged beneath an apple tree, rallied his followers, and methodically seduced the world media.



Deputy Health Minister Iraj Harirchi Feb. 24, the day before he was diagnosed.

If these hinges had not worked together as they did, Iran today might look like South Korea—a vibrant, pulsing economic engine at the forefront of globalization. The Pahlavis might have gradually been reduced from absolute rulers to constitutional monarchs. Instead, Iran went backward politically, while barely crawling forward economically.

The Islamic Republic has missed out on global prosperity and is now in its decadent, late-Soviet stage.

In 1977 Iran's economy was 26% larger than Turkey's, 65% larger than South Korea's, and almost 5.5 times the size of Vietnam's—all countries with somewhat larger populations. In 2017 on the eve of the Trump administration's sanctions, Turkey's economy was nearly 2.5 times the size of Iran's, South Korea's more than seven times, and Vietnam's had gone from less than 20% to 70%, according to Nadereh Chamlou, a former World Bank official. While poverty has declined in Iran, 40% of the population earns less than \$10 a day, which the bank classifies as “near poverty.”

What went wrong? “Domestic policies to promote entrepreneurship could have helped to capitalize on Iran's young and educated popula-

tion,” Ms. Chamlou concludes. “A foreign policy geared to regional and global integration could have permitted Iran to benefit much more from its unique economic geography.”

Imagine the geopolitical clout a stable Iranian constitutional monarchy would have today. Iran would enjoy strategic cooperation with Israel and stable, nonconfrontational relations with Saudi Arabia and the Sunni Arab world. Iran is economically, culturally and demographically suited to be at the crossroads of Central Asia: Only its relative backwardness and extreme religiosity prevent the secular, vodka-drinking leaders of former Soviet republics from being more attracted to it.

Instead, Iran is a pauperized and lonely nation. Its only allies in the Greater Middle East are the murderous proxy militias it supports and Bashar Assad's regime in Syria. Arab states like Egypt and Saudi Arabia, not Iran, now have de facto security relationships with Israel, though the Persians have had better relations with the Jews for millennia.

At the same time, the clerical regime has worked to obscure the memory of historic Persia, which preceded Islam by more than a thousand years, reducing a rich civilization to a bleak lumpen proletariat. Theocracy has promoted cynicism about religion. Mosque attendance has been down for years. As the French political scientist Olivier Roy puts it, “the political victory of Islamism is the end of

The Socialist Takes On the Tycoon in Colorado

By Jillian Kay Melchior

Mike Bloomberg and Bernie Sanders have dramatically different ideas about how to win the Democratic presidential nomination. Mr. Bloomberg seeks the support of community leaders by doling out money from his personal fortune. Mr. Sanders seeks to rally an army of followers, who volunteer time and send him small amounts of money. Both men have been active for years in Colorado, whose Tuesday primary will be a pertinent test of these strategies.

Since 2010, Mr. Bloomberg has personally given more than \$3 million to Colorado candidates and political-action committees, according to state and federal campaign-finance data. Colorado's secretary of state records nearly \$1.1 million in additional spending on state campaigns from Bloomberg Philanthropies over the past decade. Everytown for Gun Safety—a nonprofit founded and partly funded by Mr. Bloomberg—has spent nearly \$1.9 million in Colorado since 2014. The Denver Post tallies another \$9.6 million in charitable contributions within Colorado from Bloomberg Philanthropies, much of it for environmental causes.

Mr. Sanders won the Colorado caucuses in 2016 with 59% of the vote. (The state is holding a primary this year, for the first time since 2000.) In August 2016 Mr. Sanders launched Our Revolution, a nonprofit political-action group. It has raised some \$9.56 million between 2016 and 2018. While spending a mere \$500 on Colorado campaigns, it has amassed

thousands of so-called Berners in the state.

Our Revolution has at least four active chapters in Colorado, which “seek to represent Bernie's values in our day to day activities,” says Cerah Hendrick, chief information officer for the Boulder chapter. “I daresay, we're a pretty strong force here.” Since 2016, the national outfit has endorsed at least four Colorado ballot measures and a candidate for state attorney general, while chapters have endorsed and supported candidates for local office. Our Revolution also reports that some 20,500 Coloradans open the organization's emails at least once every 90 days.

Messrs. Bloomberg and Sanders have also made some missteps. In a 2014 Rolling Stone interview, the former New York mayor bemoaned the recall of state senators who'd backed his gun-control agenda, adding they were from “a part of Colorado where I don't think there's roads.”

Rick Palacio, a former chairman of the state Democratic Party, says some longtime progressives here have grown weary of the “Bernie versus Hillary” or “Bernie versus the world” divisions that surfaced around 2016” and “the indignancy that exists with Sen. Sanders that does not exist with other candidates, a ‘my way or the highway’ kind of view.” They feel “disregarded, verbally assaulted,” and “like their point of view was incredibly disrespected,” he says.

The contrast between the candi-

dates' approaches carries over into their presidential campaigns. Mr. Bloomberg's effort is fueled by cash and data. A Feb. 12 campaign memo boasted that he was “building a ground game in Colorado of unprecedented scale.” Colorado state director Ray Rivera says he's “leveraging every data point possible to find and engage voters who are likely to vote and support Mike.”

Sanders has raised an army of volunteers while Bloomberg has pumped millions into the state.

The Bloomberg team tends to recite statistics: staff (more than 60 in the state, including 30 in the field), delegates (80 in total, 67 at stake in the primary, a 15% threshold to win any), turnout (“1,200+ who turned out to see Mike at our Denver office and 300+ and 200+ who turned out on a snowy Sunday in Aurora and Colorado Springs, respectively”). Polls show Democratic voters in Colorado and nationwide are less interested in any issue than in beating Donald Trump, so Mr. Bloomberg's campaign is making the case that he's the one with the experience, resources and moderate appeal to defeat the president.

Mr. Sanders is running his Colo-

true devotion.” Instead, crowds gather in Shiraz at the tomb of Hafez, the 14th-century poet of wine and romance. Many an Iranian bookshelf holds a volume of his sensuous verse, a quiet symbol of defiance against the Islamic authorities.

In the Islamic Revolution, one bureaucratic power structure—that of the shah—quickly gave way to another, that of the clerics. In this and other ways, the Islamic Revolution was far more sophisticated than the formless, leaderless uprisings of the 2011 Arab Spring. But Iran is in the decadent phase of its revolution. Like the Soviet Union under Leonid Brezhnev, the regime seems stable yet is widely seen as illegitimate by the population, and thus is in danger of unraveling—perhaps with disastrous aftershocks.

The Soviet collapse under Mikhail Gorbachev led to social and economic upheaval, with violent ethnic conflicts on the Russian imperial periphery and the eventual re-establishment of dictatorship under Vladimir Putin. Iran, like late-Soviet Russia, has a deeply corroded political culture. Prompt establishment of constitutional order may be too much to hope for.

A regime collapse could give way to even more tyrannical rule by the Revolutionary Guards, and to uprisings in the Kurdish, Azeri, Turkman and Baluchi peripheries. Apart from the Revolutionary Guards, there would be no pre-existing bureaucratic power structure to replace the clerical one. Civil society has been decimated for decades. It's not clear if any faction would have complete control of Iran's formidable missile arsenal, which may extend to sites in Iraq and Syria.

The Trump administration is trying to bring Iran to its knees, but it needs to focus on what will come afterward. With a declining economy, a raging coronavirus epidemic, and an aged and ailing supreme leader, Iran in the coming years promises to be more interesting—and more dangerous—than at any time in recent memory.

Mr. Kaplan is a managing director for global macro at Eurasia Group and author of “The Good American: The Epic Life of Bob Gersony, the U.S. Government's Greatest Humanitarian,” forthcoming in September.

rado campaign on volunteers and emotion. He has only two paid staffers in the state, though a dozen other Coloradans receive a salary for campaign work elsewhere. But “we've got our army literally in the thousands,” says Joe Salazar, a former state representative who is now an unpaid campaign co-chairman. Ms. Hendrick says Our Revolution volunteers “are working to make sure things get staffed, like canvassing and phone banking. We have people who show up every week, every weekend. We are literally there all the time.” The Sunrise Movement, a youth climate-change outfit, has also rallied volunteers, and some members of the leftist Working Families Party's state committee endorsed Mr. Sanders, though the national outfit has backed Elizabeth Warren. Mr. Sanders had received nearly \$1.2 million in itemized campaign contributions (more than \$200 per person) from Coloradans by Jan. 31, according to the latest FEC data.

Mr. Salazar says Mr. Sanders appeals to Trump voters as well as Democrats. “He talks about issues in terms of classism,” Mr. Salazar says. “He doesn't blame the coal miners, the people who work on the oil rigs. Bernie honors the crisis they're in, too.” His central message? “That we're all in the same boat because of people like Bloomberg.”

Ms. Melchior is an editorial page writer for the Journal.

Here's to Your Health, Big Boy

By Bob Greene

From a car window, it's like catching sight of an old friend: a chubby, smiling, pompadoured fellow in red-and-white checkered overalls, hoisting a giant hamburger atop a tray in his right hand. He's a statue, of course—Big Boy.

There are still hundreds of burger-centric Big Boy restaurants in the U.S., most—except where grim zoning laws disallow it—featuring the outdoor statue. Inside, the laminated menus are similar to those of the 1950s and '60s. Look closely, though, and there's a telling difference: a finger-wagging reminder of changing American times.

On the menus is an admonition, mandated by the federal government, that it is injudicious to consume more than 2,000 calories a day. Printed next to each food item is a calorie count. If you eat a classic meal—Big Boy, fries, chocolate

milkshake and a slice of strawberry pie—your daily limit is already in the rearview mirror.

The government's dictates don't end there. All Big Boys—like other restaurant chains with more than 20 locations—must provide, on request, a printed “nutritional and allergen” statement for each menu item: grams of fat, saturated fat, trans fat, cholesterol, sodium, carbohydrates, dietary fiber, sugars, protein, milk, wheat, egg, soy, gluten.

Our 21st-century government commendably wants its citizens to make wise eating choices. But going to a Big Boy was never about wisdom—it was about joyful, guilt-free gluttony. That blissful smile on the face of the Big Boy statue said it all: Ye who enter, abandon all remorse.

Which brings us to the Big Boy of old. You might assume that the mid-20th-century Big Boys simply ignored healthy eating. They didn't.

In fact, the old Big Boys took a

government nutritional edict of that era and cleverly made it sound as if a Big Boy sandwich was federally endorsed health-food incarnate, officially engineered to make you fit as a fiddle.

Back then, the U.S. government was telling Americans, through charts and posters, that a nutritious meal should include one item from five essential food groups: meat, grain, vegetables, dairy and fruit. So Big Boy devised a slogan: “A meal in one, on a double-deck bun.” Customers were assured that eating one Big Boy—two patties, a bun, lettuce, cheese and pickles—fully satisfied what their government was recommending.

You could walk out patting your stomach and humming “The Star-Spangled Banner.” You'd done your patriotic duty, big boy.

Mr. Greene's books include “Chevrolet Summers, Dairy Queen Nights.”

THE WALL STREET JOURNAL.

PUBLISHED SINCE 1889 BY DOW JONES & COMPANY

Rupert Murdoch

Executive Chairman, News Corp

Matt Murray

Editor in Chief

Neal Lipschutz

Deputy Editor in Chief

Karen Miller Pensiero

Managing Editor

Jason Anders, Chief News Editor; Louise Story, Chief News Strategist, Product & Technology Officer

Thorold Barker, Europe; Elena Cherney, News Features & Special Projects; Andrew Dowell, Asia; Anthony Galloway, Video & Audio; Alex Martin, Print & Writing; Michael W. Miller, Features & Weekend; Emma Moody, Standards; Shazna Nessa, Visuals; Matthew Rose, Enterprise; Michael Siconolfi, Investigations; Nikki Waller, Live Journalism; Stephen Wisniewski, Professional News

Gerard Baker, Editor at Large

Paul A. Gigot, Editor of the Editorial Page; Daniel Henninger, Deputy Editor, Editorial Page

WALL STREET JOURNAL MANAGEMENT:

Joseph B. Vincent, Operations; Larry L. Hoffman, Production

EDITORIAL AND CORPORATE HEADQUARTERS:

1211 Avenue of the Americas, New York, N.Y., 10036

Telephone 1-800-DOWJONES

Robert Thomson

Chief Executive Officer, News Corp

William Lewis

Chief Executive Officer and Publisher

DOW JONES MANAGEMENT:

Ramin Beheshti, Chief Technology Officer; Natalie Cerny, Chief Communications Officer; Kamilah Mitchell-Thomas, Chief People Officer; Edward Roussel, Chief Innovation Officer; Christina Van Tassel, Chief Financial Officer

OPERATING EXECUTIVES:

Kenneth Breen, Commercial; Jason P. Conti, General Counsel; Tracy Corrigan, Chief Strategy Officer; Frank Filippio, Print Products & Services; Kristin Heitmann, Chief Commercial Officer; Nancy McNeill, Corporate Sales; Thomas San Filippio, Customer Service; Josh Stinchcomb, Advertising Sales; Suzi Watford, Chief Marketing Officer; Jonathan Wright, International

Barron's Group: Almar Latour, Publisher

Professional Information Business: Christopher Lloyd, Head; Ingrid Verschuren, Deputy Head

DOW JONES

News Corp

WORLD NEWS

Turkey Downs Two Syrian Jet Fighters

Offensive tests Russian support for Assad as Erdogan opens door for migrants to enter EU

By DAVID GAUTHIER-VILLARS

ISTANBUL—Turkey’s air force downed two Syrian jet fighters, testing Russia’s dominance of Syrian airspace as a battle for control of the last rebel stronghold continued near the Turkish border.

Syria confirmed that two of its aircraft were shot down on Sunday, adding that both pilots ejected and parachuted to safety. The Russian-made Sukhoi Su-24 aircraft were hit above northwest Syria over areas held by the government, according to the Syrian Observatory for Human Rights, a U.K.-based war monitor.

Meanwhile, throngs of migrants continued to stream toward Greece and Bulgaria after Turkish President Recep Tayyip Erdogan on Saturday said his country would no longer prevent them from attempting to cross into the European Union.

Turkey’s offensive, which involved combat aircraft and armed drones, signals a shift in the monthslong standoff pitting rebels backed by Turkey and the army of Syrian President Bashar al-Assad, backed by Russia. It followed a telephone call on Friday be-



BULENT KILIC/AGENCE FRANCE-PRESSE/GETTY IMAGES

Turkey says it will no longer bar migrants like ones seen walking toward the Greek border near Pazarkule, above, from entering the EU.

tween Mr. Erdogan and Russian President Vladimir Putin in which the Turkish leader called on Moscow to step aside and let Turkey engage the forces of the Assad regime.

Syrian forces resumed a push to reclaim the rebel enclave in Idlib province in December, sparking a fresh round of turmoil in an area

where more than three million civilians have found themselves trapped, raising fears that many will try to make their way to safety in Turkey.

Turkey has dispatched an estimated 10,000 troops to Syria to support the rebels and stop the Syrian advance. Without air cover, however, more than 50 Turkish soldiers

were killed in clashes in February, exposing the limitations of Mr. Erdogan’s strategy to simultaneously confront the Syrian regime and pursue a security partnership with Syria’s main ally, Russia.

Turkish Defense Minister Hulusi Akar on Sunday said Ankara remained intent on repelling the Syrian army behind

a cease-fire line agreed with Moscow in September 2018, and avenging its dead soldiers.

“No one should doubt that the most violent and resolute response will be given,” the minister said.

Omer Ozkizilcik, an analyst with the SETA Foundation, an Ankara-based think tank, said Turkey’s air offensive showed

it is willing to test the extent of Russia’s support for Mr. Assad.

“Turkey called Russia’s bluff,” he said.

Russian authorities didn’t comment on the downing of the Syrian jet fighters, but said the Syrian government operations against what it views as extremist groups in the rebel enclave were fully legitimate. “In spite of any statements, the fight against these terrorist elements will certainly be continued,” Russian presidential spokesman Dmitry Peskov said, Russian state media reported.

If Turkey succeeds in pushing back Syrian government forces, it could strengthen Mr. Erdogan’s hand ahead of a planned meeting with Mr. Putin in Moscow, possibly on Thursday, to discuss the terms of a new cease-fire in Syria.

Some foreign-policy analysts say Mr. Putin’s goal is to keep Turkey close to Moscow, driving a wedge between Ankara and its western allies in the North Atlantic Treaty Organization while helping Mr. Assad regain control of the rebel enclave.

Tension between Turkey and Russia is building, however. Over the weekend, Turkey police detained three employees of Russia online news site Sputnik and searched its offices in Istanbul. The three employees were released on Sunday, according to the Russian government and the news agency.

U.S.-Taliban Deal Faced a Host of Hurdles

By JESSICA DONATI AND DION NISSENBAUM

DOHA—Until the last moment, organizers feared the smallest misstep might quash the signing of a historic deal between the U.S. and the Taliban, with mistrust and suspicion enduring until ink was on paper.

The deal—providing for U.S. troops reductions, a Taliban renunciation of terrorism and intra-Afghan talks—was more than a year in the making, encountering obstacles all the way up until its approval Saturday at a five-star resort in Doha. It still faces a “rocky and bumpy” road ahead, U.S. Secretary of State Mike Pompeo said on Sunday.

Minutes after Mr. Pompeo arrived in Doha for Saturday’s signing, a Taliban video on Twitter showed Taliban representatives who had arrived to witness the signing of the deal engaged in a victory parade. The procession appeared to be marching toward the resort, their tunics and beards billowing in the wind beneath Taliban flags.

Organizers worried that Mr. Pompeo, with his reputed fiery temper, would see the flags—the symbol of an Islamic emirate not recognized by the U.S.—and walk out, people familiar with the matter said. The Qa-

tari government hosts were on guard to stop the flags from entering the hotel; moments later, the Taliban procession arrived without them, the people said.

Tension abounded throughout the day. Mr. Pompeo warmly greeted other diplomats, but U.S. officials had made clear the secretary didn’t want to be caught on camera with the insurgents, the people familiar with the matter said. Qatari officials were worried that the Taliban might try to approach Mr. Pompeo, and derail the deal in the final minutes of the event, the people said.

Despite finding himself obliged to shake hands with the Taliban’s chief negotiator, Sher Muhammad Abbas Stanekzai, Mr. Pompeo sat stoically in the front row and didn’t join in applause for remarks made by the Taliban’s political office chief, Mullah Abdul Ghani Baradar.

When Mr. Pompeo delivered a speech urging the Taliban to “keep your promises” in the agreement, the Qataris worried the insurgents might walk out.

Then, as U.S. Envoy Zalmay Khalilzad and Mullah Baradar signed the deal, Taliban members in the audience shouted “Allahu akbar!” or “God is Great!”

For Mr. Khalilzad and his team, the signing of the agree-

ment will be far from the end of the story. The pact faces major hurdles, including a political crisis over Afghanistan’s contested, fraud-marred presidential election and the looming issue of prisoner exchanges, which the U.S.-Taliban agreement stipulates as a last step to the start of talks between the Taliban, the Afghan government, the opposition and other power brokers.

Mr. Ghani said Sunday that

Tension abounded throughout the day the two sides signed the agreement.

the prisoner release was under Afghan, not U.S., control and that it wouldn’t take place as a precondition to intra-Afghan talks.

Afghan-born Mr. Khalilzad, who previously served as a presidential envoy for former President George W. Bush and then as ambassador to Afghanistan, was out of government in 2018 when he began to consult with Mr. Pompeo, who was then in charge of the Central Intelligence Agency.

Mr. Khalilzad was invited in

August 2018 to discuss the job of U.S. envoy for talks with the Taliban, according to people familiar with the matter who discussed details of the process that led to the deal.

Mr. Pompeo wanted to know if the U.S. could secure a deal that would allow President Trump to pull all troops out of Afghanistan, while delivering assurances on terrorism and ensuring the Taliban and government would talk to each other, the people said.

Mr. Khalilzad agreed to the challenge, with a rough, one-year deadline in mind. The first meeting with the Taliban took place at the Qatari foreign ministry in Doha. The first steps at best were tentative: Mr. Khalilzad conveyed U.S. interest in a political settlement. The Taliban recapped the history of talks, the people said.

In Washington, many were skeptical that the Taliban’s political office really represented the group. The U.S. pressed Pakistan to release Mullah Baradar, the movement’s co-founder, to allow him to take part in the negotiations. Islamabad released him in October 2018, and two months later, the Taliban announced Mullah Baradar would lead the talks in Doha.

Throughout 2019, Mr. Khalilzad and his team of negotia-

tors talked with Mullah Baradar and other Taliban officials, meeting in Doha to discuss the thorniest issues.

One of the toughest was persuading the Taliban, in renouncing support for terrorism, to specifically name al Qaeda in a final agreement document, a process that took several months. The final agreement doesn’t contain the word “terrorist” or express regret for past actions, but contains a promise to break ties with the group.

For the Taliban, a key issue was the removal of “foreign forces,” mainly meaning U.S. troops, although several thousand allied troops are still in Afghanistan. The Taliban wanted the Americans to leave within several months; a 14-month period was included in the agreement instead.

The U.S. said that, conditions permitting, it would reduce its troops from about 13,000 now to 8,600 in an initial period of 135 days, which was spelled out in the agreement. If other conditions are met, the remaining U.S. forces would leave next year.

The Taliban also resisted including intra-Afghan talks as part of the deal. In the end, the agreement provides only for the start of such talks, without stipulating an outcome.

Macron’s Pension Move Stirs Broad Ire

By MATTHEW DALTON

PARIS—French President Emmanuel Macron moved to pass his pension overhaul without a vote in the legislature, seeking to brush aside tens of thousands of amendments filed by opposition lawmakers to slow debate.

“It is clear that a discussion on the merits was never truly able to take place” in the legislature, Prime Minister Édouard Philippe said, invoking an article of the French constitution allowing the executive branch to bypass the legislature. “I deeply regret it.”

The move escalated political strife over Mr. Macron’s pension plan, which provoked the longest transport strike in French history. The decision came during a Saturday ministerial meeting on the coronavirus, after which the government announced a host of restrictions on public gatherings to limit the spread of the outbreak.

Opposition lawmakers from across the political spectrum immediately denounced the move, accusing Mr. Macron’s government of using the health crisis as cover to quash democratic debate.

“The French will not forgive this disgraceful maneuver,” said Marine Le Pen, leader of the far-right National Rally party.

The French constitution allows the government to pass legislation without the approval of the Assemblée Nationale, the main body of the French legislature. The move can only be blocked by a successful vote in the legislature on a motion censuring the government.

But that is unlikely to happen since Mr. Macron’s party, Republic on the Move, controls the legislature.

Lawmakers from leftist parties and the center-right on Saturday introduced censure motions.

“What kind of authority uses a health crisis to diminish democracy?” said Olivier Faure, leader of the Socialist party.

Mr. Macron wants to establish a system that would collapse France’s 42 separate pension systems into one plan, removing most special privileges given to specific professions. His overhauls would also calculate pensions based on the entire salary history of an employee.

The proposals prompted French transport workers to strike en masse for more than 40 days starting in December, snarling movement across the country. But after that, workers drifted back to work, unable to handle the financial strain.

WORLD WATCH

IRAQ Premier-Designate Withdraws Candidacy

Iraq’s prime minister-designate withdrew his candidacy for the position, saying he faced obstruction from some political factions over reforms, deepening political turmoil in the country.

Mohammed Tawfiq Allawi, a former education minister, ran up against the vested interests of political parties that have dominated Iraq since it became a democracy in 2003. He blamed his failure to form a government on politicians who he said weren’t serious about delivering on the promises made to protesters who forced his predecessor to resign.

