

# THE WALL STREET JOURNAL.

## What's News

### Business & Finance

**T**he number of workers in the U.S. receiving unemployment benefits fell for the first time since February, and new weekly claims continued to ease, offering evidence that layoffs related to the pandemic are slowing. **A1**

◆ **UPS is adding** peak surcharges for firms that have been flooding its delivery network with many more packages and oversize items. **A1**

◆ **Amazon plans** to keep most of the U.S. jobs it added in March and April as homebound consumers fueled online shopping. **B1**

◆ **Nissan said** it would slash production capacity and trim its model lineup after reporting a \$6.2 billion loss for its latest fiscal year. **B1**

◆ **China's premier said** policy makers have more stimulus measures ready in case of a further deterioration in the nation's economy. **A6**

◆ **U.S. stocks fell**, with the Dow, S&P 500 and Nasdaq retreating 0.6%, 0.2% and 0.5%, respectively. **B1**

◆ **The U.S. consumed** more renewable energy than coal last year for the first time since 1885, the EIA said. **B1**

◆ **Two big health-care** buy-outs are shaping up to be among the worst-performing private-equity investments in recent years. **B10**

◆ **Novartis agreed** to make a gene-based coronavirus vaccine now in development, paving the way for human testing later this year. **B4**

◆ **Jonathan Karp** was named president and CEO of Simon & Schuster. **B4**

### World-Wide

◆ **Trump signed** an executive order seeking to limit the broad legal protection that federal law currently provides to social-media and other online platforms, a move that is expected to draw court challenges. **A1**

◆ **China's legislature** approved a resolution to impose national-security laws on Hong Kong, overriding the territory's partial autonomy in a bid to crush protests. **A6**

◆ **Minnesota's governor** activated the National Guard as demonstrators clashed with police for a third straight day to protest the death of George Floyd. **A3**

◆ **A growing pool** of global death statistics indicates that few countries are accurately capturing fatalities from the coronavirus, and in some the shortfall is significant. **A5**

◆ **The House scrapped** a vote on legislation to renew a set of expired domestic-surveillance powers after support for the bill eroded following a Trump threat to veto it. **A4**

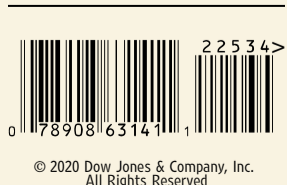
◆ **Barr appointed** a prosecutor to examine Obama administration officials' use of the practice known as "unmasking" around the time of the 2016 election. **A4**

◆ **The House passed** a bipartisan bill that would loosen rules on hundreds of billions of dollars in small-business loans under the Paycheck Protection Program. **A3**

