

# THE WALL STREET JOURNAL.

## What's News

### Business & Finance

- ◆ **Apple said that** John Ternus, an affable mechanical engineer and 25-year veteran of the company's hardware division, will be its next chief executive, succeeding Tim Cook. **A1**
- ◆ **Trump nominee to chair the Fed** Kevin Warsh embarked on a high-wire act to persuade investors of his independence while satisfying Trump's insistence on loyalty and adherence to his own policy views. **A1, A2**
- ◆ **Senate Democrats plan** to tell the nominee his financial disclosures don't reveal to the public whether his investments include banks the Fed regulates. **A2**
- ◆ **U.S. stocks slipped**, with the S&P 500, Nasdaq and Dow shedding 0.2%, 0.3% and less than 0.1%, respectively, and oil prices rose amid ongoing strain between the U.S. and Iran. **B11**
- ◆ **Democratic and Republican senators** raised concerns that a merger between United Airlines and American could harm travelers though higher fares and fewer flights. **B1**
- ◆ **Spirit Airlines is in talks** with the Trump administration about public aid, including a potential U.S. government investment in the company. **B1**
- ◆ **Amazon said it would invest** an additional \$5 billion in Anthropic as the companies undertake to collaborate more closely. **B1**
- ◆ **Adobe released AI agents** that aim to help corporate customers automate digital marketing and other functions. **B4**
- ◆ **Sila Realty Trust said it would be acquired** by affiliates of Blue Owl Capital in an all-cash transaction valued at about \$2.4 billion. **B11**

# Cook to Step Down at Apple

### CEO to move up to executive chairman in September, hand the reins to insider Ternus

By ROLFE WINKLER

Tim Cook, the longtime leader of Apple, is stepping down after transforming the iPhone maker into a titan of the technology industry, handing the reins to a veteran engineer.

The company said Monday that John Ternus will take over as CEO, elevating an af-

fable mechanical engineer and 25-year veteran of the company's hardware division.

Ternus, 50 years old, takes the lead of Apple as it works to rekindle its creative fire and chart a hardware-heavy future in the AI era. He follows Steve Jobs, who led the invention of the most popular consumer product in history, and Cook, who squeezed so much profit from the device that Apple became the world's most valuable company.

His appointment will take effect Sept. 1, when Cook will become executive chairman, succeeding longtime chair

Art Levinson.

Cook, 65, will be remembered for creating immense value. During his tenure, Apple's market capitalization grew by nearly \$3.7 trillion, to about \$4 trillion, surpassing the value created by any other American CEO in total dollars, save Nvidia's Jensen Huang.

Known for deft politicking inside the company, Ternus had been widely seen as the leading candidate to succeed Cook. As a top hardware executive, he worked on the iPad, then later the Mac and AirPods, before taking over responsibility for all of Apple's

products, including its most important, the iPhone.

"John is a deep collaborator," said Chris Deaver, a former Apple human resources staffer who worked with him. "Having a great product leader at the helm right now is a good future indicator for Apple."

A key question for Ternus is how he can help Apple maintain its dominance at a time when most of its rivals are investing hundreds of billions of dollars into computing infrastructure and embedding cutting-edge artificial-intelligence tools  
*Please turn to page A9*

# Warsh Embarks On Tricky Path for Fed Job

### Challenge is how he can manage what Trump expects with what he can deliver

By NICK TIMIRAO

Wall Street and Washington will be watching Kevin Warsh on Tuesday for any sign he has an understanding with President Trump to cut interest rates if installed as chair of the Federal Reserve. Trump will be watching for any sign he doesn't.

The high-wire act starts before Warsh even has the job. Warsh secured the nomination by convincing Trump he shares the president's view that the Fed should be cutting rates. At his Senate confirmation hearing, he can reaffirm that case—at a moment when the Iran war has turned economic conditions against it—or begin, carefully, to distance himself from it.

Air cover from Treasury Secretary Scott Bessent, who last week said he understood why the war had made the Fed hesitant to cut, might have helped Warsh. But Trump publicly overruled Bessent one day later, saying he didn't agree.

Warsh has said almost nothing in public about monetary policy in five months—  
*Please turn to page A2*

- ◆ **Warsh's rate-cut views to face test**..... **A2**
- ◆ **Democrats to focus on financial disclosures**..... **A2**

# Tailwind Lifts Spirits, Helps Set Boston Record



**BIG STEPS:** More than 30,000 runners strode down Boylston Street toward the finish line Monday at the Boston Marathon. Men's defending champion John Korir broke the course record, riding a tailwind to win in 2 hours, 1 minute, 52 seconds. **A5**

# Owners Allege Tesla Misled on Self-Driving

By BECKY PETERSON

When Tom LoSavio bought his Tesla Model S in 2017, he thought he was buying a car that would one day drive itself.

The retired attorney and self-described early adopter paid more than \$100,000 for the luxury sedan, including \$8,000 for lifetime access to its most advanced driver-assistance features. Tesla Chief Executive Elon Musk said the hardware in the company's cars would eventually allow all of its cars to drive themselves.

"My wife and I talked about what a great thing it would be if we could just get in a car and have it drive us places," LoSavio told The Wall Street Journal.

In the nine years since, LoSavio said it has become

clear Tesla took him for a ride. He is the lead plaintiff in a class-action lawsuit that alleges that Tesla charged customers thousands of dollars in pricey upgrades for a product that didn't, and still doesn't, exist.