Only 108 lawmakers attended a session on Sunday to vote on Mr. Allawi’s cabinet, falling short of a quorum ahead of a March 2 deadline to form a government.

President Barham Salih said the search for a new candidate has already begun.

—Ghassan Adnan

NORTH KOREA Two Missiles Fired In First Test of Year

North Korea, in its first weapons launch of the year, fired two missiles off its east coast on Monday, ending months of inactivity amid a diplomatic stall with the U.S.



Malaysians protested on Sunday the appointment of Muhyiddin Yassin as the new prime minister.

Pyeonggang test-fired the missiles from its Wonsan region and into the waters between South Korea and Japan. The weapon type and precise time of launch weren’t immediately reported by the South Korean military.

The Kim Jong Un regime’s last weapons test had been on Dec. 13, a ground test that South Korean military experts believed was a practice run for a rocket engine used in intercontinental

ballistic missiles. Before Monday, the North’s most recent missile launch occurred on Nov. 28.

—Timothy W. Martin

MALAYSIA

Royal Palace Names New Prime Minister

Malaysia’s king named former home affairs minister Muhyiddin Yassin as the next prime minis-

ter after a week of political chaos that began with Mahathir Mohamad’s abrupt resignation last Monday.

But Mr. Mahathir, who was appointed interim prime minister after his resignation, contested the appointment, saying he had the support of the majority of parliament to continue as prime minister and that the information Mr. Muhyiddin had conveyed to the king about his support in

parliament was incorrect.

Mr. Muhyiddin, 72 years old, is a veteran of Malaysian politics who served as deputy to disgraced former Prime Minister Najib Razak until Mr. Muhyiddin raised questions over the then-government’s handling of investigations into state investment fund 1Malaysia Development Bhd. Mr. Najib is now on trial in connection with the scandal.

The king, Abdullah Ahmad Shah, canvassed party chiefs and lawmakers on their choice for the job, the palace said Saturday.

—Jon Emont

SLOVAKIA Center-Right Populists Win Parliament Vote

Slovakia’s center-right populist opposition claimed victory Sunday in parliamentary elections, ending the reign of the long-dominant but scandal-tainted leftist party.

According to final results, the Ordinary People group captured 25% of Saturday’s vote and 53 seats in the 150-seat parliament. The ruling leftist Smer-Social Democracy party led by former Prime Minister Robert Fico came in second with 18.3% or 38 seats.

The results steered the country to the right and could eventually make a local ally of France’s far-right party led by Marine Le Pen a part of Slovakia’s governing coalition.

—Associated Press

BUSINESS & FINANCE

© 2020 Dow Jones & Company. All Rights Reserved.

THE WALL STREET JOURNAL.

Monday, March 2, 2020 | B1

Last Week: **S&P** 2954.22 ▼11.49% **S&P FIN** ▼13.54% **S&P IT** ▼11.13% **DJ TRANS** ▼13.94% **WSJ \$IDX** ▼0.64% **LIBOR 3M** 1.463 **NIKKEI** 21142.96 ▼9.59% [See more at WSJ.com/Markets](#)

AT&T Pitches New Answer to DirecTV

By DREW FITZGERALD

AT&T Inc. launched a satellite into orbit last summer for its DirecTV service. It would be the telecom and media giant's last.

More than five million U.S. households cut the pay-television cord in 2019 in search of cheaper and more flexible entertainment. Most of those declines came from DirecTV viewers dropping the dish.

On Monday, the company is expected to release its answer to that trend: AT&T TV, a Google Assistant-equipped

set-top box that streams live TV channels over the internet. The service, which like DirecTV offers more than 100 channels through its basic package, is available nationwide for \$49.99 a month. The company spent several months testing it in a few local markets.

"Consumers are going to go where they want to go and where they have choice they are going with something over the top," said Jeff McElfresh, chief of AT&T's communications division, which houses broadband, TV and wireless

service.

AT&T TV adds another wrinkle to an already chaotic video market, where new streaming services are competing for consumer budgets and time. **Walt Disney Co.** and **Apple Inc.** have entered the market with new video offerings, and AT&T is preparing to launch its own in May called HBO Max.

Services offering live TV have suffered the brunt of this competition, no matter which technology they use. **Sony Corp.** last year discontinued its rival PlayStation Vue ser-

vice, citing rising costs. DirecTV rival Dish Network Corp. posted its first quarterly decline in subscribers for its Sling TV streaming service.

AT&T didn't design the new TV box to replace any other product it already offers, Mr. McElfresh said. But it differs from the company's existing satellite and fiber-optic TV services that use closed networks and have about 19 million video customers. AT&T TV rides over the public internet, making it available to anyone with a suitable broadband connection.

"This is where the market is headed," he said.

The new box offers the company another advantage: It costs less to install. AT&T plans to ship new customers its AT&T TV hardware with self-install instructions, avoiding the need for expensive technician visits to homes.

Satellite TV has some of the highest subscriber acquisition costs—the combined expense of marketing to, signing up and installing gear for each new customer—in the telecom business. Dish Network said it spent about \$800 for each

new satellite customer it gained last year.

AT&T didn't provide an estimate of its satellite-subscriber acquisition costs, though Mr. McElfresh said the company expects to spend roughly half as much money gaining new AT&T TV customers as it has adding traditional pay-TV subscribers.

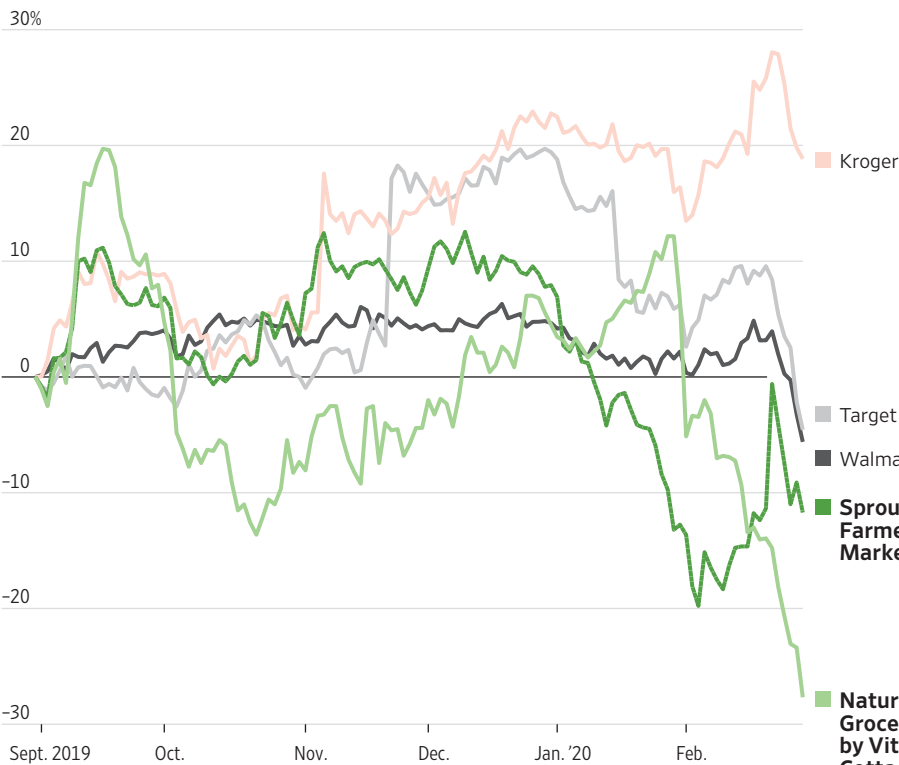
New satellite-dish installations add about \$150 to \$200 to AT&T's expenses, according to Craig Moffett, an analyst for boutique telecom research firm MoffettNathanson.

Please turn to page B2

Green Shoots

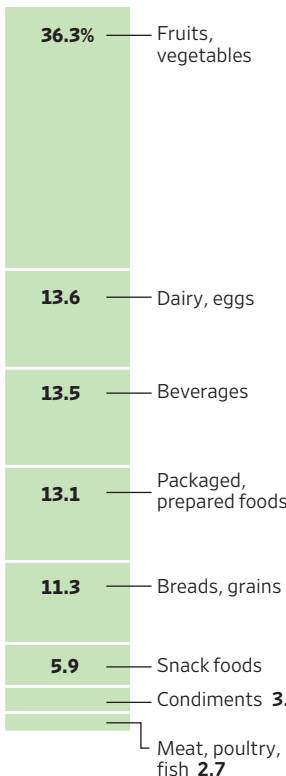
Supermarkets are expanding organic food offerings, putting pressure on grocers that specialize in those goods.

Stock performance



Sources: FactSet (stock performance); Organic Trade Association (sales)

Sales percentage of U.S. organic food, 2018



Wall Street Girds For Another Week Of Wild Trading

By JULIA-AMBRA VERLAINE AND AKANE OTANI

Global investors are bracing for another hair-raising ride, after a week of frantic and at times disorderly trading.

The Dow industrials have dropped seven straight days entering trading Monday, posting their steepest weekly decline since the financial crisis. Their 14% pullback since Feb. 12 places the longest-ever U.S. stock rally in jeopardy of falling into a bear market, marking a 20% decline from a recent high.

The rout has been by the book to some extent. A roaring rally in government bonds has taken the yield on the 10-year U.S. Treasury to a low of 1.127%. The markets for oil and copper, whose prices reflect in part global economic expectations, have fallen sharply.

But investors were gobsmacked by unexpected developments elsewhere. Gold raced through early 2020 to its highest level in seven years, before dropping 4.6% Friday in its sharpest drop since 2013. High-yield bond funds posted their largest-ever outflow by one measure this past week. The technology-laden Nasdaq Composite Index surged late Friday to close higher for the first time since its record close on Feb. 19, while the Dow and S&P 500 both declined.

Adding to investors' worries, weekend data from China showed the country's economy has taken even more of a hit from the epidemic than some had anticipated. Sentiment among manufacturers' purchas-

ing managers, as well as an index tracking purchasing plans in services industries, both fell to a low in February.

The market tumult has left Wall Street scrambling. Fixed-income traders at **JP Morgan Chase & Co.** and trading teams at **Barclays PLC** met late in the week, focusing on preparing for further declines in stocks and commodities. A Federal Reserve statement Friday promising appropriate action wasn't enough to quell nerves on many trading desks. Even those who counsel patience are for now expecting a period of intense volatility.

"When you are getting new information by the minute or by the hour, that creates anxiety in markets," said Joe Amato, president and chief investment officer of equities at Neuberger Berman Group LLC.

The turmoil is increasing trading activity among investors in retirement funds. Alight Solutions, which tracks 401(k) trading activity among investors at large employers, said trading volumes on Thursday were 11.4 times higher than normal. Since 2008, there have only been two other days when trading volumes exceeded 11 times the historical average.

Please turn to page B6A

Market Ripples

- ◆ **Commodities rout stokes fears for economy** B6
- ◆ **Shrinking profit prospects add threat for stocks**..... B9
- ◆ **Heard on the Street: Tech solutions have limits** .. B10

Specialty Grocers Lose Natural Edge

By JAEWON KANG

Gourmet grocers are losing their edge as natural foods become mainstream.

Supermarket chains and discounters are selling more fresh, natural and organic foods at lower prices, drawing shoppers who used to seek out those products at specialty grocers.

Kroger Co. has said it is now one of the nation's largest sellers of organic produce, meat and other goods, while discounters Aldi and Lidl are

adding more fresh food and opening more U.S. stores.

Meanwhile, Whole Foods Market has cut prices on hundreds of items including organic produce since **Amazon.com Inc.** acquired the company three years ago.

As a result, specialty grocers are having a hard time convincing customers to pay a premium to shop in their stores. And without the revenue and reach of bigger chains, they have also been hesitant to match price cuts or to invest in new services like

delivery.

Regional chains **Earth Fare**, **Lucky's Market** and **Fairway Market** have filed for bankruptcy in recent weeks. Shares in **Sprouts Farmers Market Inc.** and **Natural Grocers by Vitamin Cottage Inc.** are down respectively about 30% and nearly 50% over the past year.

"Differentiation can be ephemeral. Retail is an open book of copycats," said Scott Moses, managing director at investment bank PJ Solomon who is advising Lucky's and

Fairway.

Fairway saw same-store sales slip 5% and lost \$69 million over the past year, according to court filings. The chain of 14 supermarkets in the New York area said competitors selling more natural, organic and hard-to-find foods hurt demand for its gourmet fare.

Lucky's recorded a same-store sales decline of 10% and a loss of \$100 million over the past year, according to bankruptcy filings. The Niwot, *Please turn to page B2*

Elliott Nominates Twitter Directors

By CORRIE DRIEBUSCH AND BETSY MORRIS

Elliott Management Corp. has nominated four directors to the board at **Twitter Inc.**, according to a person familiar with the matter, setting the stage for a potential showdown between one of the most prolific and pugnacious activist hedge funds and the influential social-media company.

Elliott has taken a roughly \$1 billion stake and been in talks with Twitter management about its desire for the company to find a full-time chief executive officer, the person said.

That most likely would involve replacing co-founder Jack Dorsey, who began a second stint as the company's CEO in 2015. In addition to his role at Twitter, Mr. Dorsey leads Square Inc., a financial-technology company he also co-founded.

In November, Mr. Dorsey said via a tweet that he planned to live in Africa for

Please turn to page B2

INSIDE



OBITUARY

'Trader Joe' Coulombe founded a supermarket empire on once-exotic products. **B3**



PERSONAL TECH

Joanna Stern gives the Galaxy S20 Ultra's 'Space Zoom' a field test. **B4**

Virus Spurs Government Move on HNA

By TREFOR MOSS AND STELLA YIFAN XIE

HONG KONG—**HNA Group Co.**, which was one of China's most aggressively acquisitive companies until mounting debts forced it to abandon its global ambitions, was effectively taken over by the Hainan provincial government, making it one of the first major corporate victims of the coronavirus epidemic.

Blaming the virus, which has hit the conglomerate's core airline business, HNA said in a Saturday statement that Hainan government officials were called in to "effectively defuse risks and safeguard the interests of all parties."

The group is led by Gu Gang, the chairman of Hainan's state-owned development agency, it said. Officials from the Civil Aviation Administration of China as well as state-owned **China Development Bank Corp.**, one of HNA's biggest creditors, are among the members of a new working group.

Mr. Gu was also appointed HNA's executive chairman, with co-founder Chen Feng remaining as chairman.

The move heralds the failure of a massive debt-reduction program that the conglomerate embarked upon in



Workers put on suits to disinfect a Hainan Airlines cabin. A mass grounding left it vulnerable.

2017, when major Chinese banks stopped lending to HNA and three other high-profile Chinese firms. They were deemed to have acted too recklessly as they racked up costly foreign acquisitions across an array of sectors.

HNA netted assets ranging from prime New York real estate, a big stake in **Deutsche Bank AG**, golf courses and hotel chain **Hilton Worldwide Holdings Inc.**

But no sooner had HNA built its global empire than it was forced to dismantle it to repay debts that reached \$98 billion by 2018.

Through those divestments HNA retreated to its original core aviation business as operator of **Hainan Airlines Holding Co.** and several subsidiaries, including the struggling Hong Kong Airlines Ltd.

But its efforts to repay its debts produced little result. At

the end of June, the group had total debt outstanding of around \$101 billion, 44% of which would mature within a year, based on calculations by S&P Global Market Intelligence.

Meanwhile, the group continued to lose money, reporting losses of \$154 million in the first half of 2019. It has delayed payments to bondholders several times over the

Please turn to page B5

INDEX TO BUSINESSES

These indexes cite notable references to most parent companies and businesspeople in today's edition. Articles on regional page inserts aren't cited in these indexes.

A	F	S
Alibaba Group Holding B4	Facebook.....A1	Samsung Electronics..B4
Amazon.com.....B1,B5	Fairway Market.....B1	Shift Technologies.....B4
American Express.....A1	Ford Motor.....B4	Sony.....B1
Apple.....B1	G	Sprouts Farmers Market B1
AT&T.....B1,B2	General Motors.....B4	
B	GEO Group.....A3	T
Barclays.....B1	Goldman Sachs Group B9	Target.....B9
Boeing.....B9	H	Tesla.....B4
C	Hainan Airlines Holding B1	3M.....B5
Carvana.....B4	HNA Group.....B1	Twitter.....B1
Charter Communications B2	Home Depot.....B5	U - V
China Development Bank.....B1	J	Uxin.....B4
Coca-Cola.....B9	JP Morgan Chase.B1, B9	Verizon Communications B3
Comcast.....B2	K	Volkswagen.....B4
Continental Resources B6	Kroger.....B1	W
Costco Wholesale..B5,B9	L - N	Walgreens Boots Alliance.....B5
E	London Stock Exchange Group.....B10	Walmart.....B3
Earth Fare.....B1	Microsoft.....B9	Walt Disney.....B1
eBay.....B5	Natural Grocers by Vitamin Cottage.....B1	Y
Elliott Management...B1	P	Yucaipa.....B2
Everest Infrastructure Partners.....B3	Parsley Energy.....B6	Z
		Zhejiang Geely Holding B4

INDEX TO PEOPLE

B	K	S
Bloom, Nicholas.....A1	McElfresh, Jeff.....B1	Schwartz, Bob.....A9
C	Moffett, Craig.....B1	Schwimmer, David....B10
Coulombe, Joe.....B3	Murphy, Maura.....B9	Skiendzielewski, Timothy.....B9
D	P	W
Dorsey, Jack.....B1	Pursche, Oliver.....B9	White, Mike.....A9



Some rural customers will still need DirecTV dishes to get channels.

AT&T TV Pitches New Service

Continued from page B1

Engineers started working on the product more than a year ago, but the project suffered several delays.

Executives say the service is better for it. The box now acts something like a Roku or Apple TV device, combining third-party services such as Netflix and YouTube with content offered through AT&T's channels. Its remote control includes a voice-activated Google assistant.

AT&T plans heavy promotions to get its new streaming portal into customers' hands. The box works with any broadband connection, so **Comcast Corp.** and **Charter Communications Inc.** cable customers could subscribe.

Mr. Moffett said the service

could boost AT&T's numbers in some areas.

"For example, satellite TV has always under-indexed in urban apartment buildings, where a look angle to the southern horizon often isn't possible," he said. "On the other hand, it won't be much help in the core rural markets, where a reliable broadband connection often isn't available."

Many rural customers with dial-up internet speeds won't be able to use the streaming box and still need DirecTV satellite dishes to receive the same channels. The NFL Sunday Ticket subscription package is also unavailable over AT&T TV because of license restrictions.

The deepest discounts are geared toward AT&T's fiber-optic internet base, where growth slowed in recent months.

The company drops the channel package price to \$39.99 a month when bundled with its 1-gigabit broadband service for another \$39.99 a month. That promotion also includes a contract, which many consumers have avoided.

TV Guide

It can be hard to keep up with all of AT&T's video services

U-verse: First launched in 2005, the U-verse brand originally covered broadband and internet-based television from AT&T Inc. Its video service runs over a dedicated private network, much like cable.

DirecTV: AT&T bought the country's largest satellite-TV provider in 2015. It remains an important pay-TV competitor, though AT&T is steering more new customers toward AT&T TV, which features most of the same channels without a satellite dish.

AT&T TV Now: Launched in 2016 as DirecTV Now, this service offers what is known as a skinny bundle of live TV channels through smartphones, web browsers and third-party devices such as Roku. Its customer base shrank in 2019 as its price and channel count grew.

AT&T WatchTV: An app launched in 2018 with an extra-skinny lineup of TV channels. It is offered free to subscribers with AT&T's premium unlimited wireless plans. The company hasn't said how many customers use it.

AT&T TV: The company's main brand for live channels streamed over the internet to cellphones and TVs. Its bundles are similar to DirecTV's satellite packages, but lack NFL Sunday Ticket.

HBO Go: A "TV Everywhere" service launched in 2008, HBO Go allowed subscribers to watch the premium channel's shows over the internet after proving they had already paid through a cable or satellite-TV bundle.

HBO Now: HBO's first true "over the top" version of the channel. Its app lets subscribers watch shows on-demand for \$15 a month.

HBO Max: The flagship brand for movies and TV series that AT&T controls the rights to through its WarnerMedia division. HBO Max will make its debut in May. The streaming service is an expanded version of HBO, though executives say it will grow to include live sports and ad-supported programming.

BUSINESS & FINANCE



Olvin Meyer stocked vegetables at a Natural Grocers store in Boulder, Colo., in February. Sales growth at the chain has slowed.

Specialty Grocers Lose Edge

Continued from page B1

Colo.-based operator of 39 stores said rising competition hurt its profitability, particularly in Florida, where it was seeking to expand.

Earth Fare said in court documents that competition and spending on store improvements had strained its business.

Mike Brewer, a 44-year-old business consultant who has shopped at an Earth Fare store in Huntersville, N.C., since it opened in 2011, said he appreciated its relatively affordable selection of natural products including veggie-pop snacks and grass-fed beef.

"For a store closing, I'm pretty upset," he said.

He said he would turn to a Kroger-owned Harris Teeter supermarket in his neighborhood when Earth Fare closes at the end of February.

"What was special 10 years ago isn't special anymore," said Don Fitzgerald, who teaches marketing at DePaul University and until last year was a merchandising executive at Kroger's Mariano's chain. Kroger owns more than 40 Mariano's stores in Illinois.

Some natural chains continue to add stores and enter markets to find new customers. Lakewood, Colo.-based Natural Grocers by Vitamin Cottage has added or relocated 11 stores in each of the past two years, bringing its total to more than 150. But sales growth has slowed to 1.9% during the latest quarter, down from 4.7% in that period two years earlier, in part due to pressure from bigger

chains, Chief Executive Kemper Isely said.

"It's not growing as fast as it used to," Mr. Isely said in an interview.

New Seasons Market, based in Portland, Ore., is trying to stand out from the competition with hyperlocal products, Chief Operating Officer Mark Law said. The chain of more than 20 stores in the Pacific Northwest works with local chefs to prepare oven-ready meals and buys dairy products from nearby farmers. Same-store sales growth rate nearly doubled last year.

"Organic has been commoditized," Mr. Law, a former Whole Foods executive, said. "You can't differentiate with your product mix alone."

Other specialty grocers also are emphasizing services to stand out. But offering better services can push up costs, executives said.

"You not only have your cost of goods but you're trying

to provide a higher level of customer service to differentiate yourself," Steven Mortensen, an adviser to private-equity firm Yucaipa Cos., an investor in grocery chains. Yucaipa bought up West Coast chains Ralphs, Quality Food Centers and Smith's under the Fred Meyer banner, which it sold to Kroger in the 1990s. More recent investments haven't fared as well. Yucaipa invested in Fresh & Easy and Great Atlantic and Pacific Tea, chains that filed for bankruptcy in 2015.

Some executives said Whole Foods became a tougher rival after the chain started offering rapid delivery via Amazon. Green Aisle Grocery closed its two Philadelphia stores in January after sales decreased 30% over the past two years, co-owner Andrew Erace said.

"I can't compete with that. I don't have the technology to implement for our small shops," Mr. Erace said.

Twitter Directors Nominated

Continued from page B1

three to six months this year. The announcement surprised executives at Twitter and angered investors frustrated with the company's performance under the part-time CEO.

Twitter's shares and financial performance have long lagged behind its popularity and influence in culture and politics. Its market capitalization, at around \$26 billion, is a fraction of that of rival social-media platform Facebook Inc.