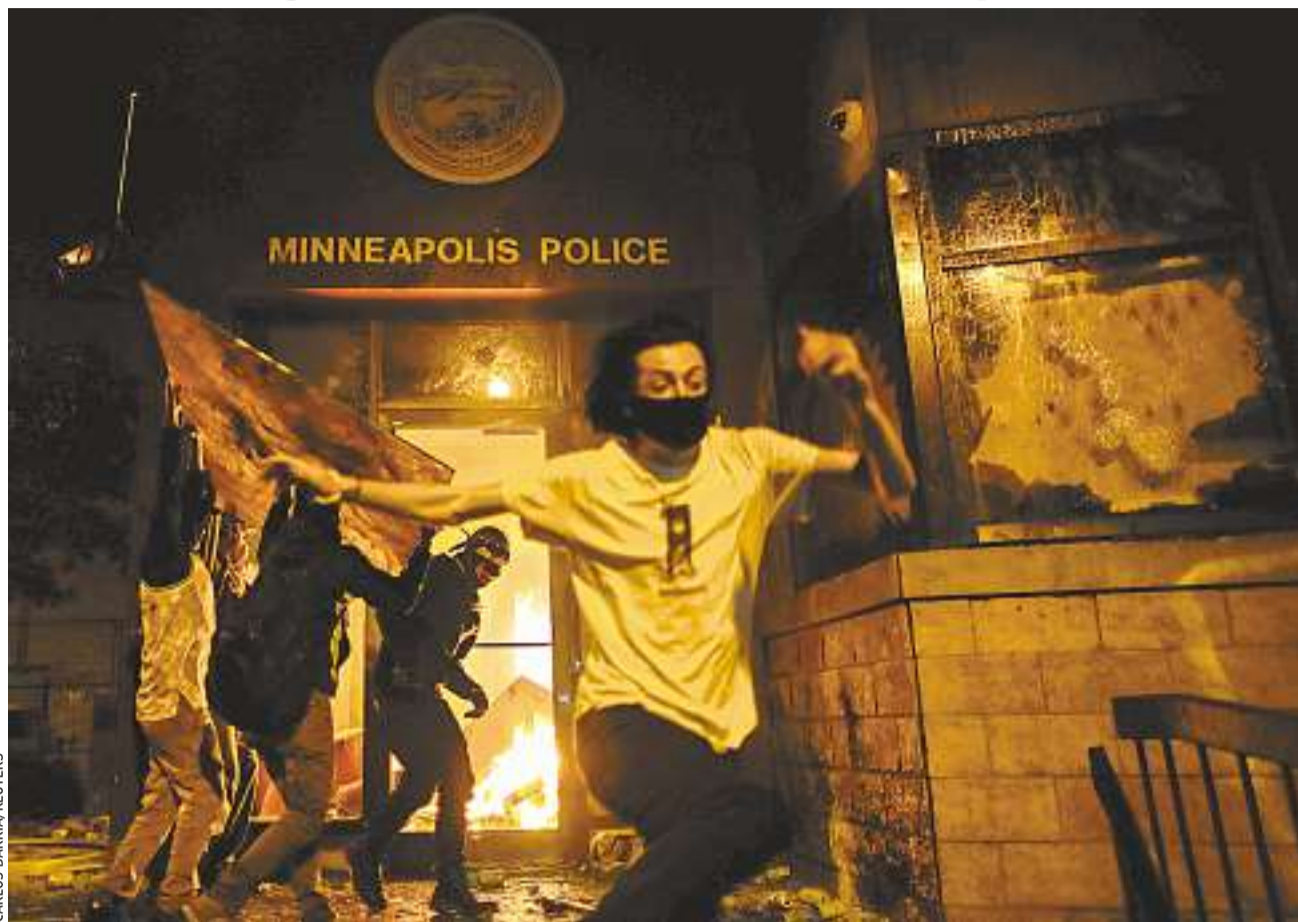
◆ **U.S. authorities unsealed** an indictment charging more than 30 people with helping North Korea illegally transfer \$2.5 billion since 2013. **A2**

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## Protests Target Police Precinct Over Minneapolis Death



**CLASHES:** Protesters lit fires inside a police precinct in Minneapolis on Thursday night as demonstrations grew over the death of George Floyd, a black man who died after a white officer pinned him to the ground with a knee on his neck. **A3**

## Jobless-Benefit Rolls Decline For First Time Since February

By ERIC MORATH

The number of workers receiving unemployment benefits fell for the first time since February, and new weekly claims continued to ease, offering evidence that layoffs related to the coronavirus pandemic are slowing.

Initial claims for unemployment benefits declined to a seasonally adjusted 2.1 million last week from 2.4 million the prior week, the Labor Department said. The level of claims is still 10 times prepandemic levels but has fallen for eight straight weeks.

Meanwhile, the number of workers receiving jobless payments for the week ended May 16 was 21.1 million, down 3.9 million from the prior week. The level remains well above the record before this year—6.5 million in 2009—and underscores that tens of millions remain jobless.

Commerce Department data on Thursday showed gross domestic product—the value of all goods and services produced across the economy—fell at a downwardly revised 5.0% annual rate during the first quarter, overlapping in March with when the pandemic hit the economy. Corporate profits declined sharply to start the year, the Commerce Department also said, and orders for long-lasting durable goods, such as machinery and trucks, fell 17.2%

in April from a month earlier. Fewer workers on unemployment rolls add to evidence that while layoffs have been steep and are continuing, some people are getting back to work. That suggests the U.S. labor market is at an inflection point where new layoffs are largely offset by hiring and workers are being recalled to

◆ **Amazon to keep most jobs** added during pandemic..... **B1**

◆ **Joanna Stern: Rules of the** road for Twitter..... **B4**

## Beijing Passes Hong Kong Law



**Chinese President Xi Jinping votes to impose national-security laws on Hong Kong, as the measure was approved Thursday by the National People's Congress in Beijing. A6**

## It's a Tough Time To Be a Fan of Bats

Pandemic forces devotees to step up defense; 'most misunderstood of animals'

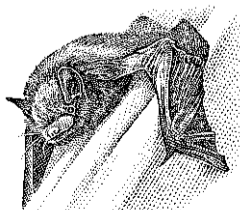
By ALISTAIR MACDONALD

Winifred Frick, the chief scientist at a bat conservation society, was picking up her son from a theater troupe in Santa Cruz, Calif., just before lockdown when a helper there asked: Why have bats done this to us?

