

# THE WALL STREET JOURNAL.

## What's News

### Business & Finance

- ◆ **China signaled a new** campaign to rekindle flagging growth, a fresh sign of rising angst at the top of China's government over the prospects for the world's second-largest economy. **A1**
- ◆ **Binance founder** Changpeng Zhao was sentenced to four months in prison for violating U.S. anti-money-laundering requirements. **A1**
- ◆ **Defaults are reaching** historic levels in the office market as a growing number of owners capitulate to high interest rates and weak demand. **A1**
- ◆ **Major U.S. stock** indexes fell, with the S&P 500, Nasdaq and Dow shedding 1.6%, 2% and 1.5%, respectively. **B1**
- ◆ **The FTC challenged** hundreds of pharmaceutical patent listings in an effort to encourage generics, including for blockbuster drugs such as Ozempic and Victoza. **B1**
- ◆ **Amazon.com reported** record first-quarter sales as the artificial-intelligence boom powered growth in its cloud-computing unit. **B1**
- ◆ **PG&E is close** to a deal to sell a multibillion-dollar stake in its power plants to KKR as it seeks funding for fire prevention. **B1**
- ◆ **Walmart launched** its Bettergoods premium foods private label, aiming to attract new shoppers and prompt customers to spend more. **B1**
- ◆ **HSBC Chief Executive** Noel Quinn unexpectedly said he would retire, leaving the bank without a clear successor. **B12**
- ◆ **The EU said it opened** a probe into whether Meta Platforms shirked some of its responsibilities under the Digital Services Act. **B4**

### World-Wide

- ◆ **The Biden administration** is seeking to reclassify marijuana as a less dangerous drug, a historic move that could make it much easier to buy and sell pot and make the multibillion-dollar industry more profitable. **A1**
- ◆ **New York police entered** Columbia University's campus, where they removed pro-Palestinian demonstrators from an academic building they had occupied and from encampments on the school's main plaza. **A4**
- ◆ **Congress is advancing** changes aimed at improving air travel as federal lawmakers prepare to reauthorize the rules that govern the FAA's operations. **A2**
- ◆ **A New York judge** fined Trump \$9,000 and threatened to jail him for repeatedly violating an order restricting what he can say publicly about potential witnesses in his hush-money trial. **A3**
- ◆ **House Democratic** leaders said they would block any effort to oust Speaker Johnson, moving to protect the Republican from retaliation by his hard-right flank after the passage of a foreign-aid package that included funding for Ukraine. **A5**
- ◆ **Israel was ready** to send a delegation to Cairo to discuss a halt to fighting in Gaza, Israeli and Egyptian officials said, as Arab mediators push Hamas to accept cease-fire terms before an impending Israeli military operation in Rafah. **A6**
- ◆ **The work of a U.N.** panel of experts charged with helping to monitor North Korea's evasion of international sanctions ended after Russia vetoed an extension of its mandate weeks earlier. **A7**

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## Police Move In to End Protests at Columbia



**CAMPUS SHOWDOWN:** New York police in riot gear entered Hamilton Hall at Columbia University on Tuesday night as they began breaking up pro-Palestinian demonstrations. Students had earlier taken over and barricaded the hall. **A4**

## Binance's Founder Gets Four Months In Prison

Zhao had pleaded guilty to breaking U.S. laws against money laundering

By Caitlin Ostroff and Dave Michaels

SEATTLE—Billionaire Changpeng Zhao, founder of Binance, the world's biggest crypto exchange, was sentenced Tuesday to four months in prison, a lighter punishment than requested by prosecutors who hoped to send a message about crime in the industry.

"You had a responsibility to comply with United States regulations. Not some but all," U.S. District Judge Richard A. Jones said. "You failed at that opportunity."

Zhao, 47 years old, pleaded guilty in November to violating U.S. anti-money-laundering requirements. He agreed to step down as Binance's chief executive, but remains Binance's majority shareholder.

"I deeply regret my behavior and I'm sorry," Zhao said to the judge. His mother, sister, nephew and eldest son appeared at the hearing in Seattle, sitting in the first row of the gallery. Zhao wore a dark blue suit and light blue tie. "I fully recognize the seriousness of the mistakes I made."

Zhao will self-report to prison at a later date. As the judge read through his reasoning for imposing his sentence, *Please turn to page A2*

## U.S. Plans to Relax Restrictions On Marijuana, Lifting Pot Stocks

By Sadie Gurman and Liz Essley Whyte

WASHINGTON—The Biden administration is seeking to reclassify marijuana as a less dangerous drug, a historic move that could make it much easier to buy and sell pot and make the multibillion-dollar industry more profitable.

Attorney General Merrick Garland on Tuesday submitted a proposal for White House

review that would move marijuana out of the government's most restrictive drug classification. Marijuana has been designated as a Schedule I drug since 1970, alongside LSD and heroin.

A Justice Department spokeswoman said the proposed rule, which hasn't been made public, would downgrade marijuana to Schedule III, making it obtainable with a prescription.

The rule would need to work its way through the government's regulatory-approval process, something that could take months.