LoSavio alleges Musk and Tesla have made repeated claims that were false about the self-driving capabilities of these vehicles and misled consumers who paid extra because they believed the company's marketing. His lawsuit is one of several ongoing efforts by Tesla owners looking to hold the company accountable for over-promising and under-delivering on its Full Self-Driving (Supervised) product.

In the Netherlands, a Tesla owner launched a campaign last week to organize European  
*Please turn to page A4*

## INSIDE



**U.S. NEWS**  
Labor Secretary Lori Chavez-DeRemer resigns, ending tumultuous tenure. **A2**

**PERSONAL JOURNAL**  
The Cost of Divorce: Inside the 'financial infidelities' that tear marriages apart. **A10**

# How Cybercrime Made 'Scambodia'

### Gangs in Cambodia corrupted officials, enslaved workers and fleeced victims

By GABRIELE STEINHAUSER AND PATRICIA KOWSMANN

PHNOM PENH, Cambodia—A gold-hued skyscraper is rising above the traffic-clogged streets of the capital city.

The building is already Cambodia's tallest structure—and a monument to the spoils generated by transnational cybergangs that have stolen billions of dollars from unsuspecting Americans and others worldwide.

The skyscraper is being built by a company under

sanctions by the U.S. Treasury Department for its alleged connection to one of hundreds of scam operations that have cropped up across Cambodia. Scam compounds, some the size of small towns, have housed enslaved workers doing the grunt work of online scams, posing as love interests, investors or police.

Predominantly Chinese syndicates in Cambodia have grown so enormous in scale that some foreign politicians refer to the country of 18 million people as "Scambodia"  
*Please turn to page A9*

## Worldwide

- ◆ **Iran told regional mediators** that it would send a negotiating team to Pakistan for the second round of peace talks with the U.S. as the end of a two-week cease-fire looms. **A6**
- ◆ **The Iranian cargo ship seized** by U.S. forces in the Gulf of Oman is part of a fleet that often sails to China, one of Tehran's most important backers. **A6**
- ◆ **The Justice Department's antitrust division is investigating** whether large meatpackers that supply the U.S. market engaged in criminal anticompetitive conduct. **A3**
- ◆ **The Justice Department sued** Washington, D.C.'s water utility over a massive sewage spill in January that sparked a political fight between federal and state authorities. **A3**
- ◆ **FBI Director Kash Patel sued** the Atlantic, alleging that an article about his drinking and overall conduct was malicious and factually inaccurate. **A4**
- ◆ **Billionaire philanthropist Connie Ballmer** gave \$80 million to NPR, which said it would use the funds to accelerate its digital transformation. **A3**
- ◆ **U.K. Prime Minister Starmer** said he unintentionally misled lawmakers when he claimed that Peter Mandelson had the requisite security clearance to be ambassador to the U.S. **A8**
- ◆ **More than 60 nations** sent representatives to Brussels for talks with Palestinian representatives on stability, security and long-term peace. **A6**
- ◆ **A gunman opened fire** at the Teotihuacán pyramids north of Mexico City, killing one Canadian tourist and injuring six others. **A6**

**CONTENTS**

Markets.....	B11
Arts in Review.....	A12
Opinion.....	A13-15
Biggest Stocks.....	B6
Personal Journal A10-11	
Business & Finance B2-3	
Sports.....	A16
Crossword.....	A12
Technology.....	B4
Heard on Street.....	B12
U.S. News.....	A2-5
Market Data.....	B8
World News.....	A6-8-9

# Chip Giant Hits It Big—With a Toy

Everyone wants the Lego version of a \$400 million tool

By BEN COHEN

The most important machines in the world are made by the most valuable company you've never heard of.

These extreme ultraviolet lithography tools are essential for printing the chips in phones, computers and data centers. There are only a few hundred in existence. And every single one is manufactured by the same Dutch company. But the technological marvel that underpins the entire global economy might not even be the most coveted product sold by ASML.

It also sells a product that has become even harder to  
*Please turn to page A11*

# High Costs Drive Away Florida's Middle Class

By ARIAN CAMPO-FLORES AND PAUL OVERBERG

ORLANDO, Fla.—Florida's migration patterns are changing dramatically. Residents in their prime working years are heading to other states, often citing affordability concerns. At the same time, the stream of people arriving from other states is shrinking.

Meanwhile, an influx of wealthy people from other states—turbocharged during the pandemic—has helped drive up home prices. Inflation in parts of Florida outpaced the national average over the past decade, and home-insurance rates soared.

These side-by-side trends could spell trouble for a state whose economy relies on continued population growth and real-estate development.

"The affordability picture has changed in Florida almost more than anywhere else in the country," said Eric Finni-

gan, vice president of demographics research at John Burns Research & Consulting.

Florida lost one driver of population growth when deaths began to outnumber births in the state in 2020. Large flows of immigration fueled gains for years, but have waned under the Trump administration's hard-line policies. Despite the influx of wealth, net domestic migration—people arriving from other states minus those leaving to other states—has overall slowed to a trickle in the past few years.

Stoking the change is a mismatch between the soaring cost of living in Florida and middling wages that haven't kept up.

Roberto Reyes became fed up with rising rents and other spiraling costs in Orlando, and jumped at a job offer as an insurance agent in Knoxville, Tenn., last July.  
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