"I set her straight," said Dr. Frick, an ecology and biology research professor at the University of California, Santa Cruz, who, among other things, pointed out that humans are the ones spreading the virus. It's not a great time to be a bat lover. Some scientists have

named bats as the origin of the coronavirus pandemic and the mammal is under suspicion across the world. Long used to countering images of sinister, bloodsucking rodents, this nocturnal animal's tightknit group of fans is now facing a tough new challenge in going to bat for bats.

Being a bat fan has always required a defensive posture. In medieval Europe, folklore painted bats as satanic, while the fictional Dracula sealed its image as a vampire. In more recent decades, bats have been accused of passing on a string of



Hang out with me

◆ **Amazon to keep most jobs** added during pandemic..... **B1**

## Inside the Swift Fall Of China's Starbucks Rival

Upstart Luckin Coffee reported furious growth in sales, but it turns out some of those were to companies with links to the chairman

By JING YANG

China's upstart Luckin Coffee Inc. grew at a blinding pace. It opened stores faster than Starbucks Corp., doubled its valuation to \$12 billion eight months after going public and pleased its big-name investors in the U.S.

Then, on April 2, Luckin said many of its sales had been faked.

The shock brought a screeching stop to the three-year-old juggernaut, sending its stock plunging 75% overnight. Since then, investigators have delved into the books, executives have lost jobs and a stock exchange has moved to delist Luckin, but no one has explained just what went on inside the onetime corporate rocket ship.

Now, some light can be shed.

It turns out that Luckin sold vouchers redeemable for tens of millions of cups of coffee to companies that had ties to Luckin's chairman and controlling shareholder, Charles Lu, according to internal documents and public records reviewed by The Wall Street Journal. Their purchases helped the company book sharply higher revenue than its coffee shops produced.

Meanwhile, other internal documents showed an employee called Lynn Liang processing more than \$140 million of payments for raw materials such as juice, delivery and human-resources services. Ms. Liang was fictitious, according to people familiar with Luckin's business.

The scale and audacity of deception, Please turn to page A9

## UPS Adds Extra Fees As E-Commerce Soars

By PAUL ZIOBRO

United Parcel Service Inc. is adding peak surcharges for companies that have been inundating its delivery network with many more packages and oversize items during the coronavirus pandemic, an unprecedented move to manage a summer flood of shipments and higher costs.

UPS typically imposes extra fees on merchants during the busy Christmas shopping season, but—for the first time in the e-commerce era—will add such surcharges starting May 31. The fees would apply to large online sellers like Amazon.com Inc. as well as traditional retailers like Target Corp. and Best Buy Co. that have shifted heavily to e-commerce as many stores have closed temporarily. Retailers will have to calculate whether to raise prices,

absorb the added cost or a combination of the two. They can also try workarounds to avoid the fee by closely monitoring the amount and sizes of packages they ship with UPS, using another carrier or nudging customers to pick up online orders in stores.

Delivery companies like FedEx Corp., UPS and the U.S. Postal Service are struggling with an unexpected increase in online shopping over the past 2½ months as consumers buy online everything from canned foods and toilet paper to office chairs and backyard pools. Digital sales at Target and Best Buy more than doubled in the most recent quarter.

The added volumes are testing the limits of these delivery networks, which have been operating seven days a week. For FedEx and UPS, residential deliveries are also less

## Trump Order Targets Social Media

President's move would roll back companies' legal immunity for policing online content

By JOHN D. MCKINNON AND REBECCA BALLHAUS

WASHINGTON—President Trump signed an executive order on Thursday seeking to limit the broad legal protection that federal law currently provides to social-media and other online platforms, a move that is expected to draw immediate court challenges.

The order seeks to make it easier for federal regulators to hold companies such as Twitter Inc. and Facebook Inc. liable if they are deemed to be unfairly curbing users' speech by, for example, suspending their accounts or deleting their posts.

Mr. Trump signed the order after Twitter on Tuesday moved for the first time to apply a fact-checking notice to tweets by the president on the subject of voter fraud.

Speaking in the Oval Office on Thursday as he prepared to sign the order, the Republican president accused Twitter of acting as an editor "with a viewpoint" and described the platform's fact-check of his tweets as "political activism." He said he would delete his Twitter account "in a heartbeat" if he felt the news media were fair to him.

