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DJIA 52867.98 ▲ 11.89 0.02% NASDAQ 26008.86 ▼ 2.6% STOXX 600 637.74 ▼ 1.0% 10-YR. TREAS. ▲ 1 15/32, yield 4.952% OIL \$99.47 ▲ \$2.32 GOLD \$4,042.80 ▼ \$87.70 EURO \$1.1216 YEN 156.77

What's News

Business & Finance

- ◆ **Rotation out** of AI-connected stocks helped drive the Nasdaq down 2.6%, in its worst session since June. The S&P 500 fell 1.2%, while the Dow was little changed. **A1**
- ◆ **Blackstone's net** realizations, which reflect proceeds from sales of assets, fell 34% from a year earlier, led by a 49% decline in its private-equity division. **B1**
- ◆ **The Pentagon signed** a deal to acquire Lockheed Martin's F-35 jet fighters over the next decade, its longest commitment yet among contracts this year to boost supplies of advanced weaponry. **B3**
- ◆ **Comcast's subscriber** losses deepened and the company said it would take a charge in excess of \$1 billion in the fourth quarter as it embarks on a restructuring program. **B1**
- ◆ **Carrier intends** to invest more than \$600 million in a new plant in Fort Worth, Texas, to supply more cooling equipment to large commercial and industrial buildings. **B1**
- ◆ **U.S. Steel, which** is owned by Tokyo-based, Nippon Steel, plans to invest nearly \$3 billion in a new hot strip mill at its plant near Pittsburgh. **B2**
- ◆ **Union Pacific and** Norfolk Southern reported higher profit and revenue in the recent quarter as more businesses move cargo from road to rail. **B6**
- ◆ **SAP is working** on a new metric to quantify the contribution of artificial intelligence to its business. **B4**
- ◆ **Barclays said** it would cut 5,000 jobs, or 5% of its workforce, to reduce costs as it adopts artificial intelligence at scale. **B10**

Worldwide

- ◆ **The Justice Department** is examining claims that Corey Lewandowski profited from his position as an adviser to Noem when she was secretary of Homeland Security. **A1**
- ◆ **Trump called Musk** asking to ease curbs on Starlink internet that aids Ukraine's war effort, and the system began working at higher speeds. **A7**
- ◆ **Calley Means**, a senior adviser to Health Secretary Robert F. Kennedy Jr., is leaving after he became frustrated by delays to Kennedy's food agenda. **A3**
- ◆ **A federal indictment** charged L. Louise Lucas, a powerful Democratic state senator in Virginia, with illegal marijuana trafficking. **A4**
- ◆ **Trump defended** a video attack ad against Ohio Democratic gubernatorial candidate Amy Acton that featured her estranged mother, calling it "very powerful." **A3**
- ◆ **El Salvador** sent 200 special operations troops to Haiti to rescue four Salvadoran members of a U.N.-authorized force whose armored vehicle was attacked. **A7**
- ◆ **A late entry** by an Emirati diplomat in the race to be the next U.N. secretary-general shook up a process in which no one is a clear favorite. **A9**
- ◆ **The New York City Council** voted 40-7 to ban horse carriages after decades of criticism from animal-rights activists. **A3**
- ◆ **A magnitude 7 quake** killed at least 16 people and injured 54 in Tibet. **A7**
- ◆ **Two people** were killed when a fire hit a Mississippi senior living center. **A6**

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California Coast Rebuilds in Bid to Shield Homes



JUSTIN SULLIVAN/GETTY IMAGES

BATTLE WITH NATURE: Crews build a sand berm Thursday in front of homes in Long Beach, Calif. The area is bracing for renewed coastal flooding and erosion, following weeks of powerful waves that have damaged beachfront homes.

Inside OpenAI Firings Over Leaks

OpenAI's security team called three outspoken safety researchers into meetings last month and asked them to unlock their personal phones.

By Maxwell Zeff,
Keach Hagey and
Berber Jin

The company suspected the trio of leaking to an external AI safety researcher information about one of OpenAI's most closely guarded secrets: the in-

ternal designs of its artificial-intelligence models.

When security officers examined the phones, they saw some of the researchers had turned on disappearing messages for their chats with the person on the app Signal. A week later, the three were summoned again to simultaneous 2 p.m. meetings—and fired.

"I was told that there was a breach of trust because I interacted with a third party through unsanctioned chan-

nels," Tomek Korbak, one of the fired researchers, said.

The firings came in the throes of a battle over how to keep AI systems under human control—and who gets to see the secret designs that could determine the winners of the biggest commercial race in history.

Tech leaders are pushing for model breakthroughs, but a string of unauthorized actions taken by clusters of AI agents, stretching back to July's hack on Hugging Face, has revealed

challenges the companies face in understanding and controlling their creations. That has ignited a societal debate over how best to monitor and regulate the new technology.

OpenAI told The Wall Street Journal it fired the three researchers after an internal investigation found they violated "clear policies for handling sensitive information," and "not for raising safety concerns or speaking out."

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DOJ Probes Allegations Against Trump Ally

WASHINGTON—The Justice Department is examining allegations that Corey Lewandowski profited off his top position at the Department of Homeland Security, people familiar with the matter said.

By Sadie Gurman,
Josh Dawsey and
Michelle Hackman

The inquiry is based on a referral from the DHS inspector general, which shared its findings about Lewandowski's tenure at the department in recent days, the people said.