Elliott is known for battles with companies such as Arctic Inc. and AT&T Inc. and

campaigns against Peru and Argentina, pressuring the countries to make payments on defaulted bonds. It recently revealed an interest in Japanese telecommunications-and-technology giant SoftBank Group.

At Twitter, at least for now, it appears to be trying to work with the company instead of waging a public campaign. The four directors were nominated before a recent deadline as a backup plan in case the talks fall through, the person said.

Bloomberg News earlier reported on Elliott's push at Twitter.

Opening the door to Elliott's campaign is the fact that Twitter doesn't have the super-voting-share structure that insulates some other Silicon Valley companies from outside pressure.

Mr. Dorsey was Twitter's first chief executive until he was pushed out in 2008 amid

persistent technical glitches at the platform. He returned to Twitter in 2011 as executive chairman and product chief, with the company gearing up for its public listing in 2013. He was reappointed CEO in 2015, relinquishing the chair-

152M

The number of daily users Twitter now has

man role, while Twitter was grappling with modest growth at a time when rival social-media companies' user numbers were exploding.

But Twitter continued to fall behind in the battle for users, hampering its ability to generate sales from advertis-

ing. Twitter now has 152 million daily average users, according to its latest quarterly figures. Facebook's user base now tops 1.6 billion.

Mr. Dorsey has also failed to deliver consistent earnings growth and Twitter's share price is little changed since he returned to the CEO role while Facebook's stock has more than doubled during that period.

Twitter last year shocked investors when it said that technical glitches hampered its ability to sell ads in the third quarter, causing the stock to tumble.

The company reported record quarterly revenue for the fourth quarter, but it also warned investors that costs would continue to rise this year as it hires 20% more staff and works to fix ad software so it can offer metrics to advertisers without compromising user privacy.



'The Invisible Man' with Elisabeth Moss hit No. 1 at the box office.

Estimated Box-Office Figures, Through Sunday				
FILM	DISTRIBUTOR	SALES, IN MILLIONS		
		WEEKEND*	CUMULATIVE	% CHANGE
1. The Invisible Man	Universal	\$29	\$29	—
2. Sonic the Hedgehog	Paramount	\$16	\$128.2	-39
3. The Call of the Wild	20th Century Studios	\$13.5	\$45.9	-47
4. My Hero Academia: Heroes Rising	Funimation	\$6.3	\$9.6	—
5. Bad Boys for Life	Sony	\$4.3	\$197.4	-26

*Friday, Saturday and Sunday Source: Comscore

X-CHAIR

Stylish • Ergonomic • Comfortable

Dynamic Variable Lumbar Support (DVL) feels incredible!

As low as \$29 per month!

This is Not Your Grandfather's Office Chair!

* \$29 / month is based on purchase price of 499.99 for 18 months 0% interest

Free Shipping & 30 Day Risk Free Trial

Save \$100 Now! And, Use code **Ergonomic** For a Free Footrest

BuyXchair.com

BuyXchair.com | 844-4-XCHAIR | Corporate Discounts Available

BUSINESS NEWS

Trader Joe’s Founder Searched for the Exotic

By JAEWON KANG

Joseph Coulombe’s passion for selling once-exotic foods at low prices made his grocery stores a hit in California. As Trader Joe’s, the chain helped push U.S. super-markets to stock a wider variety of foods at lower prices.

Mr. Coulombe, who died Friday at 89 years old, started the small chain that later became Trader Joe’s in Los Angeles in the 1950s. His appetite for new experiences—as well as new foods and wines—drove him to stock his stores with a mix of products unfamiliar to many shoppers at the time, such as Dijon mustard and granola. He cut out distributors to sell many of those foods at low prices.

His workers wore Hawaiian-print shirts and he decorated his stores with nautical equipment—Mr. Coulombe wanted shoppers to feel like they were on a voyage. Once an aspiring academic, Mr. Coulombe funneled his passion for education into his stores, stocking them with foods he sampled on trips to Europe.

“I told him, ‘You succeeded. Instead of hundreds of students, you taught thousands of employees and millions of people, so you did a good job,’” said Leroy Watson, who was the first employee at Trader Joe’s and later served as a senior vice president.

Joseph Hardin Coulombe was born June 3, 1930, in San Diego. He graduated from Stanford University with a bachelor’s degree in economics followed by a master’s of business administration in 1954. As an undergraduate, he began dating fellow student Alice Steere, whom he married in 1952.

Mr. Coulombe’s first stores were decorated with wooden hatch covers from old boats and thick ropes. He introduced a line of baking products called Charlotte and Madeline’s named after his two daughters.



Mr. Coulombe had an appetite for new foods and wines.

In the early days, Trader Joe’s carried as few as 1,500 products compared with the array of tens of thousands at a typical grocery store.

Mr. Coulombe wanted to democratize access to foods that were expensive and hard to find at the time, a list that in the 1960s and 1970s included maple syrup and baby Swiss cheese.

A connoisseur of wine, Mr. Coulombe often visited vineyards in Europe, where he also scouted for new foods to sell in his stores. He took his family on these wine tours and also sent three or four employees and their families on scouting trips every year.

“You could mention a family event, and he could go around the table and remember every dish that everyone had and the wine they had with it,” said his son Joe.

Mr. Coulombe sold Trader Joe’s to German discounter Aldi Nord in 1979. He stayed on as chief executive until 1988, when he retired. He served for some years on various boards, including those of gourmet grocer Bristol Farms Inc. and apparel company True Religion Brand Jeans. Trader Joe’s expanded to over 500 stores in the U.S.

Mr. Coulombe died in Los Angeles after what his family described as a long illness. He is survived by his wife, three children and six grandchildren.

Walmart, Verizon Are in Talks To Test 5G Services in Stores

Walmart Inc. and Verizon Communications Inc. are in discussions to outfit the retailer’s stores with antennas

By Sarah Krouse, Sarah Nassauer and Anna Wilde Mathews

and other equipment to create 5G wireless service, a high-profile test of the next-generation networks.

The plan would initially bring 5G service to a pair of locations this year to power new Walmart digital health services the retailer aims to start offering to shoppers and employees, according to people familiar with the matter. It would also provide faster wireless connections for other store operations and the surrounding community, the people said.

If a deal is signed, it would be part of an effort inside the country’s largest retailer to remake its roughly 4,700 U.S. stores into hubs that draw shoppers for medical treatment and other services, not just groceries and clothes. Walmart also could use the 5G services to improve cameras alerting staff to shoplifters or scanning shelves for out-of-stock inventory.

Verizon, meanwhile, has put building a faster 5G network and finding new ways to use it at the center of its corporate strategy. Executives have pitched 5G’s faster speeds and lower latency—the amount of time that machines take to respond to each other—to manufacturers and hospitals as a way to spur automation and put computing power closer to industrial applications.

Still, the faster networks are in their infancy. Carriers must add thousands of new antennas because 5G signals generally travel shorter distances. Verizon and some of its rivals have only built out



The retailer is looking to turn its stores into hubs for medical treatment and other services.

service in select cities and some sports arenas, which means coverage is limited. Consumers must also buy new 5G-compatible handsets to tap into the new networks.

Walmart would use the Verizon 5G technology in stores where it is opening new health clinics that offer more medical services, according to some of the people familiar with the discussions. The clinics could use the technology to offer interactions with doctors and other health-care providers through streaming video over a mobile phone, the people said. Walmart opened two such health clinics in Georgia last year.

“Health care looks like a big opportunity,” Walmart Chief Executive Doug McMillon said at an investor meeting last month. Walmart aims to offer low-cost health-care services, he said, “in communities

where health care is lacking and out of reach for many.”

Here is how the partnership could work for health care: A shopper could allow her medical data to be stored in an app that detects when she arrives at a Walmart store, allowing her to self-register for her visit for preventive care, according to some of the people familiar with the talks. After the appointment, she could pick up her prescription and shop for groceries. The connectivity in the store could detect if the items placed in her cart need to be restocked.

While some of the use cases are possible using current 4G networks, Verizon executives say 5G offers lower latency that enables real-time communication as well as better network security, which is important to providing broader health-care services. Using 5G

connectivity, for example, could allow a doctor in a remote location to read a patient’s vitals, watch them walk on a treadmill or analyze the results of tests like electrocardiograms in real time.

Communications infrastructure company Everest Infrastructure Partners is pitching real-estate investment trusts and owners of large property portfolios on the potential to make about \$1 million a year from carriers renting access to rooftops for telecom equipment. Rick Kimball, director of commercial real estate at Everest, said the concept was spurred by 5G networks requiring more antennas positioned closer to consumers, whereas prior generations of wireless service relied on equipment installed on tall towers. “That alone has changed the rules,” Mr. Kimball said.

This announcement appears as a matter of record only.

January 2020



Innovative Directions in Alternative Investing

\$14,000,000,000

Lexington Capital Partners IX

THIS PARTNERSHIP HAS BEEN ESTABLISHED TO ACQUIRE
A DIVERSIFIED PORTFOLIO OF PRIVATE AND ALTERNATIVE
INTERESTS IN THE GLOBAL SECONDARY MARKET.

Lexington Partners

New York 660 Madison Avenue, New York, NY 10065 212 754 0411
Boston 111 Huntington Avenue, Suite 2920, Boston, MA 02199 617 247 7010
Menlo Park 3000 Sand Hill Road, 1-220, Menlo Park, CA 94025 650 561 9600
London 50 Berkeley Street, London W1J 8HA 44 20 7399 3940
Hong Kong 15/F York House, The Landmark, 15 Queen’s Road Central, Central, Hong Kong 852 3987 1600
Santiago 3477 Isidora Goyenechea Avenue, 17th Floor, Las Condes, Santiago 56 2 2487 6700
Luxembourg 2, place de Paris, L-2314 Luxembourg 352 20 410 431

info@lexpartners.com www.lexingtonpartners.com

\$14 billion represents total commitments to Lexington Capital Partners IX, L.P. and associated vehicles.

IN A CHANGING WORLD,
THERE ARE MANY
PATHWAYS TO SUCCESS.

Congratulations To Our New Managing Directors

Jonathan Androski
Valery Bentzianov
David Bonder
Patrick Chi
Denise Chow
Katherine Cooper
Fabien Delattre

Melissa Balley
Matthew Gadd
William Hynes
Cyril Korenbeusser
Hugues Magnier
Cecile Malinaud
Bruno Miguel

Francesco Noero
Mary Catherine Permenter
Felipe Prestamo
Joseph Rubin
Hayatullah Sadiq
Jeffrey Siegel
Reynaldo Silva

LEADERSHIP AND COMMITMENT

Through these appointments, we recognize these individuals in North America for their leadership and commitment to the growth and success of our clients and the Bank.



BNP PARIBAS

The bank for a changing world

TECHNOLOGY

WSJ.com/Tech

Car Makers Alter China Pitch

By William Boston

With empty dealerships across China and plunging demand for cars, auto makers are accelerating the move to do more business online and take their inventory pile directly to homebound customers.

Online sales of new cars are still such a small part of the market that they barely register in official statistics. And studies show that consumers, in China and elsewhere, still want to walk into a dealership and kick the tires before plunking down a pile of money for a new car.

But with a large number of Chinese consumers staying in their homes because of the coronavirus epidemic, some manufacturers see quarantined China, where visits to the dealership all but disappeared in February, as a test bed for more aggressive online sales.

Volkswagen AG has been training thousands of dealers to take their pitch from the showroom to the chat room. In February, Volkswagen tapped experts from Alibaba Group Holding Inc. and Taobao to offer a three-day online training course for 50,000 salespeople, showing dealers how to use social media, create video and live-stream events to reach customers outside the showroom.

The training covered about 90% of the staff at Volkswagen dealerships and those of its joint-venture partners, said Michael Mayer, head of sales and marketing for Volkswagen’s passenger car brands in China. Many of the auto maker’s showrooms have been empty or closed in recent weeks, Mr. Mayer said. Only a third of the company’s 2,100 dealerships across China are operating.

Volkswagen is shifting some marketing resources away from traditional sales channels. “It doesn’t make sense to rent a billboard now, so you shift resources online,” Mr. Mayer said. “TV advertising has also gone up; it’s now more efficient because people have more time to watch TV.”



With shoppers staying home, manufacturers see the country as a test for aggressive online sales.

The coronavirus has pressured car makers to try new sales approaches. In the first two weeks of February, new car sales fell 92%, according to the association of Chinese auto dealers.

For manufacturers, salvaging their China business during the epidemic may depend on how well they have prepared their digital showrooms.

In February, Geely Auto Group, a unit of Zhejiang Geely Holding Group, launched an online ordering and home-delivery system, providing a fully “contactless” auto purchasing and payment service with the option of having cars delivered to customers at home. Geely said during the first week of operation, its online sales orders jumped fivefold from the same period a year earlier and sales leads from Geely’s website increased 75 times.

Audi AG, the luxury car maker owned by Volkswagen, said its dealerships have remained open in China, but that “at the moment their focus is on the online business.”

A BMW spokeswoman said the Munich luxury-car maker is providing dealers in China with an array of “digital toolboxes,” including an online application that enables them to

make video car presentations and allows customers to view the car without leaving home.

A Ford Motor Co. spokesman said the company is working with its dealers in China to facilitate online sales when necessary, allowing in some cases for financing to be dealt with via email. When necessary, dealers are making home deliveries to customers who can’t come into the store.

In the first two weeks of February, new car sales fell 92%, a dealer group said.

Car companies have long tried to capitalize on the rise of e-commerce, but that has often conflicted with their large dealership networks. In some markets, like the U.S., franchise agreements require them to only sell cars through dealers. U.S. dealers have lobbied hard against Tesla Inc.’s direct-sales model, blocking the electric car maker from several states.

Some car makers have tried online sales programs through their dealership networks, like

General Motors Co.’s Shop-Click-Drive, but found that most car buyers still opt to shop in person for a new vehicle. Online car sales are more prevalent in the used market from startups like Carvana Co. and Shift Technologies Inc. and China’s Uxin Ltd.

European dealers operate under a franchise system, but the rules are more flexible than in the U.S. It is easier for companies like Tesla, which only offers online sales, and third-party multibrand online car dealers to do business online.

In China, there are large franchises but also independent dealers, often part of larger chains, that sell many brands under one roof.

In a 2019 study of Chinese consumers, McKinsey & Co. found that by the time consumers were ready to buy a new car at a dealership, they had already obtained 90% of the information they needed to make the purchase. Still, getting behind the wheel in a car for a test drive remains the most important factor for Chinese consumers when deciding whether to buy, the study said, yet more than half of those surveyed would like dealers to deliver the car to their homes for a test drive.

PERSONAL TECHNOLOGY | By Joanna Stern

Galaxy S20 Ultra Gets a Zoom Test



That’s definitely me, scratching my nose on the corner of Seventh Avenue and Charles Street. Even though the photo was snapped from inside a car...more than 150 feet away...using a smartphone, anyone who knows me would recognize me.

I would have had no idea it was taken, of course, if I hadn’t put New York private investigator Michael McKeever up to it. I had him follow me around with the new Samsung Galaxy S20 Ultra for half a day.

The \$1,400 Galaxy S20 Ultra, which goes on sale March 6, is being marketed for its “Space Zoom” capabilities. In addition to wide and ultrawide cameras, its telephoto lens with a folded zoom provides 10X optical and 100X digital zoom. Translation: Really clear photos from really far away.

We’re at a point where the line between traditional “optical zoom” and “digital zoom” are blurred. In olden times, a camera had one sensor, and lenses moved to magnify the picture. Now, you have several sensors and lenses, each one set to a different magnification. Where the iPhone 11 Pro’s telephoto has a “2X optical zoom” when it jumps from its wide-angle lens to its telephoto lens, the Galaxy S20 has a “10X hybrid optical zoom,” jumping from the ultrawide to the telephoto lens—the lenses themselves don’t move in either case. Going from 10X to 100X? That requires some software and engineering tricks.

In fact, the S20 Ultra stacked up better next to the \$1,000 Nikon P1000 super-telephoto camera with a lens the length of a Diet Coke can. Both allowed Mr. McKeever

to read text in a 14-point font on my laptop screen from a little over 15 feet away.

This zoom isn’t without its faults. Once you hit anything past the 30X, you better hope your subject is a statue. The view finder is super-shaky, and it’s hard to tell what you’re looking at in the scene. The quality of anything past 30X is grainy, too. And good luck trying to make out anything in low light.

It often takes too long to lock focus on a subject, no matter which camera you’re using. Samsung Electronics Co. plans to release an update that helps “improve the camera experience.”

But to me there’s really only one question about the Ultra: How much smartphone camera is too much smartphone camera?

According to a Samsung spokesman, the enhanced digital zoom is there for when you find yourself further back from the main scene—like at a sporting event or live show.

Am I really that paranoid that photos are being snapped of me when I’m not looking? Truth is, with surveillance systems, camera-equipped doorbells and tiny Nest cams all over, they already are! Are most people going to buy this phone for its spy-cam features? Probably not.

The Ultra illustrates how much further the cameras on our phones—and all around us—can improve without getting noticeably bigger. This is a reminder that our phones are powerful, discreet tools... with major privacy implications.

The good news? We’re not all trained private eyes. “Eric Clapton is not a great guitar player because he bought the most expensive guitar in the world. It has to do with the skill of the operator,” Mr. McKeever said.

SAN FRANCISCO

WSJ

TECH

HEALTH

June 2, 2020

Hotel Nikko

San Francisco, CA

Technology companies from Amazon to Google and Apple are investing billions of dollars into health-care initiatives, going head-to-head with traditional health-care, biotech and pharmaceutical companies. They are betting that their know-how in manufacturing, software, AI, big data and machine learning will give them an edge when it comes to revolutionizing how we receive health care in the future—from diagnosis to treatment and prevention of illnesses. Meanwhile, tech startups in Silicon Valley, India, China and Israel are also challenging big health-care and pharmaceutical giants, promising to reinvent everything from allergy testing to genomics/DNA analysis and precision health care.

With so many players in a crowded field, how do we separate hype from reality, and how do we measure companies' success?

The Wall Street Journal’s second annual summit about health technology will gather top executives as well as regulators for a day of revealing conversations about the state of innovation in health, medicine and technology. We will explore the opportunities and challenges that lie ahead as companies large and small push for a radical redesign of the medical world as we know it.



Arianna Huffington
Founder and CEO
Thrive Global



David C. Rhew, M.D.
Chief Medical Officer and Vice President, Healthcare
Microsoft



Babak Parviz, Ph.D.
Vice President
Amazon.com



Jessica Rosenworcel
Commissioner
Federal Communications Commission



Patrick O. Brown, M.D., Ph.D.
Founder and CEO
Impossible Foods



Dan R. Trigub
Head of Uber Health
Uber

Register Today: [WSJTechHealth.WSJ.com](https://www.wsj.com/tech/health)

SPONSORED BY

 **Abbott**

©2020 Dow Jones & Co., Inc. All rights reserved. 6DJ7668

SMALL BUSINESS

Epidemic to Test Smaller Firms’ Confidence

By Allison Prang

Before the coronavirus jolted stock markets and global supply chains, U.S. small-business confidence was the highest it had been in more than a year. Now the question is whether that optimism can overcome the uncertainty created by the disease.

The fear of the infection spreading in the U.S. and elsewhere sparked last week’s frenzied selling of stocks and buying of medical masks. Companies large and small, especially those that rely on Chinese production or suppliers, have warned that the coronavirus is affecting their business. Many more say it is too early to tell how serious a setback it could be to their business.

A survey of 668 small businesses conducted from Feb. 3 through 10 found that the overall confidence index hit its highest point in 15 months. The poll is conducted monthly for The Wall Street Journal by advisory company Vantage Worldwide Inc.

Small businesses were cautious in building their confidence, but the virus has introduced new uncertainty, said Richard Curtin, an economist at the University of Michigan who analyzed the Vantage data.

Small firms—whether they are more store-centric or sup-



A worker added fortunes to cookies at the Golden Gate Fortune Cookie Factory in San Francisco earlier this year.

ply other manufacturers—need to take care of employees and hope the virus is contained, he said.

“Some of it is concerning...some of it is not so concerning,” Mr. Curtin said. “That leaves us all in the same pool of uncertainty.”

Jeff Griffin has experienced how nervous businesses are about any transmission of the coronavirus. Mr. Griffin, the founder and chief executive of an employee-benefit consulting company in Scottsdale, Ariz., wrote a blog post about how employers can focus on

preventing the disease and knowing the symptoms.

In response, he received hundreds of emails and calls from businesses seeking more information on how to protect their employees and inquiring how the virus would affect their leave policies, Mr. Griffin said. “They’re pouring in still,” he added.

His decade-old firm is as busy as it has ever been and has added new clients, he said. The 30-person company is hiring three new people and expects to bring on three or four more by the end of the year.

“Things are extremely positive,” he said.

“I really think that the market’s overreacting,” said Tom Embley, president of Precision AirConvey Corp., a 40-person company in Delaware that designs waste-management systems.

Orders have risen substantially over the past couple of months after a difficult fourth quarter of 2019, he said. “We’re hopping right now,” Mr. Embley said. “It’s hard to keep up.”

While the effect of the coronavirus on small U.S. busi-

nesses isn’t clear, these companies have been facing a historically tight labor market. Unemployment in January was 3.6%, up slightly from 3.5% in December. The labor market was the most common challenge small businesses cited in Vantage’s survey.

“That’s our biggest constraint right now, is labor,” said Justin White, CEO of California-based K&D Landscaping Inc., whose company is hiring account and product managers, as well as front-line employees.

Consumer spending climbed

in 2019 but at a slower pace compared with recent years. Consumers’ contribution to the economy is key to its performance, as U.S. consumer spending accounts for two-thirds of the country’s economic output.

More than a quarter of respondents to Vantage’s survey are expecting the economy to improve, while just over a fifth expect it to worsen. That is the first time more companies have been optimistic than pessimistic in more than a year, Vantage said.

Jason Adams, president of a real-estate investment and development company, Signal Ventures LLC, is preparing for a recession—but not because of the coronavirus. The Oregon executive expects the economy to grow for the next year and a half but sees a recession hitting in 2022 or 2023.

“Timing a contraction is really tough,” Mr. Adams said, adding that he would “rather be a year and a half early than a year and a half late.”

Mr. Adams said Signal is reducing its debt and moving resources into its car-wash and self-storage operations, which will be steadier in any recession. He isn’t worried that any spread of the coronavirus could affect the car-wash business. It “is a pretty simple purchase,” he said. “We’re not terribly worried about that.”

BUSINESS NEWS

Retailers Prepare for Surge in Demand as Virus Spreads

By Jaewon Kang

Supermarkets and other retailers are preparing for a surge in demand and shoppers are stocking up on staple foods and cleaning supplies as more cases of the new coronavirus appear in the U.S.

For weeks, as the outbreak advanced mainly in China, retailers focused on maintaining supplies of products they procure from Asia such as tuna, mandarin oranges, garlic and face masks.

Their attention has shifted in recent days as cases multiplied from South Korea to Iran and as the Centers for Disease Control and Prevention warned of a potential pandemic. Health officials in Washington state on Saturday reported the first death of someone who had tested positive for the coronavirus in the U.S. Health officials on Sunday reported two additional cases in Washington and a first case in Rhode Island, adding to dozens of cases across the country.

Now grocers are working to prevent shortages and prepar-

ing for a rise in demand for disinfectants, hand sanitizer and long-lasting items such as canned food. Some are ramping up orders from suppliers.

“This is like a natural disaster, but it’s an illness,” said Doug Baker, vice president of industry relations at FMI, a trade group for food retailers.