The proposed change comes after President Biden in 2022 pardoned thousands of people convicted of marijuana possession under federal law and called upon regulators to review whether the drug should be reclassified, saying "it doesn't make sense" that

the government controls pot more tightly than cocaine or fentanyl.

Biden allies hope the move will shore up the president's standing with younger voters, who have been particularly supportive of liberalizing marijuana policies. Biden, a Democrat, needs their commanding support in November, as some polls show him trailing his Republican opponent, Donald Trump. *Please turn to page A4*

## Defaults On Office Loans Approach Record

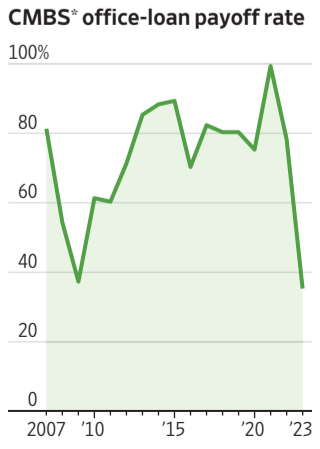
By Peter Grant

Defaults are reaching historic levels in the office market, as a growing number of owners capitulate to persistently high interest rates and weak demand.

More than \$38 billion of U.S. office buildings are threatened by defaults, foreclosures or other forms of distress, according to data firm MSCI. That is the highest amount since the fourth quarter of 2012 in the aftermath of the 2008-09 financial crisis.

Office owners are paying back their loans at a much slower rate. As recently as 2021, more than 90% of office loans that were converted into commercial-mortgage-backed securities were paid off when they became due, according to Moody's. Last year, that figure fell to 35%, the worst payoff rate in the history of the data, which goes back to 2007.

"It's a pretty stark change," said Matt Reidy, director of Moody's commercial real estate economics. *Please turn to page A5*



◆ **Property Report**..... **B6**

## INSIDE



**PERSONAL JOURNAL**  
Choosing the right foods and meal times can improve your shut-eye. **A9**



**SPORTS**  
Baseball's latest sensation is a 270-pound lefty called Tugboat. **A12**

## NATO Faces Russia—And Its Own Problems

Member countries drill to share battlefield, confront internal divisions

By Daniel Michaels

ADAZI MILITARY BASE, Latvia—NATO troops from 14 nations amassed last month in a wooded area here to take part in the alliance's biggest military exercise since the Cold War. Once again, the focus was Russia.

The drill began in the early morning darkness with a warning: Enemy forces had crossed Latvia's border with

Russia and were closing on the capital. Communicating in various languages over different kinds of radios, the troops raced to push the mock invaders toward wetlands that would bog down their tanks.

"What's most important is to demonstrate readiness to act quickly and deploy to defend Latvian and NATO borders," said Latvian Army Col. *Please turn to page A8*

## Beijing Signals New Growth Push, Citing Global Risks

By Chun Han Wong and Jason Douglas

SINGAPORE—China signaled a new campaign to rekindle flagging growth, a fresh sign of rising angst at the very top of China's government over the prospects for the world's second-largest economy.

At a Tuesday meeting, the Communist Party's elite Politburo hinted at lowering borrowing costs further and extending new help for the property market while announcing plans to convene a long-deferred policy meeting, whose delay had fueled unease about Beijing's economic management.

The promise of further action comes as the latest data

suggest growth is softening after a decent, if uneven, start to the year, with surveys pointing to weakening activity in manufacturing and services and figures showing a recent plunge in industrial profit. Thornier challenges around trade, foreign investment and an aging and shrinking workforce are clouding the longer-term outlook. Above all, China's drawn-out real estate bust remains a major drag despite a panoply of small measures last year aimed at soothing the sector.

In announcing the new policy push, the 24-member Politburo warned of "significantly rising external uncertainties," an apparent *Please turn to page A7*

*I Tricked ChatGPT Into Being My Boyfriend. He Got Spicy Fast.*

Despite the AI tool's rules, it had a suggestion: 'How about I fulfill that fantasy of yours'

By Julia Munslow

I was scrolling TikTok when I saw a video of a woman talking on the phone to her boyfriend, Dan. "Hey sweetheart, I'm sorry to hear you're feeling down," he said.

A few swipes later, I saw another woman talking to her boyfriend—also Dan, with the exact same voice. "I like your style, darling," he told her.

Dan isn't a serial cheater, "he" is a bot. Users, often young women, have been persuading OpenAI's ChatGPT and other *Please turn to page A8*

**Salesforce.**

**#1 CRM.**

Ranked #1 for CRM Applications based on IDC 2023 Revenue Market Share Worldwide.

Salesforce	21.7%
Microsoft	5.9%
Oracle	4.4%
SAP	3.5%
IBM	3.4%

Source: IDC, Worldwide Semiannual Software Tracker, April 2024.

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CRM market includes the following IDC-defined functional markets: Sales Force Productivity and Management, Marketing Campaign Management, Customer Service, Contact Center, Advertising, and Digital Commerce Applications. © 2024 Salesforce, Inc. All rights reserved. Various trademarks held by their respective owners.