The review is the first publicly known instance of President Trump's second-term Justice Department scrutinizing someone close to the president.

Lewandowski served as the top adviser to then-Homeland Security Secretary Kristi Noem up until the pair were ousted from the department in March, following increasingly embarrassing revelations about the infighting at the agency and their spending decisions.

While at the department, Lewandowski appeared to try to use his vast influence for personal financial gain, including asking several countries in the Middle East to hire him on the side to assist with visa issues and other matters, The Wall Street Journal has previously reported.

He or close associates signed off on nearly all department spending decisions for amounts exceeding \$100,000, giving Lewandowski visibility into the array of contractors DHS worked with, and the ability to hold the contracts up.

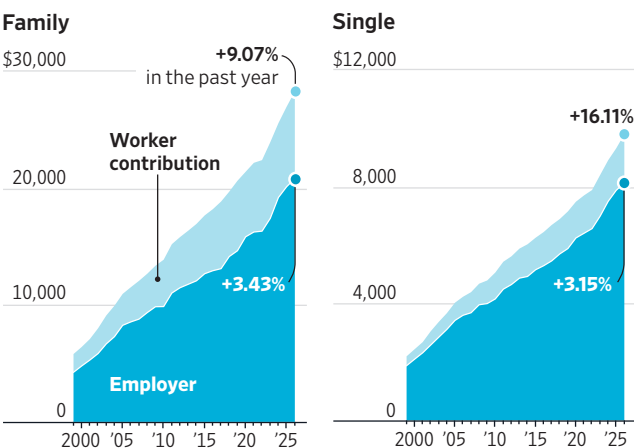
Lewandowski has previously denied seeking foreign contracts while in government or playing a role in approving DHS contracts. People familiar with the inquiry said it is focused at least in part on contracting fraud.

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Health Benefits' Costs Climb

The average cost of a family health plan is up 5% this year—and workers are paying an increasing share of the expense. **B1**

Average annual contributions to premiums for coverage through 2026



Sources: KFF Employer Health Benefits Survey (2018-26); Kaiser/HRET Survey of Employer-Sponsored Health Benefits (1999-2017)

Lonely and Looking for a Friend? Try Telling the Whole World.

People are finding platonic connections by baring their souls in classifieds-like posts

By Rachel Wolfe

In St. Augustine, Fla., a real-estate office manager's post offered homemade baked goods. In St. Louis, an interior designer shared her love of Pilates, escape rooms and collecting angel figurines and animal bones. In Memphis, a

scholarship coordinator was eager to go thrifting, work out or play board games.

They were all on the hunt for a commodity that's gotten harder to find in Americans' screen-focused lives: friends. Loneliness used to be a shameful secret. Now, people

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INSIDE



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WORLD NEWS
Starlink restrictions that hindered Ukraine were eased after Trump called Musk. **A7**



AJANI GANZMAN/DOLOMITZ NEWS

BUSINESS & FINANCE
Moderna stock plunged after details from a cancer-vaccine study were leaked. **B1**

Festivals Pitch Private Credit

Fund managers court wealth advisers to tap households, amid qualms on risk

By AnnaMaria Andriotis

Nearly 6,000 people descended last month on Huntington Beach, Calif., for musical performances by Wiz Khalifa and Gym Class Heroes, meditation and workout sessions, and classes on how to make whiskey-based cocktails, artisan pizza and sea-salt scrub.

And, of course, to hear pitches on private credit and other investments.

From afar, the four-day event, called the "Future Proof Festival," looked like a rave. Up close, it was an example of the booming efforts to sell private-credit products to individual investors. Asset-man-

agement firms are targeting the largely untapped market as their traditional, large investors—endowments, pension funds and foundations—max out their desired exposure. Firms continue to pitch the products even as individuals are increasingly getting spooked by risks bubbling to the surface.

Apollo Global Management and State Street held a session on private and public credit. Capital Group had a booth with a pickleball court and a session with a "Public-Private Solutions sales specialist" on the merging of private and public markets. Franklin Templeton talked about "building better

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Bosses Seek Secrets Of Firm With No Layoffs in 75 Years

By Allison Pohle

Hundreds of executives have made the pilgrimage to St. Louis to try to replicate Steve Gund's elusive feat: He is the third-generation CEO of a family manufacturer that has averaged 18% annual growth for a decade—all without ever laying off an employee.

He said he does it with a leadership model that puts The Gund Co.'s 1,300 employees' well-being over short-term profit. He has made it his mission to evangelize the approach, especially to leaders of other family-owned companies.

"It sounds touchy-feely, but it's profitable," said the 55-year-old Gund, whose grandfather, Ed Gund, a former candy salesman, started the compos-

ite-materials company in 1951. Now approaching \$400 million in sales, its customers include General Electric and Rockwell Automation. Its parts can be found in nearly every aspect of the grid, from wind generators to the green boxes dotting subdivision lawns.

The model requires trade-offs and a lot of discipline: Gund has never had a layoff but staffs sparingly so it can weather the leaner stretches. Employees are pushed to voice and document concerns on red cards displayed on the factory floor, putting leaders on notice to take care of problems quickly. Everyone from line workers to managers crafts a career-development plan. Yet those who don't adapt to

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