Walgreens Boots Alliance Inc. said it has seen greater demand for products including face masks and hand sanitizers at many stores and online. **Home Depot Inc.** said it had halted online orders for face masks and was limiting purchases at its stores to 10 per customer.

“Our merchandising and supply-chain teams are working hard to replenish these items as quickly as possible whenever inventory runs out in any of our stores,” a Home Depot spokeswoman said.

The masks known as N95 respirators that block 95% of very small particles were out of stock at many stores in the Chicago area over the weekend, as were basic medical supplies and hand sanitizer.

Some sellers on **Amazon.com Inc.** and **eBay Inc.** had set prices for masks and sanitizer well above levels that are typical for those products at U.S. stores and websites.

One Amazon vendor advertised a 12-pack of 8-ounce bottles of Purell hand sanitizer for \$129.90, or more than \$12 per bottle. Average unit price for U.S. hand sanitizers at the end of November was \$2.06, according to data provider Nielsen.

Another seller on Amazon had priced four 20-count boxes of N95 masks made by **3M Co.** for \$580.24 plus \$19.75 in shipping. An out-of-stock 20-count box of N95 masks at a Home Depot store in Evanston, Ill., was priced at \$21.47.

Amazon didn’t immediately respond to a request for comment on the pricing of masks and hand sanitizer on its site.

Amazon has said it would remove and block items offered for sale on its site where price-gouging is suspected. Last week the company said it had removed more than one million items from its platform, including so-called cures for the illness caused by the new coronavirus.

Kayla DeShon, a nanny and mother of a 3-year-old in Highlands Ranch, Colo., said she stocked up on water, rice and beans at a **Costco Wholesale Corp.** store last week. She couldn’t find hand sanitizer this weekend at her local Walgreens and King Soopers stores.

Ms. DeShon, 31, eventually bought the last six organic hand sanitizers from the baby section at a Target store. “I have super bad anxiety around health and I’m a germaphobe,”

Ms. DeShon said. “This is basically the worst thing that can happen mentally.”

Raley’s Supermarkets, which operates about 120 stores in Northern California, said it is working to increase the availability of hand sanitizer, tissue, disinfectants and other cleaning and hygiene products. The chain said it is in discussions with suppliers to ensure the availability of

these products. A spokeswoman said Raley’s hasn’t experienced shortages of any foods it sells.

Chris Glushko, a 45-year-old marketing professional in Denver, went to his local Target store with his wife on Thursday to stock up on food. The couple spent about \$250 on canned soup, pasta, granola bars and other dry foods to last them roughly two weeks.

They also purchased over-the-counter cold medicine and a bag of dried dog food. Mr. Glushko said he didn’t notice a shortage of anything except hand sanitizer on shelves.

“We’re not panicked in the least,” Mr. Glushko said. “We just want to be ahead of the curve.”

—Erin Ailworth, Sarah Nassauer and Sharon Terlep contributed to this article.



Empty shelves at a grocery store in Anchorage, Alaska, on Sunday.

Province Takes Over HNA

Continued from page B1

past year and failed to pay back some investors in high-yielding wealth-management products.

In 2018, Chinese authorities seized control of another highly acquisitive firm, Anbang Insurance Group—whose trophy assets included New York’s Waldorf Astoria hotel—and charged its chairman with economic crimes. Last week, China’s insurance regulator said its two-year takeover was completed after Anbang was turned into a new insurance firm and finished repaying investors for 1.5 trillion yuan (\$214 billion) of investment products.

In different times, Hainan Airlines could have been the

cash cow that stabilized the group, but the coronavirus epidemic has destroyed those hopes by crippling China’s aviation sector. The epidemic has even threatened the survival of some carriers outside the country that rely on Chinese traffic. China has banned group tours while many cities have been put under lockdown or restricted access to nonresidents, which has impacted travel.

Chinese passenger figures slumped 91% year-over-year in mid-February, according to the Civil Aviation Administration of China, while tens of thousands of flights have been canceled.

The mass grounding left Hainan Airlines, which competes domestically with China’s three state-run airlines, vulnerable to being split apart and having its routes carved up among Air China Ltd., China Eastern Airlines Corp. and China Southern Airlines Co., aviation analysts said.

The company’s statement

didn’t make clear whether the “risk disposition work” to be undertaken by Mr. Gu and his team would involve shoring up Hainan Airlines and HNA’s other remaining business, or whether the airline would now be wound up and absorbed by other Chinese carriers.

Hainan Airlines isn’t the only airline suffering from the epidemic. In Hong Kong, Cathay Pacific Airways Ltd. has asked all its staff to take three weeks’ unpaid leave, while Asiana Airlines Inc., South Korea’s second largest carrier, also asked thousands of staff members to take unpaid time off.

Beyond airlines, search-engine giant Baidu Inc. this week warned its first-quarter revenue could drop 5% to 13% as many of the sectors that fuel its advertising business have cut back on marketing, while Alibaba Group Holding Ltd. this month said the coronavirus outbreak could slow its growth.

—Raffaele Huang contributed to this article.

Your team is your best asset. Ours is too.

A group of four diverse professionals (three women and one man) are gathered around a table, smiling and looking at a tablet computer. They appear to be in a collaborative work environment.

Retirement plans for employers that put people first. Get dedicated service and one-on-one support for you and your team.

Learn how we’re different. Call 1-866-954-4321.

Mutual of America Financial Group[™]

Retirement Services • Investments

Securities offered by Mutual of America Life Insurance Company, a registered Broker-Dealer. Mutual of America[®] is a registered service mark of Mutual of America Life Insurance Company. 320 Park Avenue, New York, NY 10022-6839.

BUSINESS & FINANCE

Commodities Rout Stokes Fear on Growth

By Amrith Ramkumar

The coronavirus outbreak has sparked one of the largest retreats in commodity prices in years, forcing investors to brace for even steeper declines and sending a warning signal about the world economy's prospects in 2020.

Raw materials sensitive to shifts in global growth have been among the hardest hit investments since the coronavirus began spreading around the globe and hurting travel and corporate activity. Oil prices have fallen 32% in less than two months and last week recorded their worst week since the financial crisis. Industrial metals from copper to aluminum are also taking a beating.

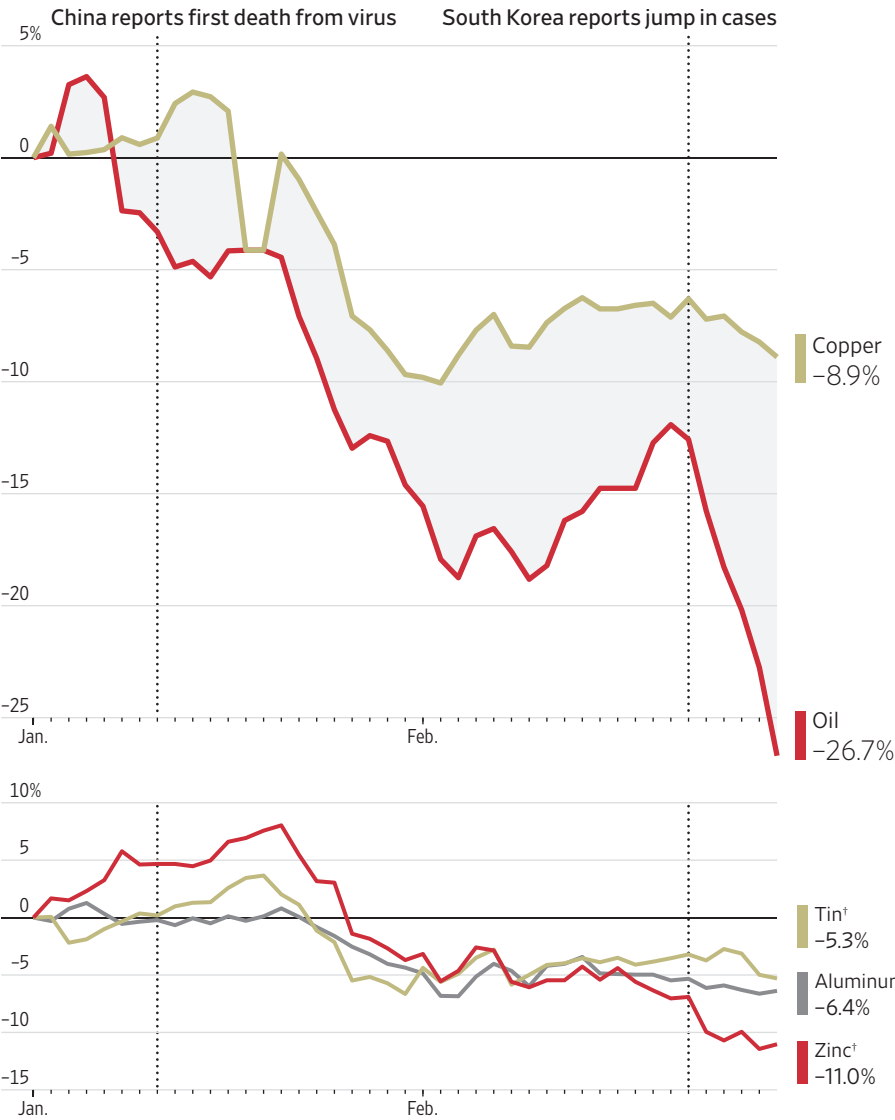
Commodities started falling steadily after China reported its first death from the coronavirus in January and began taking steps to curb its spread, slowing the country's economy early in the year. While stocks held up well at that time, materials fell because China is a critical source of demand, accounting for about half of global consumption of some commodities like copper.

As the virus has spread to other countries, from Italy to South Korea, commodities have fallen alongside global stocks, sending the S&P 500 down 13% in the past seven trading sessions. The pain has extended to agricultural commodities including sugar and cotton.

The broad selloff is a major concern for some analysts because commodity prices can provide a real-time indicator of activity in the world economy. The current slide reflects slumping demand and bloated inventories, a recipe for excess supply. Some investors worry the widespread selling of assets associated with risk also portends more pain ahead for stocks.

"We know there's going to be continued volatility," said Shannon Saccocia, chief in-

Cumulative performance in 2020*



*Front month contract †London Metal Exchange prices for delivery in three months
Sources: FactSet (copper, oil); CQG (tin, aluminum, zinc); Commodity Futures Trading Commission (net bets); Dow Jones Market Data (ratio)

vestment officer of Boston Private, which has been maintaining a smaller position in stocks than the benchmark it tracks. "With this uncertainty, you're not really sure what the best place to hide would be."

In addition to monitoring the spread of the virus, investors this week will be watching purchasing managers index figures and data on U.S. hiring for February to gauge how much the world economy

might slow this year.

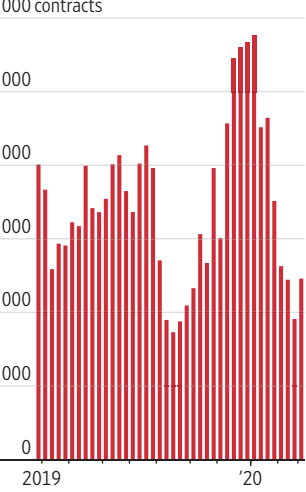
Some analysts say the longest-ever U.S. economic expansion is already in jeopardy. As U.S. crude oil skidded last week to its lowest level since December 2018, ending Friday at \$44.76 a barrel, natural gas also extended a monthslong fall. Natural-gas futures dropped to a nearly four-year low of \$1.68 a million British thermal units.

The declines have been a

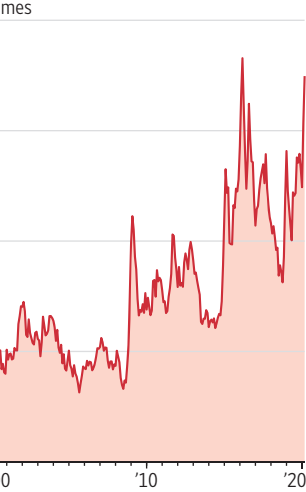
boon for consumers who are paying less for gasoline at the pump and to heat their homes with natural gas this winter. But they are also threatening profits for energy-producing companies and nations like Saudi Arabia, some of which need higher prices to sustain their economies.

Donald Morton, a senior vice president at Herbert J. Sims & Co. who oversees an energy trading desk in Haver-

Weekly net bets on higher U.S. crude oil prices



Monthly ratio of gold prices to oil prices†



hill, Mass., said he struggles to remember demand fears this severe in energy markets since the financial crisis more than a decade ago. While he thinks the drop has gone too far, he said the negative sentiment could keep prices down until the virus fears ebb.

"What's occurring is pretty dramatic," he said. "I don't think the price today is reflecting reality."

Hedge funds and other

Embattled Shale Drillers Are Dealt Another Blow

By Rebecca Elliott
And Collin Eaton

Shale drillers were already braced for a tough year. Now the new coronavirus is putting them under even greater financial pressure.

Exploration and production companies are straining to slow growth—amid an oversupply of oil and gas—and cut spending to appease investors angry over poor returns. Now the virus has further weakened global demand for their products, posing a greater challenge to a sector where many companies are saddled with debt.

By some measures, top shale companies have shown improvement in recent earnings reports. Roughly 46% of 37 U.S.

independent producers spent less than they took in from operations last year, up from about 30% in 2018, according to a Wall Street Journal analysis of FactSet data.

Nonetheless, the whole sector is getting clobbered as concerns about the economic impact of coronavirus pull oil prices lower and cloud 2020 prospects. U.S. benchmark oil prices ended Friday around \$45 a barrel, down from about \$53 a week earlier.

Shares in shale drilling pioneer Chesapeake Energy Corp. tumbled roughly 38% through the week ended Friday amid concerns about the company's debt load. Whiting Petroleum Corp.'s stock also plunged after it warned that output would

decline this year.

Continental Resources Inc. also traded lower after disclosing 2020 plans that indicated the company could struggle to generate free cash flow at current oil and gas prices. "We see the oil and gas markets as fundamentally oversupplied, with demand even further impacted by the coronavirus," Continental Executive Chairman Harold Hamm said.

Shale drillers have been under tremendous pressure from investors—and increasingly from their lenders—after years of poor financial returns, even as they turbocharged American oil production to nearly 13 million barrels a day, the most in the world.

Many are now seeking to



Shale companies have been under tremendous pressure from investors and lenders.

win back Wall Street by limiting spending and demonstrating that they can generate free cash flow, positioning them to pay down debt or return money to shareholders. But that was proving a tall order, even before coronavirus added to concerns about soft demand. In addition to lower oil prices,

natural-gas prices have been hovering below \$2 per million British thermal units for much of the year, down from an average of about \$2.69 in February 2019, U.S. Energy Information Administration data show.

"We're an industry of thimbles. A thimble too much and we're in the gutter, and a thimble too short and we're to the moon," Matt Gallagher, chief executive of Austin-based shale producer Parsley Energy Inc., said in a recent interview. "We're more than a thimble too much right now."

Many companies have financial hedges in place that insulate much of their production from falling crude and natural-gas prices, but in most cases a sizable portion of production remains exposed. Those with hefty debt loads have particularly little room for error.

Chesapeake Chief Executive Doug Lawler said Wednesday that the company expects asset sales to pay for roughly \$300 million in debt that matures later this year. The Oklahoma City driller co-founded by the late wildcatter Aubrey McClendon also plans to pursue a reverse stock split. It hopes consolidating its shares will boost its stock price above the \$1 level needed to retain its listing on the New York Stock Exchange.

Whiting, which largely produces in North Dakota's Bakken Shale, said it expects spending and production to shrink this year and has hired advisers to explore strategic alternatives. The company has more than \$1 billion of debt maturing this year and next, according to S&P Global Market Intelligence data. Chief Executive Bradley Holly said the company has enough liquidity to cover operations

speculative investors have sharply reduced net bets on higher U.S. crude oil prices and recently pushed them to a four-month low, Commodity Futures Trading Commission figures show. At the same time, they have ramped up bets on lower prices of natural gas and copper.

Many analysts expect the Organization of the Petroleum Exporting Countries to deepen recent production cuts at a coming meeting, a move that could help stabilize oil prices if efforts to curb the spread of the coronavirus are successful. Still, steady shale output from the U.S. and production from nations outside OPEC have many traders preparing for oil inventories to remain well supplied moving forward.

With the declines in stocks and commodities accelerating, investors have favored safer assets, including gold and bonds that tend to hold their value during times of market turmoil. That trend pushed gold to its highest level in seven years last week and sent the ratio of gold prices to oil prices to its highest point since early 2016. During that selloff four years ago, fears that an economic slowdown in China would spark a recession pushed crude prices below \$30 a barrel.

But the recent market chaos even engulfed gold late last week, sending prices down 4.6% Friday. Traders said investors were being forced to cover losses from stocks. Another explanation: margin calls from banks to investors who had used some of their stock portfolios as collateral to buy other securities. With the value of those positions shrinking substantially, banks can demand repayment.

Still, oil and other commodities went on to recover from the 2016 tumble alongside stocks, and some traders are hopeful that they can stage a similar recovery. "We see a lot of commodities that are now into the oversold category," Mr. Morton said.

ADVERTISEMENT

The Marketplace

To advertise: 800-366-3975 or WSJ.com/classifieds

BANKRUPTCIES

IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

In re: **BOY SCOUTS OF AMERICA AND DELAWARE BSA, LLC,**
Debtors.

Chapter 11, Case No. 20-10343(LSS) (Jointly Administered)
EIN: 22-1576300
Date case filed for chapter 11: February 18, 2020

NOTICE OF CHAPTER 11 BANKRUPTCY CASE
For each of the debtors listed above, a case has been filed under chapter 11 of the Bankruptcy Code. An order for relief has been entered. This notice has important full information about the case for creditors, debtors, and trustees, including information about the meeting of creditors and deadlines. Read all pages carefully.

The filing of the case imposed an automatic stay against most collection activities. This means that creditors generally may not take action to collect debts from the debtor or the debtor's property. For example, while the stay is in effect, creditors cannot sue, assert a deficiency, repossess property, or otherwise try to collect from the debtor. Creditors cannot demand repayment from the debtor by mail, phone, or otherwise. Creditors who violate the stay can be required to pay actual and punitive damages and attorney's fees.

Confirmation of a chapter 11 plan may result in a discharge of debt. A creditor who wants to have a particular debt excepted from discharge may be required to file a complaint in the bankruptcy clerk's office within the deadline specified in this notice. (See line 11 below for more information.)

To protect your rights, consult an attorney. All documents filed in the case may be inspected at the bankruptcy clerk's office at the address listed below or through PACER (Public Access to Court Electronic Records at www.pacer.gov) or at the website maintained by the Debtors' claims and noticing agent, Omni Agent Solutions, at www.omniagentsolutions.com/bsa.

The staff of the bankruptcy clerk's office cannot give legal advice. Do not file this notice with any proof of claim or other filing in the case. Valid Picture ID is required for access to the J. Caleb Boggs Federal Building.

1. Lead Debtor's full name: Boy Scouts of America

2. All other names used in the last 8 years: BSA

3. Jointly Administered Case, Case No., Tax ID, Address: Delaware BSA, LLC, 20-10342 (LSS), 84-2764311, 1325 West Walnut Hill Lane, Irving, Texas 75038.

4. Address: 1325 West Walnut Hill Lane, Irving, Texas 75038

5. Debtors' attorneys and claims and noticing agent: SIDLEY AUSTIN LLP, Jessica C. K. Boelter, jboelter@sidley.com, 787 Seventh Avenue, New York, New York 10019, Contact phone: (212) 839-5300, – and – SIDLEY AUSTIN LLP, James F. Conlan, jconlan@sidley.com, Thomas A. Labuda, tlabuda@sidley.com, Michael C. Andolina, mandolina@sidley.com, Matthew E. Linder, mlinder@sidley.com, One South Dearborn Street, Chicago, Illinois 60603, Contact phone: (312) 853-7000, – and – MORRIS, NICHOLS, ARSHT & TUNNELL LLP, Derek C. Abbott (No. 3376), dabbott@mnat.com, Andrew R. Remming (No. 5120), aremming@mnat.com, Joseph C. Barsalona II (No. 6102), jbarsalona@mnat.com, Paige N. Topper (No. 6470), ptopper@mnat.com, Eric Moats (No. 6441), emoats@mnat.com, 1201 North Market Street, 16th Floor, P.O. Box 1347, Wilmington, Delaware 19899-1347, Contact phone: (302) 351-9314. **Debtors' Claims and Noticing Agent:** If you have questions about this notice, please contact Omni Agent Solutions. Contact phone: (866) 907-2721 (toll-free), Email: BSAInquiries@omniagent.com, Website: www.omniagentsolutions.com/bsa.

6. Bankruptcy clerk's office: 824 Market Street, 3rd Floor, Wilmington, DE 19801. Hours open: Monday – Friday 8:00 AM – 4:00 PM. Contact phone 302-252-2900. Documents in this case may be filed at this address. You may inspect all records filed in this case at this office or online at www.pacer.gov.

7. Meeting of creditors: April 15, 2020 at 1:00 p.m. (prevailing Eastern Time). Location: J. Caleb Boggs Federal Building, 844 King Street, 3rd Floor, Room 3209, Wilmington, DE 19801. The meeting may be continued or adjourned to a later date. If so, the date will be on the court docket. The debtor's representative must attend the meeting to be questioned under oath. Creditors may attend, but are not required to do so.

8. Proof of claim deadline: Deadline for filing proof of claim: Not yet set. If a deadline is set, notice will be sent at a later time. A proof of claim is a signed statement describing a creditor's claim. A proof of claim form may be obtained at www.uscourts.gov or any bankruptcy clerk's office. Your claim will be allowed in the amount scheduled unless: • your claim is designated as *disputed*, *contingent*, or *unliquidated*; • you file a proof of claim in a different amount; or • you receive another notice. If your claim is not scheduled or if your claim is designated as *disputed*, *contingent*, or *unliquidated*, you must file a proof of claim or you might not be paid on your claim and you might be unable to vote on a plan. You may file a proof of claim even if your claim is scheduled. You may review the schedules at the bankruptcy clerk's office or online at www.pacer.gov. Secured creditors retain rights in their collateral regardless of whether they file a proof of claim. Filing a proof of claim submits a creditor to the jurisdiction of the bankruptcy court, with consequences a lawyer can explain. For example, a secured creditor who files a proof of claim may surrender important nonmonetary rights, including the right to a jury trial.

9. Exemption to discharge deadline: The bankruptcy clerk's office must receive a complaint and any required filing fee by the following deadline. If § 523(c) applies to your claim and you seek to have it excepted from discharge, you must start a judicial proceeding by filing a complaint by the deadline stated below. **Deadline for filing the complaint: June 15, 2020.**

10. Creditors with a foreign address: If you are a creditor receiving notice mailed to a foreign address, you may file a motion asking the court to extend the deadlines in this notice. Consult an attorney familiar with United States bankruptcy law if you have any questions about your rights in this case.

11. Filing a Chapter 11 bankruptcy case: Chapter 11 allows debtors to reorganize or liquidate according to a plan. A plan is not effective unless the court confirms it. You may receive a copy of the plan and a disclosure statement telling you about the plan, and you may have the opportunity to vote on the plan. You will receive notice of the date of the confirmation hearing, and you may object to confirmation of the plan and attend the confirmation hearing. Unless a trustee is serving, the debtor will remain in possession of the property and may continue to operate its business.

12. Discharge of debts: Confirmation of a chapter 11 plan may result in a discharge of debts, which may include all or part of your debt. See 11 U.S.C. § 1141(d). A discharge means that creditors may never try to collect the debt from the debtor except as provided in the plan. If you want to have a particular debt owed to you excepted from the discharge and § 523(c) applies to your claim, you must start a judicial proceeding by filing a complaint and paying the filing fee in the bankruptcy clerk's office by the deadline.

¹ The Debtors in these chapter 11 cases, together with the last four digits of each Debtor's federal tax identification number, are as follows: Boy Scouts of America (6300) and Delaware BSA, LLC (4311). The Debtors' mailing address is 1325 West Walnut Hill Lane, Irving, Texas 75038.

BUSINESS OPPORTUNITIES

INVESTORS NEEDED
Internal Medicine Office completed Clinical Trial of Compounded Pharmacy Drug for Erectile Dysfunction
Subjects are all Sildenafil (little blue pill) failures
60% success rate on all clinical trial subjects
561-212-8166
drmarkfreeman@aol.com

CAREERS

Investment Analyst
The U.S. Department of Energy, Loan Programs Office is seeking finance professionals in support of program growth. Positions will be available in its Loan Origination Division. Candidates will engage with transaction origination teams and portfolio managers on the full spectrum of deal structuring, underwriting and closing. The mission of the LPO is to accelerate the domestic commercial deployment of innovative and advanced clean energy technologies. Applicants are strongly encouraged to learn more about the LPO by visiting our website at www.energy.gov/lpo/loan-programs-office. To learn more about this Washington, DC based opportunity and how to apply, visit USAJOBS.gov today.
Applications are being accepted position "20-LP-00352" February 26 through March 10, 2020.

THE WALL STREET JOURNAL.
THE MARKETPLACE
ADVERTISE TODAY
(800) 366-3975
© 2020 Dow Jones & Company, Inc.
All Rights Reserved.

BUSINESS & FINANCE

Market Technicians
See More Room to Fall

By PAUL J. DAVIES
AND JULIE STEINBERG

After such a bad week for stocks, the question is whether the worst is over. In the view of analysts of more technical corners of the markets, the answer is: probably not yet.

The S&P 500 had its worst week since the financial crisis, down nearly 12%. But some think it might have to drop by more than 20% from its peak before it will find real support from bargain hunters.

This pessimism isn't born of expectations that the global economy will crash because of the response to the coronavirus. It has more to do with the extreme valuations and the aggressive ways some fast-moving investors had placed their bets coming into this month's tumult. Furious buying and selling last week was exaggerated by automated traders—action that mom-and-pop investors might now follow.

So far, many investors sitting on big gains made over the previous months haven't completely given up and sold those positions. Doing so is known as capitulation and often seen as a sign of a market bottom.

"There is not capitulation yet, not at all," says David Bieber, a Citigroup Inc. quantitative analyst who studies the size and volume of outstanding bets across all kinds of derivatives markets.

He notes that a lot of the fall in prices last week was driven

by activity in futures and derivatives markets alongside some selling of exchange-traded funds, more than by outright selling of stocks and bonds.

At the start of the week, as they digested the spread of the coronavirus to Europe, hedge funds were using derivatives such as stock futures to cut back their bets on stocks. By Wednesday and Thursday, computerized, trend-following fund managers, known as CTAs (commodity trade advisers), and other systematic investors were jumping on the bandwagon, reinforcing the moves.

Some think this type of selling has more room to run. For instance, investors came into the weekend still sitting on more bets in the futures market for stocks to rise than to fall. Mr. Bieber says for those bets to be fully reversed, the S&P 500 might have to fall to a level of 2600, which would be more than 23% down from its peak 10 days ago.

"The futures market has got less long [positive on] equities but it's still not short and that's the problem," he says.

Such a fall sounds dramatic, but markets had reached quite extreme levels ahead of this week's declines. Some hedge funds had built unusually large bets on equities performing well over the past few months before this week, analysts say.

Masanari Takada, a strategist at Nomura Holdings Inc., thinks CTAs have only cut up to half their equity positions.

Investors
Brace for
Volatility

Continued from page B1
says the company.

The downdraft in stocks has created an acute need for cash. Declines in gold and other areas of the market often associated with stability, like the shares of utilities firms, show that investors are being forced to raise cash to make up for losses from stocks, some traders said—including margin calls to investors who had used stocks as collateral to buy other securities. With the value of those positions shrinking substantially, banks can demand repayment, triggering forced sales of unrelated assets.

"You have a tremendous amount of people who needed cash," said George Gero, managing director at RBC Wealth Management. "There is no haven at the moment with the exception of Treasurys."

A Bank of America survey of fund managers in February showed investors' positioning in cash at the lowest levels since March 2013.

Friday capped one of the worst two-week spans for high-yield credit since the financial crisis, marking the end of a long spell of largely placid trad-

ing. Analysts say moves haven't been this violent since 2011, citing jumps in credit-default swap indexes and outflows from high-yield funds.

The average bid for S&P Global Market Intelligence's LCD 15-bond sample of high-yield issues tumbled 2.47 percentage points over the past week, wiping out all 2020 gains on Thursday. Markit's high-yield CDX index dropped nearly 5 points in two weeks, the steepest decline for any comparable period since 2011.

The action is evidence that the rapid evolution of coronavirus has paralyzed Wall Street, some investors say, because there are too many unanswered questions.

For now, many portfolio managers and investors believe the storm will pass, leaving intact a bull market that started in 2009 and has pushed the Dow up some 300%. Some took heart at the frantic late-afternoon rally that narrowed Friday's losses, while others said they believe the selling is likely to prove overdone. "I still think we're in a secular bull market," said Nancy Tengler, chief investment officer at Laffer Tengler Investments.

Yet even those who believe the coronavirus scare will blow over are bracing for more volatility as investors struggle to discern the impact on global markets and economies.

—David Hodari and
Amrith Ramkumar
contributed to this article.

Closed-End Funds | [WSJ.com/fund](#)

Listed are the 300 largest closed-end funds as measured by assets. Closed-end funds sell a limited number of shares and invest the proceeds in securities. Unlike open-end funds, closed-ends generally do not buy their shares back from investors who wish to cash in their holdings. Instead, fund shares trade on a stock exchange. **NA** signifies that the information is not available or not applicable. **NS** signifies fund not in existence of entire period. 12 month yield is computed by dividing income dividends paid (during the previous twelve months for periods ending at month-end or during the previous fifty-two weeks for periods ending at any time other than month-end) by the latest month-end market price adjusted for capital gains distributions.

Friday, February 28, 2020					52 wk
					Prem Tl
Fund (SYM)	NAV	Close	/Disc	Ret	
Specialized Equity Funds					
Aberdeen Gbl Prem Prop	AWP	6.74	5.86	-13.1	30.1
Adams Natural Resources	PEO	14.49	12.22	-15.7	-10.6
GI NFP DivInt&Prem Str	NFJ	NA	11.74	NA	18.2
ASA Gold & Prec Met Ltd	ASA	14.36	12.33	-14.1	14.1
BR Enh C&I	CI	16.26	14.88	-8.5	14.0
BlackRock Energy & Res	BGR	9.85	9.78	-0.7	-1.5
BlackRock Eq Enh Div	BDJ	8.87	8.25	-7.0	16.2
BlackRock Enh Gbl Div	BOE	11.16	9.62	-13.8	10.3
BlackRock Enh Intl Div	BGY	5.97	5.13	-14.1	11.5
BlackRock Hlth Sciences	BME	38.34	37.46	-2.3	10.6
BlackRock Res & Comm	BCK	7.52	6.62	-12.0	1.4
BlackRock Sol&Tech Trll	BST	20.62	19.28	-6.5	29.5
BlackRock Sol&Tech Trust	BSZ	31.79	31.10	-2.2	29.7
BlackRock Util Inf & Pwr	BUI	21.36	20.27	-5.1	12.5
CBRE ClnGblRIEst	IGR	8.18	7.21	-11.9	27.6
CLEARBRIDGEENGYMDSOPP	EMO	NA	6.25	NA	-12.8
CLEARBRIDGEGLPMGDMSTR	CTR	NA	6.61	NA	-8.5
ClearBridge MLP & Midstm	CEM	NA	8.73	NA	-7.4
Cntr C&I Brk&Id MLP&SEI	CEN	4.86	4.63	-4.7	-18.5
ChnStrInfr	UTF	25.95	22.83	-12.0	23.2
Cohen&SteersQualinc	RQI	13.85	12.73	-8.1	34.4
CohenStrsREITPref	RNP	23.96	21.48	-10.4	32.0
Cohen&Steers TotRet	RFI	13.64	13.11	-3.9	31.4
Columbia SelPm TechGr	STK	21.06	20.70	-1.7	38.0
DNP Select Income	DNP	9.74	11.18	+14.7	17.6
Duff&Ph Utls&InfrInc Fd	DPG	14.98	13.73	-8.3	25.3
EtnVncEqtyInc	EOI	14.38	13.68	-4.9	16.8
EtnVncEqtyIncoll	EOS	16.27	15.76	-3.1	16.0
EVR&skMnDvsEqInc	ETJ	8.88	8.61	-3.0	22.0
EtnVncTxMgdBdyWrtIn	ETB	13.76	14.38	+4.5	17.5
EtnVncTxMgdBdyWrtOpp	ETV	13.25	13.54	+2.2	12.7

					52 wk
					Prem Tl
Fund (SYM)	NAV	Close	/Disc	Ret	
EvTxMnDvsEqInc	ETY	11.16	10.73	-3.9	16.4
EtnVncTxMgdGlbB	ETW	9.44	8.89	-5.8	6.8
EVTxMnGblDvEqInc	EXG	8.23	7.64	-7.2	14.6
First Trust Energy Inc F	FEN	18.06	18.72	+3.7	10.0
First Tr Enhanced Eq	FFA	15.46	14.77	-4.5	23.4
First Tr EnergyInfr	FIF	15.59	15.26	-2.1	27.3
First Tr MLP EnRcInlc	FEI	10.41	10.25	-1.5	15.2
Gabelli Healthcare	GRX	12.00	10.28	-14.3	18.0
Gab Utility	GUT	4.71	7.07	+50.1	32.8
GAMCOGld&NatRes	GGN	3.85	3.56	-7.5	7.6
J Han Finl Opptyts	BTO	29.23	29.49	+0.9	9.3
Neuberger Brmn MLP & EI	NML	6.08	5.64	-7.2	-7.3
NubrgerRIESTSec	NRO	5.20	4.97	-4.4	33.2
Nuv Dow 30 Dyn Overwite	DIAX	16.22	15.53	-4.3	4.0
Nuveen Engy MLP Tot Rtn	JMF	5.66	5.77	+1.9	-21.8
Nuveen Nds&sg 100 Dyn Ov	QQX	22.40	21.41	-4.4	15.1
Nuv Real Est	JRS	10.44	9.31	-10.8	19.6
Nuveen RI Asst Inc & Gro	JRI	NA	16.24	NA	29.9
NuvS&P500DynOvFcd	SPXX	NA	14.46	NA	10.4
NuvSP500BuyInFcd	BXMX	12.64	11.86	-6.2	5.5
ReavesUtilityIncome	UTG	33.60	32.54	-3.2	18.2
RMRRealEstInc	RIF	22.45	18.45	-17.8	30.3
Tortoise Energy Infr	TYG	NA	12.65	NA	-30.6
Tortoise Ess Asst Inc Tm	TEAF	NA	15.32	NA	NS
Tortoise Midstream Engr	NTG	NA	7.80	NA	-27.2
Income & Preferred Stock Funds					
Calamos Strat Tot	CSQ	NA	12.05	NA	26.3
CohenStrsLtdDvPref&Inc	LDP	NA	24.50	NA	20.5
CohenStrsSelPref&Income	PSF	NA	27.50	NA	24.2
First TrIntDvPref&Inc	PFF	24.11	22.50	-6.7	20.3
J Han PrefInc	HPI	20.03	20.15	+0.6	13.6
JHPrefIncll	HPF	19.71	19.56	-0.8	11.2
HnckJPfdIncll	HPS	17.53	17.20	-1.9	14.5
J Han Pm	PD	14.40	14.92	+3.6	16.6
LMP CapInc	SCD	NA	12.98	NA	31.1
Nuveen Pref & Inc Opp	JPC	10.00	9.34	-6.6	20.0
Nuveen Fd	JPS	9.90	9.11	-8.0	18.7
Nuveen Pref & Inc Term	JPI	24.88	23.28	-6.4	24.7
Nuveen TxAdvDivGr	JTD	16.01	15.26	-4.7	23.4
TCW Strat Income	TSI	NA	5.71	NA	15.2
Convertible Sec's. Funds					
AdvntCnvtbl&InclFcd	AVK	15.95	14.47	-9.3	29.3

Continued on Page B7

This announcement is neither an offer to purchase nor a solicitation of an offer to sell Shares (as defined below) and the provisions herein are subject in their entirety to the provision of the Offer (as defined below). The Offer is made solely pursuant to the Offer to Purchase dated March 2, 2020 and the related Letter of Transmittal and any amendments or supplements thereto and is being made to all holders of Shares. The Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of Shares in any jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the laws of such jurisdiction. In those jurisdictions where the applicable laws require that the Offer be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of Purchaser (as defined below) by one or more registered brokers or dealers licensed under the laws of such jurisdiction to be designated by Purchaser.

Notice of Offer to Purchase for Cash
Any and All Outstanding Shares of Common Stock

of
AVX Corporation
at
\$21.75 Net per Share

Pursuant to the Offer to Purchase Dated March 2, 2020
by

Arch Merger Sub Inc.
a wholly owned subsidiary of
Kyocera Corporation

Arch Merger Sub Inc., a Delaware corporation ("Purchaser") and a wholly owned subsidiary of Kyocera Corporation, a joint stock corporation incorporated under the laws of Japan ("Parent"), is offering to purchase any and all outstanding shares of common stock, par value \$0.01 per share (the "Shares"), of AVX Corporation, a Delaware corporation ("AVX"), that Parent does not already own for \$21.75 per Share (the "Offer Price"), net to the seller in cash, without interest, and subject to deduction for any required withholding taxes and upon the terms and subject to the conditions set forth in the Offer to Purchase dated March 2, 2020 (as it may be amended or supplemented from time to time, the "Offer to Purchase"), and in the related letter of transmittal (as it may be amended or supplemented from time to time, the "Letter of Transmittal") and which, together with the Offer to Purchase, constitutes the "Offer"). Tendering stockholders whose Shares are registered in their names and who tender directly to Purchaser will not be charged brokerage fees or similar expenses on the sale of Shares for cash pursuant to the Offer. Tendering stockholders whose Shares are registered in the name of their broker, bank or other nominee should consult such nominee to determine if any fees may apply. The Offer is being made pursuant to the Agreement and Plan of Merger, dated as of February 21, 2020 (as amended from time to time, the "Merger Agreement"), among AVX, Parent and Purchaser. The Merger Agreement provides, among other things, that as soon as practicable after and on the same date as the consummation of the Offer, and under the terms of the Merger Agreement as described in the Offer to Purchase, Purchaser will effect the Merger (as defined below) as described below.

THE OFFER AND WITHDRAWAL RIGHTS EXPIRE AT ONE MINUTE AFTER 11:59 P.M.,
NEW YORK CITY TIME, AT THE END OF THE DAY ON FRIDAY, MARCH 27, 2020,
UNLESS THE OFFER IS EXTENDED OR EARLIER TERMINATED.

The Merger Agreement provides, among other things, that as soon as practicable after and on the same date as the consummation of the Offer and subject to the satisfaction or waiver (to the extent waivable) of the other conditions set forth in the Merger Agreement, Purchaser will merge with and into AVX (the "Merger"), with AVX continuing as the surviving corporation and a wholly owned subsidiary of Parent. At the effective time of the Merger, each outstanding Share (other than Shares held by AVX, any of its subsidiaries, Parent, Purchaser or any subsidiary of Parent, or any stockholders who have properly exercised their appraisal rights under Section 262 of the Delaware General Corporation Law (the "DGCL")) will be converted into the right to receive the Offer Price, net to the seller in cash, without interest and subject to deduction for any required withholding taxes. The Merger Agreement is more fully described in "The Offer—Section 13—The Merger Agreement" of the Offer to Purchase. As a result of the Merger, AVX would cease to be a publicly traded company and will become wholly owned by Parent.

If the Offer is consummated, Purchaser does not anticipate seeking the approval of AVX's remaining public stockholders before effecting the Merger. The parties to the Merger Agreement have agreed that, subject to the conditions specified in the Merger Agreement, the Merger will become effective as soon as practicable after and on the same date as the consummation of the Offer, without a vote of AVX's stockholders, in accordance with Section 251(h) of the DGCL.

The Board of Directors of AVX (the "AVX Board") has, upon the unanimous recommendation of a special committee comprised solely of independent directors, unanimously (i) determined that the Merger Agreement and the transactions contemplated by the Merger Agreement, including the Offer and the Merger, are fair to and in the best interests of AVX's stockholders, (ii) approved, adopted and declared advisable the Merger Agreement and approved the execution, delivery and performance by AVX of the Merger Agreement and the consummation of the transactions contemplated by the Merger Agreement, including the Offer and the Merger, (iii) agreed that the Merger shall be effected pursuant to Section 251(h) of the DGCL and (iv) resolved, subject to the terms and conditions of the Merger Agreement, to recommend that the stockholders of AVX tender their Shares into the Offer.

AVX will file a Solicitation/Recommendation Statement on Schedule 14D-9 (the "Schedule 14D-9") with the United States Securities and Exchange Commission (the "SEC") and disseminate the Schedule 14D-9 to AVX stockholders with the Offer to Purchase. The Schedule 14D-9 will include a description of the AVX Board's reasons for authorizing and approving the Merger Agreement and the transactions contemplated thereby and therefore stockholders are encouraged to review the Schedule 14D-9 carefully and in its entirety.

The Offer is subject to conditions, including (i) the No Proceedings Condition (as defined in Section 15 of the Offer to Purchase), (ii) the No Actions Condition (as defined in Section 15 of the Offer to Purchase), and (iii) other conditions as set forth in Sections 15 and 16 of the Offer to Purchase. Consummation of the Offer is not conditioned on obtaining financing or any minimum tender threshold.

Subject to the applicable rules and regulations of the SEC, Purchaser also reserves the right to waive any of the conditions to the Offer and to make any change in the terms of the Offer, provided that AVX's prior written consent is required for Purchaser to (i) reduce the Offer Price, (ii) change the amount or form of consideration to be paid in the Offer, (iii) decrease the number of Shares subject to the Offer, (iv) extend or otherwise change the expiration date of the Offer (except to the extent required under the Merger Agreement); (v) impose any condition to the Offer in addition to the Offer conditions set forth in Annex I to the Merger Agreement, (vi) terminate the Offer, (vii) accelerate, extend or otherwise change the Expiration Time (as defined below), except as described in "The Offer—Section 13—The Merger Agreement" of the Offer to Purchase, (viii) provide any "subsequent offering period" (or any extension thereof) within the meaning of Rule 14d-11 under the Securities Exchange Act of 1934, as amended (together with the rules and regulations promulgated thereunder, the "Exchange Act"), or (ix) otherwise amend, modify or supplement any of the conditions to the Offer or the terms of the Offer in a manner adverse to, or that would reasonably be expected to be adverse to, any holder of the Shares.

Upon the terms and subject to the conditions set forth in the Offer, Purchaser will accept for payment and pay for all Shares that are validly tendered and not withdrawn on or prior to one minute after 11:59 p.m., New York City Time, at the end of the day on Friday, March 27, 2020 or, in the event the Offer is extended or earlier terminated, the latest time and date at which the Offer, as so extended or earlier terminated, will expire (the "Expiration Time"). No "subsequent offering period" in accordance with Rule 14d-11 of the Exchange Act will be available.

Pursuant to the terms of the Merger Agreement, if at the scheduled expiration date of the Offer, including following a prior extension, any condition to the Offer has not been satisfied or waived (to the extent waivable), Purchaser must extend the Offer for one or more consecutive periods of not more than (except with the consent of AVX) ten business days until such time as such conditions shall have been satisfied or waived, provided that Purchaser will not be required to extend the Offer beyond July 15, 2020. In addition, Purchaser must extend the Offer for any period required by any rule, regulation, interpretation or position of the SEC or its staff that is applicable to the Offer. Except as otherwise permitted pursuant to the Merger Agreement, Purchaser may not terminate the Offer, or permit the Offer to expire, prior to any such extended expiration date without the consent of AVX.

Any extension, termination or amendment of the Offer will be followed as promptly as practicable by a public announcement thereof, but no later than 9:00 a.m., New York City time, on the next business day after the day of the previously scheduled Expiration Time.

In order to validly tender Shares in the Offer, you must either (i) complete and sign the Letter of Transmittal in accordance with the instructions in the Letter of Transmittal, have your signature guaranteed (if required by Instruction 1 to the Letter of Transmittal), mail or deliver the Letter of Transmittal (or a manually signed facsimile copy) and any other required documents to American Stock Transfer & Trust Co., LLC, the depository for the Offer (the "Depository"), and either deliver the certificates for your Shares along with the Letter of Transmittal to the Depository or tender your Shares pursuant to the procedures for book-entry transfer set forth in "The Offer—Section 3—Procedures for Tendering Shares" of the Offer to Purchase or (ii) request your broker, dealer, commercial bank, trust company or other nominee to effect the transaction for you. If your Shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, you must contact such broker, dealer, commercial bank, trust company or other nominee to tender your Shares. If you desire to tender your Shares, and certificates evidencing your Shares are not immediately available or you cannot deliver such certificates and all other required documents to the Depository or you cannot comply with the procedures for book-entry transfer described in "The Offer—Section 3—Procedures for Tendering Shares" of the Offer to Purchase, in each case prior to the Expiration Time, you may tender your Shares by following the procedures for guaranteed delivery set forth in "The Offer—Section 3—Procedures for Tendering Shares" of the Offer to Purchase.

Subject to the terms and conditions set forth in the Merger Agreement and to the satisfaction or waiver (to the extent waivable) of the conditions to the Offer, Purchaser will accept for payment and pay for, promptly after the Expiration Time (and in any event within one business day with respect to acceptance and three business days with respect to payment), all Shares validly tendered and not validly withdrawn prior to the Expiration Time. For purposes of the Offer, Purchaser will be deemed to have accepted for payment, and thereby purchased, Shares validly tendered and not validly withdrawn when, as and if Purchaser gives oral or written notice of Purchaser's acceptance to the Depository. Upon the terms and subject to the conditions of the Offer, Purchaser will pay for Shares accepted for payment pursuant to the Offer by deposit of the purchase price thereof with the Depository, which will act as agent for tendering stockholders for the purpose of receiving payments and transmitting such payments to tendering stockholders. Under no circumstances will Purchaser pay interest on the consideration paid for Shares pursuant to the Offer, regardless of any extension of the Offer or any delay in making such payment.

Shares tendered pursuant to the Offer may be withdrawn at any time prior to the Expiration Time as explained below. For your withdrawal to be effective, a written or facsimile transmission notice of withdrawal with respect to the applicable Shares must be timely received by the Depository at one of its addresses set forth on the back cover of the Offer to Purchase, and the notice of withdrawal must specify the name of the person who tendered the Shares to be withdrawn, the number of Shares to be withdrawn and, if different from that of the person who tendered such Shares, the name of the registered holder of the Shares. If the Shares to be withdrawn have been delivered to the Depository (except in the case of Shares tendered by an Eligible Institution (as defined in Section 3 of the Offer to Purchase)), a signed notice of withdrawal with signatures guaranteed by an Eligible Institution must be submitted before the release of such Shares. In addition, such notice must specify, in the case of Shares tendered by delivery of certificates, the serial numbers shown on the specific certificates evidencing the Shares to be withdrawn or, in the case of Shares tendered by book-entry transfer, the name and number of the account at the Book-Entry Transfer Facility (as defined in Section 2 of the Offer to Purchase) to be credited with the withdrawn Shares. Withdrawals may not be rescinded, and Shares withdrawn will thereafter be deemed not validly tendered. However, withdrawn Shares may be retendered at any time before the Expiration Time by again following any of the procedures described in the Offer to Purchase.

Subject to applicable law as applied by a court of competent jurisdiction, Purchaser will determine, in its sole discretion, all questions as to the form of documents and the validity, eligibility (including time of receipt) and acceptance for payment of any tender of Shares, and its determination will be final and binding.

In general, your exchange of shares for cash pursuant to the Offer will be a taxable transaction for U.S. federal income tax purposes and may also be a taxable transaction under applicable state, local or foreign income or other tax laws. You should consult your tax advisor about the specific tax consequences to you of exchanging your shares for cash pursuant to the Offer in light of your particular circumstances. See "The Offer—Section 5—Certain U.S. Federal Income Tax Consequences" of the Offer to Purchase for a more detailed discussion of the tax consequences of the Offer and the Merger.

The information required to be disclosed by paragraph (d)(1) of Rule 14d-6 promulgated under the Exchange Act is contained in the Offer to Purchase and is incorporated herein by reference.

AVX has provided to Purchaser its list of stockholders and security position listings for the purpose of disseminating the Offer to holders of Shares. The Offer to Purchase, the related Letter of Transmittal and other related materials will be mailed to record holders of Shares and will be furnished to brokers, dealers, commercial banks, trust companies and other nominees whose names appear on AVX's stockholder list or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of the Shares.

The Offer to Purchase and the related Letter of Transmittal and AVX's Solicitation/Recommendation Statement on Schedule 14D-9 filed with the SEC in connection with the Offer contain important information, and should be read carefully and in their entirety before any decision is made with respect to the Offer.

Questions and requests for assistance and copies of the Offer to Purchase, the Letter of Transmittal and all other tender offer materials may be directed to the Information Agent, at its address and telephone numbers set forth below and will be furnished promptly at Purchaser's expense. Neither Parent nor Purchaser will pay any fees or commissions to any broker or dealer or any other person (other than to the Information Agent and the Depository, as described in the Offer to Purchase) in connection with the solicitation of tenders of Shares pursuant to the Offer. Brokers, dealers, commercial banks, trust companies and other nominees will, upon request, be reimbursed by Purchaser for reasonable and necessary costs and expenses incurred by them in forwarding materials to their customers.

The Information Agent for the Offer is:

D.F. King & Co., Inc.

48 Wall Street, 22nd Floor
New York, New York 10005

Shareholders (toll-free): (800) 249-7120
Banks and Brokers: (212) 269-5550
Email: AVX@dfking.com

March 2, 2020

CLOSED-END FUNDS

Continued from Page B6A				Prem 12 Mo					
Fund (SYM)	NAV	Close/Disc	52 wk Ret	Fund (SYM)	NAV	Close/Disc	52 wk Ret		
GI Conv & Inc NCV	NA	5.10	NA	10.8	Pimco MuniHiln Cdmv MAV	12.48	11.14	-10.7	4.1
AGI Conv & Inc II NCZ	4.86	4.54	-6.6	11.7	PioneerMunHilcmT MHI	13.43	12.04	-10.3	4.7
AGI Eqty & Conv Inc NIE	20.89	24.9	NA	21.0	Putnam Mgd Inc PMO	NA	7.96	NA	4.7
CalamosConvHl CHY	NA	10.41	NA	21.5	Putnam Mgt Opp PMM	NA	13.12	NA	4.7
CalamosConvOp CHI	NA	9.90	NA	22.5	RiverNorth Mgd Dur Muni RMH	20.48	20.57	+0.4	NS
World Equity Funds									
Aberdeen Emg Mkts Eqlnc AEF	7.80	6.74	-13.6	8.6	BlackRock CA Mun BFZ	16.18	14.18	-14.8	3.5
Aberdeen Tot Dyn Div AOD	9.05	7.76	-14.3	17.4	BR MH CA Qly Fd Inc MUC	16.28	14.35	-11.9	3.7
Calamos Genl Inv CHW	NA	7.62	NA	26.1	BR MH NY Qly MUJ	15.64	14.00	-12.5	3.7
Cdn Genl Div CGI	34.82	24.00	-31.1	22.5	BR MH NY Qly MUN	16.51	14.08	-10.3	3.7
EV TxAdvGlbDivInc ETG	16.86	15.70	-6.9	26.7	BR MuniYld CA Mlyc MCA	16.50	14.57	-11.4	3.6
EtrVncTxAdvOpp ETO	22.70	22.72	+0.1	33.7	BR MuniYld CA Mlyc MCA	16.50	14.48	-11.2	3.9
FirstTrDynEuroEqInc FDEU	13.65	12.52	-8.3	9.8	BR MuniYld MI Qly MIY	16.30	14.47	-11.2	4.1
Gabelli Multimedia GGT	6.84	6.91	+1.0	9.5	BR MuniYld NY MYJ	16.63	15.30	-8.0	3.6
GDL Fund GDL	11.00	9.05	-17.7	4.5	BR MuniYld NY Qly MYN	14.97	13.24	-11.6	3.8
Highland Global Alloc HGLB	11.13	8.04	-27.8	NS	EVACMuniBd EVIM	12.99	11.52	-11.3	3.9
India Fund IFN	21.30	18.18	-14.6	1.0	EvcaValle MuniBd VCX	13.90	12.31	-11.8	3.9
Japan Smaller Cap JOE	8.85	8.03	-9.3	4.2	InvCan VncNY Mlti Tr BVN	13.90	12.60	-9.4	4.2
MS ChinaShrFd CAF	22.93	18.50	-19.3	7.7	InvCanCAQly Mlti Tr VPV	14.53	12.98	-10.7	4.6
MS India IIIF	22.56	18.70	-17.1	-4.4	InvTrlncGrNYMun VTN	15.03	13.58	-9.6	4.3
New Germany GF	16.05	13.92	-13.3	22.4	Nuveen CAAMT-FQual Ml NWX	17.27	15.53	-10.1	3.8
Templeton Dragon DMF	NA	18.63	NA	27.1	Nuveen CA Val NCA	11.05	10.45	-5.4	3.1
Templeton Em Mkt EMF	NA	13.77	NA	12.9	NuveenCAQly Mlti Tr NAC	16.17	15.09	-9.7	4.2
Wells Fargo GI Div Oppty EOD	NA	5.06	NA	17.4	Nuveen MD Qual Muni Inc NMY	15.81	14.72	-12.2	3.8
Fund (SYM)									
U.S. Mortgage Bond Funds									
BlkRk Income BKT	6.43	6.01	-6.5	6.7	Nuveen MI Qual Muni Inc NUM	16.36	14.20	-13.9	3.7
Invesco HI 2023 Tgt Term HIIT	10.61	10.40	-2.0	5.6	NuvNJ Qual Muni Inc NUJ	17.12	14.73	-14.0	4.3
Nuveen Mgt Oppty Term JLS	23.30	21.90	-6.0	6.0	Nuveen NY AMT/Fr Qual Ml NRK	15.45	13.72	-11.2	3.8
Investment Grade Bond Funds									
BlRck Core Bond BHK	16.06	14.85	-7.5	5.1	Nuveen NY Muni NRY	16.04	14.43	-10.0	3.9
BR Credit Alloc Inc BTZ	15.16	13.70	-9.6	6.0	Nuveen OH Qual Muni Inc NOQ	16.23	15.41	-13.5	3.3
J Han Income JHS	15.85	14.71	-7.2	4.5	Nuveen PA Qual Muni Inc NUP	16.39	14.46	-11.8	4.1
MFS Intmtd MIN	NA	3.70	NA	8.9	Nuveen VA Qly Muni Inc NPV	15.66	14.38	-8.2	3.5
Western Asset Inf-Lk Inc WIA	NA	12.41	NA	3.3	PIMCO CA PCU	NA	18.82	NA	4.0
Western Asset Inf-Lk OGI WIW	NA	11.61	NA	3.6	PIMCOCAM PCK	NA	9.80	NA	4.8
Loan Participation Funds									
Apollo Senior Floating AFT	NA	14.60	NA	7.7	Specialized Equity Funds				
BR Debt Strategy DSU	12.00	10.57	-11.9	7.3	Bluerock Total Inc REA 3075	NA	NA	NA	8.5
BlackR/Floating Rt Inc FRA	13.83	12.11	-12.4	6.2	Bluerock Total Inc REE 494	NA	NA	NA	7.6
Blackstone/GSO Strat BGB	15.06	13.55	-10.0	9.1	Bluerock Total Inc REI 3128	NA	NA	NA	8.2
Blackstone/GSO Sr Flt R BSL	16.27	15.30	-6.0	8.1	Clarion Partners REI D NA	NA	NA	NA	NS
Eagle Point Credit ECC	NA	13.45	NA	16.0	Clarion Partners REI E NA	NA	NA	NA	NS
EtnVncFltRtInc EFT	NA	12.94	NA	6.7	Clarion Partners REI S NA	NA	NA	NA	NS
EV SenFlRtTr EFFR	NA	12.85	NA	6.8	Clarion Partners REI T NA	NA	NA	NA	NS
EVSnrlncm EVF	6.86	6.03	-12.1	6.4	NexPointHCoppA A	15.36	NA	16.3	NA
FT/Sr Fltg Rte Inc FCT	13.33	11.78	-11.6	6.7	NexPointHCoppC C	15.14	NA	15.3	NA
FT/Sr Fltg Rte 2022 Tgt FIV	9.39	9.00	-4.2	4.1	NexPointRIESTStratA A	19.57	NA	11.2	NA
Highland Income HFR0	14.19	11.91	-16.1	7.3	NexPointRIESTStratC C	19.74	NA	10.6	NA
InvDYCrOpp VTA	12.35	10.83	-12.3	7.0	NexPointRIESTStratZ Z	19.75	NA	12.0	NA
InvSnrIncTr VVR	4.61	4.03	-12.6	6.3	PREDEXI I	26.32	NA	4.4	NA
Nuveen Credit Strat Inc JOC	7.80	6.93	-11.2	16.3	PREDEXT T	26.38	NA	4.4	NA
NuvFloatRateIncFd JFR	10.56	9.32	-11.7	7.2	PREDEXTW W	26.37	NA	4.4	NA
NuvFloatRateIncOppty JRO	10.48	9.22	-12.0	7.4	Principal Dvs Sel RA Ins NA	NA	NA	NS	NA
Nuveen Senior Income NSL	6.30	5.54	-12.1	7.4	Principal Dvs Sel RA Ins NA	NA	NA	NS	NA
PionrFltRate Tr PHD	11.73	10.32	-12.0	6.2	Principal Dvs Sel RA Y NA	NA	NA	NS	NA
High Yield Bond Funds									
AllianceBernHilncm AWF	13.07	11.46	-12.3	6.4	Resource RE Div Inc C NA	10.43	NA	11.7	NA
Barings GIB SDHY Bd BGH	17.44	16.25	-6.8	10.0	Resource RE Div Inc C NA	10.43	NA	10.8	NA
BR Corporate HY HYT	11.65	10.41	-10.6	7.8	Resource RE Div Inc L NA	10.89	NA	12.0	NA
BlackRock Ltd Dur Inc BLW	16.86	14.88	-11.7	6.2	Resource RE Div Inc L NA	10.89	NA	11.4	NA
BNY Mellon HI Yld Str DHF	3.23	2.91	-9.9	8.4	Resource RE Div Inc L NA	10.89	NA	11.7	NA
Blackstone Real Asset Str RA	22.32	20.14	-9.8	10.8	Resource RE Div Inc W NA	10.61	NA	11.7	NA
CRSuiHighYld DHY	2.51	2.30	-8.4	8.9	Shares Post 100A A	30.92	NA	6.7	NA
DoubleLine Inc Sol DSL	NA	18.65	NA	9.0	Shares Post 100L L	30.49	NA	7.1	NA
First Tr Hilnc Lng S/D FSF	16.47	14.35	-12.9	8.2	Shares Post 100L L	30.17	NA	6.9	NA
NuVbHighYldStrt IVH	15.54	13.21	-9.1	9.0	USO Core Real EstateI I	25.84	NA	4.4	NA
NUVbHighYldInc NUV	14.34	11.75	-4.8	8.1	USO Core Real EstateIS S	25.85	NA	4.9	NA
NexPointStratOppty NHF	20.23	16.05	-20.7	14.0	USO Cap Mgr RE IncL NA	28.14	NA	NE	NA
Nuveen Crdt Opps 2022 Tgt JCH	9.44	9.78	+3.6	5.6	USO Cap Mgr RE IncL NA	28.14	NA	NE	NA
Nuveen Global High Yield GHY	17.27	15.58	-9.8	7.3	USO Capital Real Asst NA	25.31	NA	7.2	NA
Nuveen HI Nov 2021 Tgt JHB	9.82	9.66	-1.6	5.0	Wildermuth EndwmntC NA	14.04	NA	11.2	NA
PGIM Global High Yield GHY	NA	14.24	NA	8.0	Wildermuth EndwmntC NA	13.62	NA	10.2	NA
PGIM High Yield Bond ISD	16.27	14.36	-11.7	7.9	Wildermuth EndwmntC NA	14.17	NA	11.6	NA
PioneerHilncmTr PHT	9.84	8.96	-8.9	7.6	Income & Preferred Stock Funds				
Wells Fargo Income Oppty EAD	NA	7.77	NA	8.5	A3 Alternative Cr 1052	NA	NA	NS	NA
WStAstHIF II HIX	NA	6.43	NA	8.2	Castras I/S Eqty and DI CPZ	NA	18.24	NA	NS
Western Asset HI Yld D HYI	NA	15.80	NA	6.8	Destra Multi-AltrntvA A	13.06	NA	6.0	NA
Other Domestic Taxable Bond Funds									
Ares Dynamic Crdt Alloc ARDC	NA	14.55	NA	8.2	Destra Multi-AltrntvC C	12.56	NA	5.1	NA
Barings Corporate Inv MCI	NA	16.50	NA	7.2	Destra Multi-AltrntvL L	12.23	NA	5.4	NA
BlackRock Mlt-Sctr Inc BIT	17.06	15.54	-8.9	8.8	Flat Rock Opportunity 1973	NA	19.73	NA	13.1
BlackRock Tax Muni Bd BBN	26.30	24.50	-6.8	5.3	Variant Altrntv IncInst 26.95	NA	26.95	NA	14.0
DoubleLine Oppor Crdt Fd DBL	21.08	20.10	-4.6	6.7	Variant Altrntv IncInv 26.95	NA	26.95	NA	13.7
Duff&Phl Util Cor DUC	9.67	9.25	-4.3	4.6	Convertible Sec's Funds				
EV Lmt DurInc EVV	NA	12.56	NA	7.1	Calmos Dyn Conv and Inc CCD	NA	19.00	NA	NA
Franklin Lmt Dur Income FTF	NA	8.79	NA	10.7	World Equity Funds				
J Han Investors JHI	18.15	16.67	-8.2	6.7	ACAP StrategicA A	19.23	NA	43.6	NA
KKR Income Opportunities KIO	NA	14.38	NA	9.5	ACAP StrategicW W	14.29	NA	44.9	NA
MFS Charter MCR	NA	8.00	NA	8.3	BMO LGFM Front MEI E	7.89	NA	11.5	NA
Nuveen Taxable Muni Inc NBB	23.52	21.70	-7.7	5.3	BlackRock Gbl TotRet CGO	NA	11.25	NA	NA
PIMCO Corp & Inc Oppty PTY	NA	16.42	NA	8.1	Loan Participation Funds				
PIMCO Corp & Inc Strat PCN	NA	16.29	NA	7.1	Fund (SYM)				
PIMCOHilnc PHK	NA	6.61	NA	10.2	1WS Credit Income NA	NA	NA	NA	NS
PIMCO IncmStrFd PFL PFL	NA	11.11	NA	8.9	AlphaCrd Prime Merid NA	NA	NA	NA	NS
PIMCO IncmStrFd II PFN	NA	10.02	NA	8.9	Angel Oak Str CrdInst NA	NA	NA	NA	6.5
Putnam Mas Int PMT	NA	4.32	NA	7.4	Axonico Alternative Inc NA	NA	NA	NA	3.4
Putnam Prem Inc PPT	NA	5.04	NA	7.6	Blackstone/GSO FREI D NA	NA	NA	NA	6.6
Wells Fargo Mlti-Sector ERC	NA	11.74	NA	9.2	Blackstone/GSO FREI E NA	NA	NA	NA	6.1
World Income Funds									
Abdrn AP IncFd FAX	4.78	4.13	-13.6	4.6	Blackstone/GSO FREI T NA	NA	NA	NA	NS
BmdywnGlb GIB Inc Oppts BWG	NA	12.80	NA	5.9	Blackstone/GSO FREI U NA	NA	NA	NA	NS
ETnVncStDivlnc EVG	NA	12.78	NA	6.4	Blstn Cmntyty Dev 9.98	NA	NA	3.5	NA
MFS MktMtdDomDebt DDT	7.33	6.40	-12.7	8.2	BNYM Alcnr Gbl MS Cr Fd 10159	NA	NA	NS	NA
PIMCO Dyn Crd & Mrt Inc PCI	NA	23.50	NA	9.8	CLIFF WATER CL FDI I	10.92	NA	NS	NA
PIMCO Dynamic Income PDI	NA	29.56	NA	9.3	CNR Strategic Credit 9.21	NA	NA	7.2	NA
PIMCO Income Opportunity PKO	NA	25.41	NA	8.0	FedSpJctTrfncnceTendr 10.01	NA	NA	4.1	NA
PIMCO Stratlg Inc RCS	NA	7.92	NA	8.2	FS Global Crd Opptyts D NA	NA	NA	6.7	NA
Templeton Em Inc TEI	NA	8.60	NA	8.5	Garrison Capital Inc GARS	NA	5.65	NA	NA
Templtn Gbl Inc GIM	NA	5.74	NA	6.6	Schdrss Opp IncA A	25.03	NA	NS	NA
WestAstEmergDebt EMD	NA	13.76	NA	8.2	Schdrss Opp IncA2 A2	NA	NA	NS	NA
Western Asset GI CrD Op GDO	NA	17.04	NA	6.6	Schdrss Opp IncL L	25.04	NA	NS	NA
National Muni Bond Funds									
AllBerNatiMunInc AFB	15.93	14.08	-11.6	3.8	Schdrss Opp IncL L	25.04	NA	NS	NA
BlackRk Inv Q Mun BKN	17.13	15.59	-9.0	4.2	Schdrss Opp IncS S	25.05	NA	NS	NA
BlackRock Muni 2030 Tgt BTT	27.14	24.36	-10.2	3.0	Invesco Sr Loan A 6.35	NA	NA	3.7	NA
BlackRock Muni BKF	15.16	14.00	-7.7	4.5	Invesco Sr Loan C 6.36	NA	NA	4.9	NA
BlackRock Muni II BLE	15.55	14.78	-5.0	4.3	Invesco Sr Loan B 6.35	NA	NA	4.9	NA
BlackRk Muni Inc Qly BYM	16.09	14.39	-10.6	4.1	Invesco Sr Loan L 6.35	NA	NA	4.8	NA
BR MuniAssets Fd MUA	14.80	15.81	+6.8	4.1	Invesco Sr Loan Y 6.35	NA	NA	4.9	NA
BR MuniEnhanced MEN	12.80	11.49	-10.2	4.2	Sierra Total ReturnT 19.73	NA	NA	6.3	NA
BR MuniHoldings MFL	15.41	13.75	-10.8	4.2	High Yield Bond Funds				
BR MH Qly 2 MUE	14.52	12.98	-10.6	4.2	Griffin Inst Access CdA NA	NA	NA	6.7	NA
BR MuniYld Qly 2 MYQ	14.94	13.37	-10.5	4.0	Griffin Inst Access CdC NA	NA	NA	6.7	NA
BR MuniYld Qly 3 MYT	15.75	14.10	-10.5	4.0	Griffin Inst Access CdI NA	NA	NA	6.7	NA
BNY Mellon Muni Bd Infra DMB	15.06	14.18	-5.8	4.3	Griffin Inst Access CdL NA	NA	NA	6.7	NA
BNY Mellon Str Muni Bond DSM	8.62	7.95	-7.8	5.0	PIMCO Flexible Cr IA-2				

This announcement is neither an offer to purchase nor a solicitation of an offer to sell Shares (as defined below), and the provisions herein are subject in their entirety to the provisions of the Offer (as defined below). The Offer is made solely pursuant to the Offer to Exchange, dated March 2, 2020, and the related Letter of Election and Transmittal and any amendments or supplements thereto, and is being made to all holders of Shares. The Offer is not being made to (nor will tenders be accepted from or on behalf of) holders of Shares in any jurisdiction in which the making of the Offer or the acceptance thereof would not be in compliance with the securities, "blue sky" or other applicable laws of such jurisdiction. In those jurisdictions where applicable laws require the Offer to be made by a licensed broker or dealer, the Offer will be deemed to be made on behalf of the Purchaser (as defined below) by Citigroup Global Markets, Inc. or one or more registered brokers or dealers licensed under the laws of such jurisdiction to be designated by the Purchaser.

Notice of Offer to Exchange
Each Outstanding Share of Common Stock
(including the Associated Rights to Purchase Preferred Stock)

of
HP INC.

for
\$18.40 in cash and
0.149 Common Shares of Xerox Holdings Corporation,
subject to the election and proration procedures described in the Offer to Exchange,
Dated March 2, 2020,
and the related Letter of Election and Transmittal

by
XHC ACQUISITION CORP.,
a wholly owned subsidiary of
XEROX HOLDINGS CORPORATION

XHC Acquisition Corp. (the "Purchaser"), a Delaware corporation and a wholly owned subsidiary of Xerox Holdings Corporation, a New York corporation ("Xerox"), is offering to exchange, subject to certain conditions, as described below, any and all of the issued and outstanding shares of common stock (including the associated rights to purchase preferred stock), par value \$0.01 per share (the "Shares"), of HP Inc., a Delaware corporation ("HP"), for, at the election of the holder, \$18.40 in cash and 0.149 shares of common stock ("Xerox Common Stock") of Xerox (the "Standard Election Consideration"), an amount in cash (the "Cash Election Consideration") equal to the equivalent market value of the Standard Election Consideration (based on the average of the closing prices of Xerox Common Stock as quoted on the New York Stock Exchange (the "NYSE") on each of the five NYSE trading days ending on the 10th business day preceding the Expiration Date (as defined below)), or a number of shares of Xerox Common Stock (the "Stock Election Consideration") having a value equal to the equivalent market value of the Standard Election Consideration (based on the average of the closing prices of Xerox Common Stock as quoted on the NYSE on each of the five NYSE trading days ending on the 10th business day preceding the Expiration Date), upon the terms and subject to the conditions, including the election and proration procedures, described in the Offer to Exchange, dated March 2, 2020 (the "Offer to Exchange"), and in the related Letter of Election and Transmittal (the "Letter of Election and Transmittal") which, together with the Offer to Exchange and other related materials, as each may be amended or supplemented from time to time, constitutes the "Offer").

Stockholders of record who tender directly to Computershare Trust Company, N.A. (the "Depository") will not be obligated to pay brokerage fees or commissions or, except as otherwise provided in the Letter of Election and Transmittal, stock transfer taxes with respect to the purchase of Shares by the Purchaser pursuant to the Offer. Stockholders who hold their Shares through a broker, dealer, commercial bank, trust company or other nominee should consult with such institution as to whether it will charge any service fees or commissions.

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME,
ON APRIL 21, 2020, UNLESS THE OFFER IS EXTENDED.

The purpose of the Offer is to acquire all of the outstanding Shares in order to combine the businesses of Xerox and HP. The Purchaser currently intends to seek maximum representation on the board of directors of HP (the "HP Board") and, as soon as practicable after consummation of the Offer, to seek to have HP consummate a merger or other similar business combination with the Purchaser (the "Second-Step Merger"). The purpose of the Second-Step Merger is for Xerox to acquire all issued and outstanding Shares that are not acquired in the Offer. In the Second-Step Merger, each remaining Share (other than Shares held by Xerox and its subsidiaries and Shares held in treasury by HP and other than Shares held by HP stockholders who properly exercise applicable dissenters' rights under Delaware law), will be cancelled and converted into the right to receive, at the election of the holder, the Standard Election Consideration, the Cash Election Consideration or the Stock Election Consideration, subject to proration.

The Offer is being made without the prior approval of the HP Board.

The Offer is conditioned upon, among other things, (1) there being validly tendered and not properly withdrawn before the expiration of the Offer a number of Shares which, together with any Shares then owned by the Purchaser or which the Purchaser has a right to acquire, represents a majority of the total number of Shares outstanding on a fully diluted basis, (2) the HP Board redeeming the associated preferred stock purchase rights or Xerox being satisfied, in its sole discretion, that the rights have been invalidated or are otherwise inapplicable to the Offer and the Second-Step Merger, (3) the HP Board having approved the Offer and the Second-Step Merger under Section 203 of the Delaware General Corporation Law (the "DGCL") or Xerox being satisfied, in its sole discretion, that Section 203 of the DGCL is inapplicable to the Offer and the Second-Step Merger, (4) Xerox shareholders having approved (a) the issuance of Xerox Common Stock contemplated in connection with the Offer and the Second-Step Merger, in accordance with the rules of the NYSE, on which the Xerox Common Stock is listed and (b) other matters ancillary to the Offer and the Second-Step Merger, (5) (a) the waiting period applicable to the Offer and the Second-Step Merger under (i) the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and (ii) any other applicable antitrust laws and regulations having expired or terminated and (b) any approvals or clearances determined by Xerox to be required or advisable thereunder having been obtained, (6) the Xerox Common Stock issuable to HP stockholders in connection with the Offer and the Second-Step Merger being approved for listing on the NYSE, subject to official notice of issuance, and (7) the registration statement of which the Offer to Exchange is a part becoming effective under the Securities Act of 1933, as amended, no stop order suspending the effectiveness of the registration statement having been issued, and no proceedings for that purpose having been initiated or be threatened, by the Securities and Exchange Commission. The Offer is also subject to the other conditions described in the Offer to Exchange. If any such condition is not satisfied, Xerox may (but is not required to) (1) extend, for any reason, the period of time during which the Offer is open, (2) delay acceptance for exchange of, or the exchange of, Shares, subject to applicable law, (3) amend or terminate the Offer for any reason without accepting for exchange or exchanging any Shares, and (4) waive any such conditions at any time, except for certain conditions as described in the Offer to Exchange, in each case by giving oral or written notice of such delay, termination, waiver or amendment to the Depository and by making public announcement thereof. Consummation of the Offer is not subject to any financing conditions.

The term "Expiration Date" means 5:00 p.m., New York City time, on April 21, 2020, unless extended by Xerox, in which event the term "Expiration Date" means the latest time and date at which the Offer, as so extended, expires. Any extension of the Offer will be followed as promptly as practicable by a public announcement. Such announcement will be made no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date. No subsequent offering period will be available after the Offer.

For purposes of the Offer, Xerox will be deemed to have accepted for exchange, and thereby exchanged, Shares validly tendered and not properly withdrawn, if and when Xerox gives oral or written notice to the Depository of Xerox's acceptance for exchange of such Shares pursuant to the Offer. Upon the terms and subject to the conditions of the Offer, exchange of Shares accepted for exchange pursuant to the Offer will be made by deposit of the Offer consideration being exchanged therefor with the Depository, which will act as agent for tendering HP stockholders for the purpose of receiving the Offer consideration from Xerox and transmitting such Offer consideration to tendering HP stockholders whose Shares have been accepted for exchange. Under no circumstances will Xerox pay interest on the Offer consideration for Shares, regardless of any extension of the offer or other delay in making such exchange.

In order for HP stockholders to validly tender Shares pursuant to the Offer, the Depository must receive prior to the Expiration Date the Letter of Election and Transmittal (or a manually signed facsimile thereof), properly completed and duly executed, together with any required signature guarantees or, in the case of a book-entry transfer, an Agent's Message (as defined in the Offer to Exchange), and any other documents required by the Letter of Election and Transmittal, at one of its addresses set forth on the back cover of the Offer to Exchange and either (1) the certificates representing tendered Shares must be received by the Depository at such address or such Shares must be tendered pursuant to the procedure for book-entry transfer described in the Offer to Exchange and a book-entry confirmation must be received by the Depository (including an Agent's Message), in each case prior to the Expiration Date, or (2) the tendering HP stockholder must comply with the guaranteed delivery procedures described in the Offer to Exchange.

HP stockholders who wish to tender their Shares should complete the "Exchange Offer Election" section in the Letter of Election and Transmittal to elect the type of consideration to be received in exchange for the Shares being tendered thereby. If an election is not made, or is not properly made, the tendering HP stockholder will be treated as if they made the election made for the greatest number of Shares that were tendered in the Offer in respect of which an affirmative election was made, subject to proration.

Tenders of Shares made pursuant to the Offer may be withdrawn at any time prior to the Expiration Date. Thereafter, such tenders are irrevocable, except that they may be withdrawn after May 2, 2020, unless such Shares have been accepted for exchange as provided in the Offer to Exchange. To withdraw tendered Shares, a written or facsimile transmission notice of withdrawal must be timely received by the Depository at one of its addresses set forth on the back cover of the Offer to Exchange. Any such notice of withdrawal must specify the name of the person who tendered the Shares to be withdrawn, the number of Shares to be withdrawn and the name of the registered holder of such Shares, if different from that of the person who tendered such Shares. If certificates representing Shares to be withdrawn have been delivered or otherwise identified to the Depository, then, prior to the physical release of such certificates, the serial numbers shown on such certificates must be submitted to the Depository and, unless such Shares have been tendered for or for the account of an Eligible Guarantor Institution (as such term is defined in Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), the signature(s) on the notice of withdrawal must be guaranteed by an Eligible Guarantor Institution. If Shares have been tendered pursuant to the procedure for book-entry transfer as set forth in the Offer to Exchange, any notice of withdrawal must specify the name and number of the account at The Depository Trust Company to be credited with the withdrawn Shares. Withdrawals of tendered Shares may not be rescinded. Any tendered Shares properly withdrawn will thereafter be deemed not to have been validly tendered for purposes of the Offer. However, withdrawn Shares may be re-tendered at any time prior to the Expiration Date by following one of the procedures described in the Offer to Exchange.

The Offer and the Second-Step Merger will be a taxable transaction for U.S. federal income tax purposes. Stockholders should consult their tax advisors about the particular effect the proposed transactions will have on their Shares and the tax consequences to them of participating in the Offer and the Second-Step Merger (including the application and effect of any state, local or foreign income and other tax laws).

The information required to be disclosed by paragraph (d)(1) of Rule 14d-6 of the General Rules and Regulations under the Exchange Act is contained in the Offer to Exchange and the related Letter of Election and Transmittal and is incorporated herein by reference.

A request is being made to HP for the use of its stockholder list and security position listings for the purpose of disseminating the Offer to holders of Shares. The Offer to Exchange and the related Letter of Election and Transmittal will be mailed to record holders of Shares and will be furnished to brokers, banks and similar persons whose names, or the names of whose nominees, appear on the stockholder list or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of Shares.

The Offer to Exchange and the related Letter of Election and Transmittal contain important information. Stockholders should carefully read both in their entirety before any decision is made with respect to the Offer.

Any questions or requests for assistance may be directed to the Information Agents or the Dealer Manager at the respective telephone numbers and addresses set forth below. Additional copies of the Offer to Exchange and the related Letter of Election and Transmittal and other tender offer materials may be obtained from the Information Agent or from brokers, dealers, commercial banks and trust companies, and such copies will be furnished promptly at Xerox's expense. Stockholders may also contact their broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Offer.

The Information Agents for the Offer are:

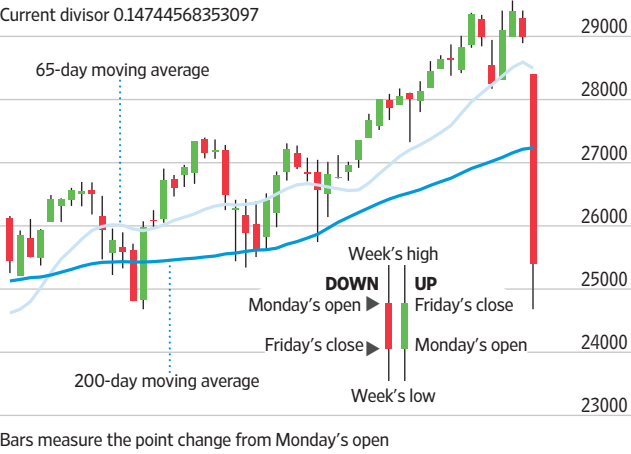
D.F. King & Co., Inc.

48 Wall Street, 22nd Floor
New York, New York 10005
Banks and Brokers Call Collect: (212) 269-5550
All Others

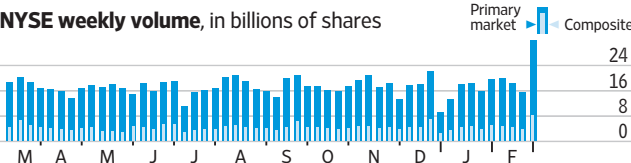
MARKETS DIGEST

Dow Jones Industrial Average

25409.36▼3583.05, or 12.36% last weekTrailing P/E ratio 19.75 18.11
High, low, open and close for each P/E estimate * 15.84 15.90
of the past 52 weeks Dividend yield 2.52 2.22
All-time high 29551.42, 02/12/20



NYSE weekly volume, in billions of shares

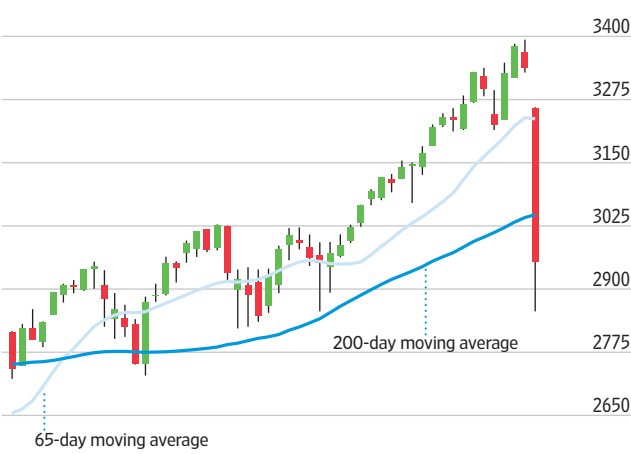


Major U.S. Stock-Market Indexes

	High	Low	Latest Week Close	Net chg	% chg	Low	52-Week Close (●)	High	%chg	YTD	% 3-yr. ann.
Dow Jones											
Industrial Average	28402.93	24681.01	25409.36	-3583.05	-12.36	24815.04	●	29551.42	-2.4	-11.0	6.9
Transportation Avg	10698.11	9127.16	9388.19	-1520.75	-13.94	9388.19	●	11304.97	-10.3	-13.9	-0.1
Utility Average	948.69	817.97	839.96	-108.78	-11.47	759.16	●	960.89	10.6	-4.5	6.1
Total Stock Market	33354.97	29231.08	30203.72	-3963.49	-11.60	28240.94	●	34631.28	4.1	-8.6	7.2
Barron's 400	707.28	627.82	643.41	-86.61	-11.86	638.79	●	746.64	-9.2	-12.1	1.0
Nasdaq Stock Market											
Nasdaq Composite	9322.88	8264.16	8567.37	-1009.22	-10.54	7333.02	●	9817.18	12.8	-4.5	13.7
Nasdaq 100	9194.91	8133.85	8461.83	-984.86	-10.43	6978.02	●	9718.73	18.3	-3.1	16.7
S&P											
500 Index	3259.81	2855.84	2954.22	-383.53	-11.49	2743.07	●	3386.15	5.4	-8.6	7.7
MidCap 400	2046.63	1771.67	1814.00	-270.33	-12.97	1810.50	●	2106.12	-5.8	-12.1	1.6
SmallCap 600	990.08	869.24	884.78	-124.84	-12.36	884.78	●	1041.03	-9.6	-13.4	1.5
Other Indexes											
Russell 2000	1676.65	1448.21	1476.43	-202.18	-12.04	1456.04	●	1705.22	-7.1	-11.5	2.1
NYSE Composite	13654.00	12024.45	12380.97	-1594.81	-11.41	12264.49	●	14183.2	-2.5	-11.0	2.5
Value Line	531.70	464.04	476.29	-68.11	-12.51	476.29	●	562.05	-12.5	-13.7	-2.9
NYSE Arca Biotech	5184.77	4660.05	4889.69	-412.90	-7.79	4098.37	●	5313.05	-4.9	-3.5	11.5
NYSE Arca Pharma	646.60	579.19	593.96	-63.96	-9.72	564.11	●	670.32	-0.4	-9.1	5.1
KBW Bank	106.41	89.28	91.62	-16.38	-15.17	89.30	●	114.12	-8.9	-19.2	-1.6
PHLX\$ Gold/Silver	113.73	90.11	94.15	-16.91	-15.23	66.14	●	111.51	27.2	-12.0	3.6
PHLX\$ Oil Service	62.05	49.04	52.11	-10.453	-16.71	50.77	●	102.39	-45.4	-33.4	-33.3
PHLX\$ Semiconductor	1827.86	1605.94	1705.54	-185.51	-9.81	1296.18	●	1979.5	25.1	-7.8	20.7
CBOE Volatility	49.48	22.00	40.11	23.03	134.84	11.54	●	40.11	195.6	191.1	45.9
Sources: FactSet; Dow Jones Market Data											

S&P 500 Index

2954.22 ▼383.53, or 11.49% last weekTrailing P/E ratio * 22.75 20.77
High, low, open and close for each P/E estimate * 16.82 16.68
of the past 52 weeks Dividend yield * 2.05 1.97
All-time high 3386.15, 02/19/20

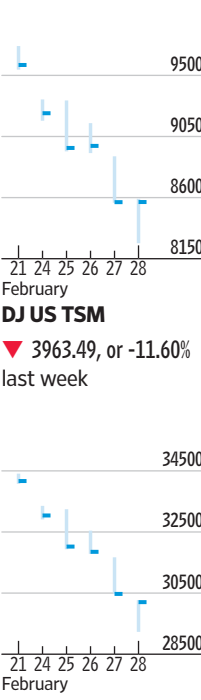


Financial Flashback
The Wall Street Journal, March 2, 2009

The Dow Jones industrial average lost almost 300 points, or 4.2%, to its lowest point in a dozen years after insurer AIG reported a \$62 billion loss for the fourth quarter.

Nasdaq Composite

1009.22, or -10.54% last week



International Stock Indexes

Region/Country	Index	Close	Latest Week % chg	Low	52-Week Range Close	High	YTD % chg
World	The Global Dow	2900.01	-10.47	2885.38		3300.22	-10.8
	DJ Global Index	393.43	-10.28	378.72		444.78	-9.4
	DJ Global ex U.S.	236.26	-8.71	231.35		267.54	-10.4
Americas	DJ Americas	695.28	-11.48	652.33		796.10	-8.6
Brazil	Sao Paulo Bovespa	104171.57	-8.37	89992.73		119527.63	-9.7
Canada	S&P/TSX Comp	16263.05	-8.86	15996.21		17944.06	-4.9
Mexico	S&P/BMV IPC	41324.31	-7.76	38574.18		45902.68	-5.09
Chile	Santiago IPSA	2936.83	-9.04	2936.83		3911.52	-12.0
EMEA	Stoxx Europe 600	375.65	-12.25	365.09		433.90	-9.7
	Stoxx Europe 50	3060.01	-12.33	3022.30		3539.12	-10.1
Eurozone	Euro Stoxx	365.18	-11.95	354.77		421.34	-9.6
	Euro Stoxx 50	3329.49	-12.39	3280.43		3865.18	-11.1
Austria	ATX	2787.39	-11.49	2787.39		3301.38	-12.5
Belgium	Bel-20	3488.60	-14.46	3420.05		4198.31	-11.8
France	CAC 40	5309.90	-11.94	5207.63		6111.24	-11.2
Germany	DAX	11890.35	-12.44	11346.65		13789.00	-10.3
Greece	Athex Composite	720.35	-19.34	696.56		948.64	-21.4
Israel	Tel Aviv	1601.81	-7.15	1522.59		1751.79	-4.8
Italy	FTSE MIB	21984.21	-11.26	19802		25478	-6.5
Netherlands	AEX	539.38	-12.63	530.55		629.23	-10.8
Portugal	PSI 20	4765.73	-11.53	4718.29		5435.85	-8.6
Russia	RTS Index	1299.69	-14.76	1176.71		1646.60	-16.1
South Africa	FTSE/JSE All-Share	51038.18	-10.98	51038.18		59544.80	-10.6
Spain	IBEX 35	8723.22	-11.76	8519.0		10083.6	-8.6
Sweden	OMX Stockholm	640.58	-11.72	575.54		732.67	-5.9
Switzerland	Swiss Market	9831.03	-11.52	9268.36		11263.01	-7.4
U.K.	FTSE 100	6580.61	-11.12	6580.61		7686.61	-12.8
Asia-Pacific							
Australia	S&P/ASX 200	6441.20	-9.77	6126.2		7162.5	-3.6
China	Shanghai Composite	2880.30	-5.24	2746.61		3270.80	-5.6
Hong Kong	Hang Seng	26129.93	-4.32	25281.30		30157.49	-7.3
India	S&P BSE Sensex	38297.29	-6.98	36063.81		41952.63	-7.2
Japan	Nikkei Stock Avg	21142.96	-9.59	20261.04		24083.51	-10.6
Malaysia	FTSE Bursa Malaysia KLCI	1482.64	-3.17	1482.64		1700.76	-6.7
Singapore	Straits Times	3011.08	-5.34	3011.08		3407.02	-6.6
South Korea	Kospi	1987.01	-8.13	1909.71		2267.25	-9.6
Taiwan	TAIEX	11292.17	-3.37	10241.75		12179.81	-5.9

Source: FactSet; Dow Jones Market Data

Commodities and Currencies

	Close	Last Week Net chg	%Chg	YTD % chg
DJ Commodity				
TR/CCCRB Index	563.68	-44.24	-7.28	-12.24
Crude oil, \$ per barrel	44.76	-8.62	-16.15	-26.70
Natural gas, \$/MMBtu	1.684	-0.233	-12.15	-23.07
Gold, \$ per troy oz.	1564.10	-81.00	-4.92	2.94
U.S. Dollar Index				
WSJ Dollar Index	98.11	-1.16	-1.16	1.78
Euro, per dollar	0.9069	-0.0151	-1.63	1.70
Yen, per dollar	108.09	-3.47	-3.11	-0.51
U.K. pound, in dollars	1.28	-0.0141	-1.09	-3.35
52-Week Range				
	Low	Close (●)	High	%Chg
DJ Commodity	563.68	●	647.86	-8.47
TR/CCCRB Index	159.45	●	189.66	-12.15
Crude oil, \$ per barrel	44.76	●	66.30	-19.78
Natural gas, \$/MMBtu	1.684	●	2.884	-41.10
Gold, \$ per troy oz.	1269.30	●	1672.40	20.65
U.S. Dollar Index				
WSJ Dollar Index	95.76	●	99.87	1.64
Euro, per dollar	0.8761	●	0.9273	2.04
Yen, per dollar	105.30	●	112.20	-3.42
U.K. pound, in dollars	1.20	●	1.33	-2.95

Real-time U.S. stock quotes are available on **WSJ.com**. Track most-active stocks, new highs/lows, mutual funds and ETFs.

Plus, get deeper money-flows data and email delivery of key stock-market data.

All are available free at **WSJMarkets.com**

New to the Market

Public Offerings of Stock

IPOs in the U.S. Market

Initial public offerings of stock expected this week; might include some offerings, U.S. and foreign, open to institutional investors only via the Rule 144a market; deal amounts are for the U.S. market only

Expected pricing date	Filed	Issuer/business	Symbol/primary exchange	Shares Offer (mil.)	Pricing Range(\$) Low/High	Bookrunner(s)
3/3	1/8	GFL Environmental Provider of waste management and infrastructure development.	GFL N	73.2	20.00/21.00	JPM, BMO Cptl Mkts, GS, RBC Cptl Mkts, Scotiabank, B.C. Partners Sec, Raymond James & Assoc

Lockup Expirations

None expected this week

IPO Scorecard

Performance of IPOs, most-recent listed first

Company	SYMBOL	IPO date/Offer price	Friday's close (\$)	% Chg From Offer price	1st-day close	Company	SYMBOL	IPO date/Offer price	Friday's close (\$)	% Chg From Offer price	1st-day close
Passage Bio	PASG	Feb. 28/\$18.00	22.20	23.3	...	Newborn Acquisition	NBACU	Feb. 14/\$10.00	10.09	0.9	0.4
Zhongchao	ZCMD	Feb. 24/\$4.00	3.91	-2.3	-2.3	CITIC Capital Acquisition	CCACUT	Feb. 11/\$10.00	10.18	1.8	-0.2
dMY Technology Grp	DMYT.UT	Feb. 21/\$10.00	10.26	2.6	-0.8	Greenrose Acquisition	GNRSU	Feb. 11/\$10.00	10.00	...	-0.7
East Stone Acquisition	ESSCU	Feb. 20/\$10.00	9.98	-0.2	-0.3	NexPoint Real Estate Finance	NREF	Feb. 7/\$19.00	18.65	-1.8	-0.8
Churchill Capital III	CCXX.UT	Feb. 14/\$10.00	10.45	4.5	-0.6	OneWater Marine	ONEW	Feb. 7/\$12.00	16.01	33.4	5.7

Sources: Dow Jones Market Data; FactSet

Other Stock Offerings

Secondaries and follow-ons expected this week in the U.S. market

None expected this week

Off the Shelf

"Shelf registrations" allow a company to prepare a stock or bond for sale, without selling the whole issue at once. Corporations sell as conditions become favorable. Here are the shelf sales, or takedowns, over the last week:

Issuer/Industry	Takedown date/ Registration date	Deal value (\$ mil.)	Bookrunner(s)
Exact Sciences Healthcare	Feb. 24 June 6/17	\$1,150.0	BofA Sec
Black Hills Utility & Energy	Feb. 24 Aug. 4/17	\$100.0	BMO Cptl Mkts
Freshpet Food & Beverage	Feb. 26 Feb. 25/20	\$264.0	BofA Sec
Oramed Pharmaceuticals Healthcare	Feb. 27 Jan. 31/20	\$21.0	Natl Sec
Realty Income Real Estate/Property	Feb. 26 Nov. 5/18	\$696.6	BofA Sec, MS, WFS, GS, RBC Cptl Mkts, Barclays, Citi, CS,
Novan Inc Healthcare	Feb. 27 Oct. 2/17	\$5.5	HC Wainwright & Co

Public and Private Borrowing

Treasuries

Monday, March 2 Thursday, March 5
Auction of 13 and 26 week bills; announced on February 27; settles on March 5 Auction of 4 and 8 week bills; announced on March 3; settles on March 10

Public and Municipal Finance

None expected this week

A Week in the Life of the DJIA

A look at how the Dow Jones Industrial Average component stocks did in the past week and how much each moved the index. The DJIA lost 3,583.05 points, or 12.36%, on the week. A \$1 change in the price of any DJIA stock = 6.78-point change in the average. To date, a \$1,000 investment on Dec. 31 in each current DJIA stock component would have returned \$26,513, or a loss of 11.62%, on the \$30,000 investment, including reinvested dividends.

The Week's Action			\$1,000 Invested (year-end '19)				
Pct chg (%)	Stock price change	Point chg in average	Company	Symbol	Close	\$1,000	
-4.90	-7.69	-52.15	3M	MMM	\$149.24		\$854
-6.44	-2.30	-15.60	Pfizer	PFE	33.42		862
-6.94	-4.04	-27.40	Verizon	VZ	54.16		891
-7.02	-5.78	-39.20	Merck	MRK	76.56		842
-9.19	-10.90	-73.93	Walmart	WMT	107.68		906
-9.28	-16.58	-112.45	Microsoft	MSFT	162.01		1,030
-9.45	-12.97	-87.96	Caterpillar	CAT	124.24		847
-10.05	-21.70	-147.17	McDonald's	MCD	194.17		989
-10.30	-15.45	-104.78	Johnson & Johnson	JNJ	134.48		928
-10.63	-13.47	-91.36	Procter & Gamble	PG	113.23		912
-10.84	-10.87	-73.72	Nike	NKE	89.38		885
-11.04	-6.64	-45.03	Coca-Cola	KO	53.49		966
-11.06	-5.69	-38.59	Walgreens	WBA	45.76		783
-11.21	-27.50	-186.51	Home Depot	HD	217.84		998
-11.36	-15.35	-104.11	Travelers	TRV	119.81		875
-12.68	-39.69	-269.18	Apple	AAPL	273.36		933
-12.94	-29.85	-202.45	Goldman Sachs	GS	200.77		879
-12.95	-27.05	-183.46	Visa	V	181.76		969
-13.01	-7.69	-52.15	Exxon Mobil	XOM	51.44		748
-13.14	-19.69	-133.54	IBM	IBM	130.15		981
-13.71	-8.82	-59.82	Intel	INTC	55.52		832
-13.75	-6.37	-43.17	Cisco Systems	CSCO	39.93		939
-13.81	-20.93	-141.95	United Technologies	UTX	130.59		876
-14.37	-15.67	-106.28	Chevron	CVX	93.34		788
-14.51	-19.70	-133.61	JPMorgan Chase	JPM	116.11		834
-15.34	-21.32	-144.60	Walt Disney	DIS	117.65		813
-15.42	-46.47	-315.17	UnitedHealth Group	UNH	254.96		867
-16.34	-7.89	-53.51	Dow	DOW	40.41		751
-16.73	-55.27	-374.85	Boeing	BA	275.11		850
-18.51	-24.97	-169.35	American Express	AXP	109.93		886

MARKETS

Profits Pose New Worry For Stocks

By KAREN LANGLEY

Falling profit expectations for big multinational U.S. companies pose yet another hurdle for a stock market in turmoil.

The market just endured its most brutal week since the financial crisis, with the S&P 500 and other major U.S. stock indexes recording their largest weekly percentage declines since fall 2008. There are few signs the economic fears prompted by the spreading coronavirus are about to subside.

Uncertainty about the extent to which the virus will crimp global growth is forcing investors and analysts to revisit their assumptions. Goldman Sachs Group Inc. equity analysts forecast last week that U.S. companies will generate no earnings growth in 2020 if the coronavirus becomes widespread.

Among the firms that have recently warned the epidemic could hurt their results—or make them difficult to predict—are United Airlines Holdings Inc., Mastercard Inc., Coca-Cola Co., Apple Inc. and Microsoft Corp.

“Even if they come up with a vaccine today, it’s going to be several weeks before production and supply chains are back to normal,” said Oliver Pursche, chief market strategist at Bruderman Asset Management. “That inevitably impacts production and therefore sales and therefore earnings.”

As investors assess the rattled market, they see stocks that still aren’t particularly cheap: The S&P 500 was trading Friday at 19.8 times its past year’s earnings, compared with a five-year average of 20.1, according to FactSet. The fear of missing out that has largely driven stocks higher since the

2016 election has morphed into pain as the broad stock index dropped 13% over the past seven trading days.

Investors will be hungry for any information about the virus’s trajectory in the coming days and will also get new evidence about the state of the economy before the epidemic spiraled beyond China. Earnings reports from **Target Corp.** and **Costco Wholesale Corp.** for the holiday quarter will provide insights into the behavior of U.S. consumers, and the monthly jobs report Friday will show whether the labor market is continuing to grow at a rapid clip.

In the meantime, the expectation that accelerating corporate earnings growth would support the more-than-decade-long bull market has come under threat.

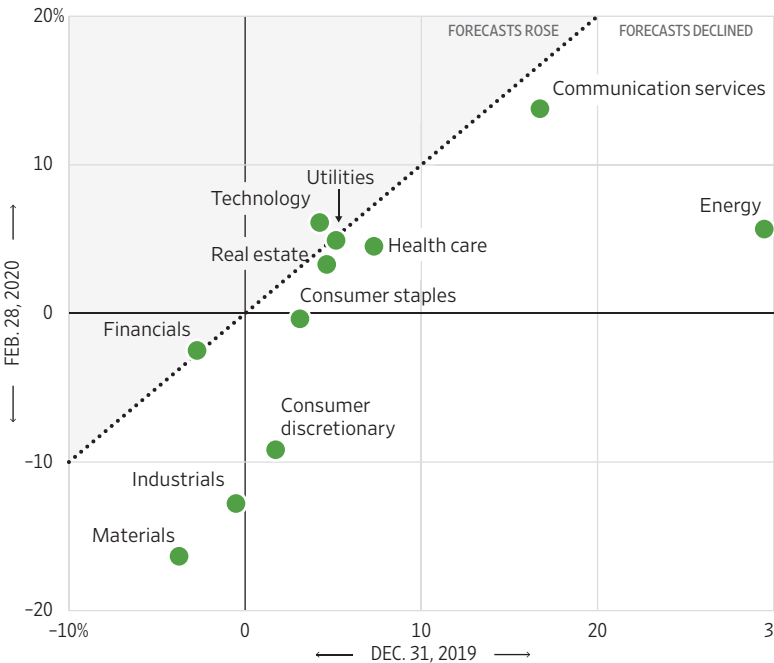
At this point, projected earnings growth for S&P 500 companies in the first quarter has fallen to 0.7%, from a forecast of 4.4% at the end of last year, according to a FactSet poll of analysts.

So far, earnings estimates are generally holding up for later in the year. Profits in the second quarter are expected to rise 4.1%, slowing from an estimate of 5.7% growth on Dec. 31. For the full year, earnings are expected to climb 7.3%, down from a projected increase of 8.7%.

“It’s typically very hard for the market to go up in the face of those near-term estimates coming down,” said Timothy Skindzielewski, portfolio manager for U.S. equities at Aberdeen Standard Investments. “But if we get the growth we’re expecting in the second half of the year, I would expect the markets to bounce back.”

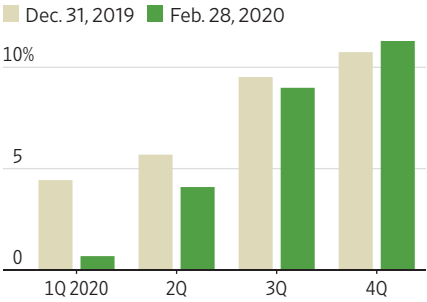
First-quarter estimates

1Q 2020 earnings-growth forecasts for the S&P 500 sectors

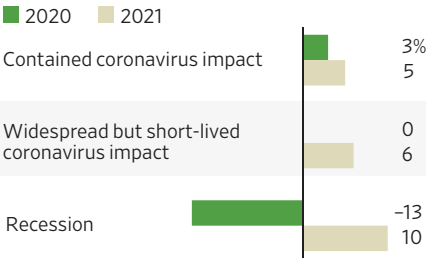


Sources: FactSet (sector and quarterly projections); Goldman Sachs (forecasts by scenario)

S&P 500 earnings-growth projections



Goldman Sachs S&P 500 earnings-growth forecasts in three scenarios



Microsoft said supply-chain disruptions would crimp sales. Above, a sign for its Xbox at a conference.

have fallen sharply for the industrials sector. **Boeing Co.** is projected to post a loss of 73 cents a share after warning in January that it doesn’t expect regulators to approve its 737 MAX to fly before midyear. That compares with Wall Street’s estimate as of Dec. 31 for earnings of \$3.08 a share.

The energy sector has also seen its projections shrink. Energy stocks are the worst

performers in the S&P 500 this year, off 25%, as the price of U.S. crude has tumbled below \$50 a barrel. Concerns that slower economic growth will curtail oil demand have weighed on the companies in the group.

It is true that earnings forecasts are often lowered as quarters progress.

“It’s pretty normal that you start the year fairly optimistic

and then earnings expectations decline over time,” said Maura Murphy, portfolio manager at Loomis Sayles.

But the list is growing of companies that have cautioned the coronavirus will reduce their results or make them too uncertain to predict.

United Airlines cited uncertainty surrounding the outbreak last week when it withdrew its financial guidance for

Banks Plan Backup Office Sites as Pandemic Prep

U.S. banks are preparing for a worsening coronavirus outbreak by laying plans to move staffers to back-office sites, limiting contact with clients who have been abroad and curbing employee travel.

By Rachel Louise Ensign, Liz Hoffman and Justin Baer

Morgan Stanley, whose New York City stock-trading floor is the country’s busiest, is preparing a backup site in suburban Westchester County. **JPMorgan Chase & Co.** has nixed all non-essential international trips. **Goldman Sachs Group Inc.** is canceling some conferences and evaluating powering up a parallel trading floor in Greenwich, Conn.

Not since the Sept. 11, 2001, terrorist attacks have Wall Street banks faced a logistical challenge like the one potentially posed by a coronavirus outbreak in the U.S. Sustained quarantines and widespread business closures would hit credit-card and corporate-lend-

ing businesses. Further interest-rate cuts, which the Federal Reserve may use to shore up the economy, would crimp profits.

“If planes are not flying in and out of China, if hotels are not being filled—which they’re not at the moment—and if the supply chains are being impacted which I suspect they are, there’s going to be some impact,” Visa Inc. Chief Executive Officer Alfred Kelly said last month.

While technology has made it possible for many to work from home, the multiple screens and compliance systems installed on Wall Street trading floors can’t be easily replicated on a laptop. And investment banking is still a face-to-face business, drummed up by weeks on the road.

Financial firms have drawn up elaborate contingency plans in recent years that they hope will allow them to keep operating smoothly. Just a few weeks ago, Bank of New York Mellon Corp. ran a drill temporarily shutting down its downtown

Manhattan headquarters, an executive said.

Despite the market meltdown, trading floors at many banks remain calm. One salesperson said increased activity meant it was a bit noisier than usual, but nothing compared with the 2010 flash crash or the weeks leading up to the 2008 collapse of Lehman Brothers.

Banks and brokers have opened backup facilities throughout the world in recent years. Many are required by their regulators to plan and test for various scenarios, said Glenn Schorr, an analyst with Evercore ISI. Significant improvements in computing power and telecommunications networks also have made working remotely a possibility for many more employees.

One key obstacle for firms will be how they contend with rules on recording phone calls and other communications related to specific transactions when traders aren’t working from their usual desk, one bank executive said. Industry officials are urging regulators to consider relaxing these surveillance

rules in the event that employees are forced to work from home, this executive said.

Officials at the Securities Industry and Financial Markets Association, an industry trade group, have raised the surveillance issue in discussions with the Securities and Exchange Commission, along with other potential challenges Wall Street would face during a wide-scale

Not since 9/11 has Wall Street faced a logistical challenge like the virus crisis.

evacuation of U.S. trading floors.

“We are providing information to them for them to consider,” said Kenneth Bentsen, Sifma’s president and CEO. “We haven’t made a formal request.”

In some ways, the job of girding against pandemic has gotten simpler. The advent of

electronic exchanges, trading algorithms and other technological advances on the markets have steadily shrunk the number of employees on trading floors on Wall Street and elsewhere. And many who remain are in roles that can be performed adequately in remote locations.

With the addition of software engineers, compliance staff and other in-demand positions, the securities industry’s total New York City workforce rose to 180,300 last year from 165,900 in 2003, according to the New York State Department of Labor. But the number of employees classified by the department as brokers—or those who serve as intermediaries between buyers and sellers—has dropped to 53,300 from 73,000 in the same period.

The 12 biggest global investment banks employed 26% fewer equity traders, salespeople and analysts at the end of 2019 than they did in 2010, according to industry-data firm Coalition Ltd. Front-office staff on bond-trading desks have

tumbled 42% over the same period, according to Coalition.

That said, the task of limiting health risks is far-reaching. Like other large companies, lenders are limiting employee exposure to countries where the virus has taken hold. Morgan Stanley’s upcoming annual Hong Kong summit will be virtual, while Citigroup Inc. and Bank of America Corp. have restricted employee travel to Asia and Italy.

Goldman’s private bankers are canceling meetings with clients who have been to virus hot spots, according to clients. Registered attendees of several upcoming Goldman conferences received emails asking them to stay home if they recently visited virus-affected regions.

A sign at the front desk of the bank’s downtown Manhattan headquarters asks visitors who have recently returned from mainland China—or been in contact with someone who has—to reschedule.

—Julia-Ambra Verlaire and David Benoit contributed to this article.

THE TICKER | Market events coming this week

Monday	Wednesday	Thursday	
Construction spending Dec., previous down 0.2% Jan., expected up 1.0%	EIA status report Previous change in stocks in millions of barrels Crude oil up 0.5 Gasoline down 2.7 Distillates down 2.1	EIA report: natural gas Previous change in stocks in billions of cubic feet down 143	Costco Wholesale 2.07 /2.01 Kroger 0.55 /0.48 Toro 0.58 /0.51
Earnings expected* Estimate/Year Ago(\$) Dentsplysirona 0.75 /0.08 Evergy 0.31 /0.08 FibroGen (0.59) /0.23 Stone Co. 0.20/0.13 Tilray (0.36) /(0.33)	ISM nonmfg. index Jan., previous 55.5 Feb., expected 55.3	Factory orders Dec., previous up 1.8% Jan. expected 0.0%	Friday Consumer credit Dec., previous up \$22.06 billion Jan., expected NA
Tuesday	Mort. bankers indexes Purch., previous down 5% Refinan., prev. down 5%	Initial jobless claims Previous 219,000 Expected 215,000	Nonfarm payrolls Jan., previous 225,000 Feb., expected 175,000
Earnings expected* Estimate/Year Ago(\$) AutoZone 11.76 /11.49 Hewlett Packard 0.44 /0.42 Enterprise 1.88 /2.24 Ross Stores 1.26 /1.20 Target 1.65 /1.53 Veeva Systems 0.52 /0.45	Earnings expected* Estimate/Year Ago(\$) Brown-Forman 0.50 /0.47 Campbell Soup 0.66 /0.77 Dollar Tree 1.76 /1.93 Guidewire Software 0.13 /0.34 Marvell Technology 0.16 /0.25 Splunk 0.97 /0.93	Productivity 3rd qtr. previous up 1.4% 4th qtr. expected up 1.4%	Unemployment rate Jan., previous 3.6% Feb., expected 3.5%
		Unit labor costs 3rd qtr. previous up 1.4% 4th qtr. expected up 1.4%	Intl. trade deficit Dec., previous \$48.88 billion Jan., expected \$46.00 billion
		Earnings expected* Estimate/Year Ago(\$) Burlington Stores 3.23 /2.83 Ciena 0.38 /0.33 Cooper Cos. 2.72 /2.88	Wholesale inventories Dec., previous down 0.2% Jan., expected down 0.1%

* FACTSET ESTIMATES EARNINGS-PER-SHARE ESTIMATES DON'T INCLUDE EXTRAORDINARY ITEMS (LOSSES IN PARENTHESES) ♦ ADJUSTED FOR STOCK SPLIT
NOTE: FORECASTS ARE FROM DOW JONES WEEKLY SURVEY OF ECONOMISTS



Brown-Forman, which makes Woodford Reserve bourbon, reports earnings on Wednesday.

JEFFREY BROWN/CON SUM ZUMA PRESS

HEARD^{ON}THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Technology Advances Can Only Go So Far

Disruptions still affect virtual world

This is the fourth column in a five-part Heard on the Street series about the market and economic impact of the coronavirus epidemic.

Technology has changed the world since the last major global virus scare, for better and for worse.

Consider the state of things when SARS rocked the global economy in 2003. Cellphones were candy-bar-shaped devices with actual buttons. Most Americans were stuck with dial-up internet speeds at home, which means they watched movies via tape or disc (DVD sales tipped VHS sales in the U.S. just the year before). Computers were heavy towers confined to a desk. And social networking? That was the year Myspace started while Facebook was simply known as “Facemash”—a tool for Harvard students to rate each other’s hotness.

Fast-forward to now, when nearly a third of the world’s population uses Facebook or one of its family of apps every day. Most of those are doing so through a full-fledged computing device that fits in their pocket. Powerful, portable devices streaming data at high speeds means information—and disinformation—spreads fast. It also means other big changes in how people work and live, which in turn has made the world a much smaller and more interconnected place.

Many of those changes involve lessening the need for in-person interactions. Amazon.com, the world’s pre-eminent seller of things over the internet, unveiled a new grocery store in its hometown of Seattle that spares patrons the inconve-



Amazon has unveiled a cashierless grocery store in Seattle.

nience of dealing with cashiers. In China, e-commerce and online take-out companies are trying out delivery robots and autonomous vehicles to avoid human contact. China’s mobile payment systems also reduced physical cash transactions.

Movie fans and gamers can now skip stores entirely. A raft of streaming services allows users to watch practically any movie and TV show at home on demand. And videogame consoles and home internet connections have become robust enough that gamers needn’t venture to their local GameStop anymore, either. The latest “Call of Duty” game sold about half of its new units as digital downloads, according to publisher Activision Blizzard. Short-video app Douyin, the Chinese version of TikTok, saw a 76% jump in daily active users in early February, compared with a month earlier, according to data firm QuestMobile.

Even hitting the gym may get passé. Peloton Interactive shares jumped last week after a Needham analyst told clients that the coronavirus outbreak will make U.S. consumers “less comfortable over time going to their gym” and thus more likely to buy one of the company’s pricey stationary bikes or treadmills to work out at home.

And then there is Zoom Video Communications. The fairly new public company saw its share price surge 38% in February alone on the notion that the spreading coronavirus will spike corporate demand for its snappy new videoconferencing

technology. The recent cancellation of the Mobile World Congress trade show that was set to take place in Barcelona last week seemed to drive that point home. Qualcomm livestreamed the press conference it had planned for the show from its headquarters in San Diego on Tuesday. Students in China have also used videoconferencing apps like Alibaba’s DingTalk for online learning as schools remain shut.

But until robots and self-driving cars are running everything in our lives, disruptions in the physical world will still ripple through the virtual one. China’s Alibaba, for example, said its e-commerce business was feeling an impact as many delivery workers weren’t back to work. Its takeout business, which theoretically could get a boost from more people staying at home, also was hurt as many restaurants closed.

Technology also can’t fully replace the need for in-human contact, whether personal or for business. Nor should we want it to. Not all tech-driven changes have been good ones. Social networks and mobile devices feed the spread of misinformation, and even convenience-driven innovations like ride-hailing and food delivery can displace vulnerable smaller businesses while ushering in the growth of less desirable “gig economy” jobs. Lockdowns may glue more people to their screens, but it doesn’t mean they have to like it.

— Dan Gallagher, Jacky Wong

LSE’s Future Depends on Brussels

London Stock Exchange Group’s future isn’t quite the sure thing investors seem to think.

The stock-market operator’s big ambitions for growth, embodied by its \$14.5 billion acquisition of the Refinitiv terminal and data business, have generated a lot of excitement. But two European Union decisions are crucial to its prospects: the antitrust ruling on the deal and how the company will be treated by regulators once the U.K. is no longer covered by EU rules. There are reasons to be somewhat cautious about both.

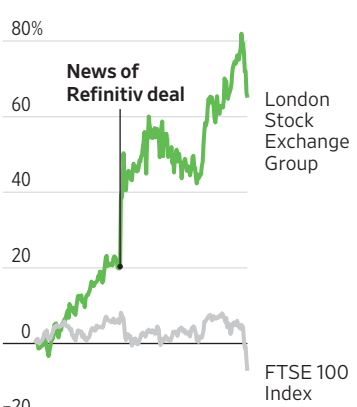
LSE reported strong full-year results on Friday. All three main business lines—exchanges, data and clearing and posttrade services—increased revenue last year, and cost cutting boosted profits. Chief Executive David Schwimmer still hopes to close the Refinitiv deal before the end of 2020 and expects no functional change in the group’s LCH clearing access for the EU market.

LSE shares are up over a third since news of the deal first leaked last summer. The transaction needs EU regulatory approval. A former Goldman Sachs investment banker, Mr. Schwimmer understands the antitrust approval process and said Brussels was always expected to scrutinize the combination of two such large, multi-product businesses. That is true.

However, the process is already taking longer than expected, and the company hasn’t yet filed official notification—a step that starts the antitrust investigation. That may indicate that officials have serious concerns.

The tie-up aims to create a data giant, and EU officials are increasingly examining how the use and control of data can affect competition in a market. This affects the likes of Google and Amazon, but data has also been a focus in recent cases in the agrochemical and railway industries. Regulators could

Share-price performance



therefore raise novel or unexpected concerns.

The second decision concerns whether its LCH clearing business will continue to be treated as “equivalent” under EU rules, which would allow it to keep serving the bloc’s banks and companies.

Mr. Schwimmer said regulators on both sides of the English Channel have provided “very clear recognition” that LCH is “systemically important” and that officials “don’t want to go down a path of systemic disruption.” The group’s clearing business currently has temporary equivalent status under EU rules until the end of January 2021. The EU will almost certainly not let this lapse and it may grant a permanent authorization. Alternatively, the EU could use another time-limited approval to pressure LSE to move part of its clearing business within its new borders.

There are no unambiguous indications that the decisions won’t go LSE’s way. But they are so central to the company’s ambitions that the outside chance they don’t should be taken seriously.

Investors need to watch Brussels closely.

— Rochelle Toplensky

\$0.00

commissions

Our award-winning investing experience is now commission-free.

As part of our commitment to giving you the best possible investing experience, we’re proud to offer commission-free online trading on stocks, ETFs, and options.* Add this to our best-in-class platforms, our award-winning education and service, and a network of over 275 branches, and you’ll see why TD Ameritrade is the smarter way to invest.

Learn more at tdameritrade.com/zero



Ameritrade[®]

Where Smart Investors Get SmarterSM

*Applies to U.S. exchange-listed stocks, ETFs, and options. A \$0.65 per contract fee applies for options trades.

TD Ameritrade ranked #1 Overall Broker, #1 in Education, and #1 in Customer Service in the StockBrokers.com 2019 Online Broker Review. TD Ameritrade, Inc., member FINRA/SIPC. © 2019 TD Ameritrade.