"We're here today to defend free speech from one of the

◆ **Amazon to keep most jobs** added during pandemic..... **B1**

◆ **Joanna Stern: Rules of the** road for Twitter..... **B4**

## INSIDE



### MANSION

Restoring a 1936 Streamline Moderne style home in Miami Beach. **M1**



### BUSINESS NEWS

Restaurants face a new business model as they reopen after lockdown. **B3**



**Josh Gad**  
Local theater helped him deal with his parents' divorce. **M8**

# MANSION

**\$8.2 Million**  
Legendary architect Barton Myers lists SoCal home. **M2**



HOMES | MARKETS | PEOPLE | REDOS | SALES

THE WALL STREET JOURNAL.

Friday, May 29, 2020 | **M1**



Kyle Evans and Michael Chetcuti were drawn to the home's aerodynamic style of curved walls and porthole windows, above. Left, a mural covers the courtyard. Below, the home office. Bottom, the living room couches are covered with outdoor fabric.

## A Rare Find In Miami Beach

A Detroit couple looking for a vacation property found a unique 1936 single-family home in the Streamline Moderne style and spent big to complete a careful restoration



Saarinen table: \$3,000

**PURCHASE PRICE IN 2013**  
**\$1 MILLION**  
.....  
**COST OF RESTORATION**  
**\$1 MILLION**



Original print doubles as a TV cover

Couches: \$15,000

By ALINA DIZIK

**W**hen Detroit snowbirds Kyle Evans and Michael Chetcuti first saw the 1936 Streamline Moderne home in Miami Beach, they had to stretch their imaginations to envision how it must have looked when first built. The home in front of them had boarded up windows and graffiti scrawled on its classic white exterior. Remarkably, it also had an asking price of more than \$1 million. But the rare architectural style, which evolved from Art Deco and celebrated aerodynamic design, intrigued the two. They admired the home's curved walls, porthole windows and iconic eyebrows over the windows, which gave it a luxury ocean-liner feel. Though the style can be found in the nearby cluster of hotels and apartment complexes, theirs is the only Streamline Moderne single-family home in the area. For Mr. Chetcuti, the style has been an obsession from an early age. He started collecting objects from the era as a teen and has long appreciated the pared-down look that was used on everything from ships, cars and trains to toasters and lighting. "The style of architecture is the most automotive in its form," says Mr. Evans, 39, founder of a firm that does auto, industrial and interior design. They were eager to bring their aesthetic to a property that already embodied their sensibility, adds Mr. Chetcuti, 55, who co-owns seven Michigan restaurants *Please turn to page M4*

## When the Painting Matches the Drapes

Agents and designers are flocking to art that's been created or curated specifically for a room or entire home

By CHRISTINA POLETTO

**WHEN JASON SAFT**, a real-estate agent at Compass and founder of Staged to Sell Home, was called in to style a \$2.495 million apartment at 44 Gramercy Park North in Manhattan that was about to be listed, one of his first moves was to take inventory of the artwork and fill in the blanks. For the home's drab foyer, Mr. Saft commissioned the work of Chicago-based fine artist Josh Young, known for his provocative printed portraits featuring a signature hand-painted slash of color across the face. Mr. Saft, himself an artist, also created a custom piece for the foyer. In the master bedroom, Mr. Saft and his team culled artwork from around the apartment to create a new gallery *Please turn to page M6*



A custom 'statement wall' by decorative artist Caroline Lizarraga in a San Francisco Victorian.



Custom art transforms the foyer

Artwork by Josh Young, left, and a piece by Jason Saft, in a \$2.495 million NYC listing.

FROM LEFT: COLIN PRICE PHOTOGRAPHY/NOZ DESIGN; SHANNON DUPRE/ODREPS

# MANSION



Created for an East End Avenue penthouse, the painting, 'Lunette Composition' by artist James Kennedy, took four months to create and was inspired by the homeowner's love of jazz.

## The Art Of Home

Continued from page M1 of framed pictures for above the bed.

Tired of searching in vain for just the right piece to complement a room or home, real-estate agents and homeowners alike have caught the custom-art bug. Sellers are commissioning specially designed works to set the right tone in high-end listings, and owners and interior designers are hiring artists to create pieces to work with the existing décor.

Rachel Bickerton, an artist and one of Mr. Saft's Compass colleagues, is becoming well-known for custom acrylic and charcoal artworks created for staging projects throughout Manhattan. Mr. Saft asked her to create a custom piece of artwork at a \$2.75 million loft condo on East 20th Street in Manhattan. He wanted something that would bring contrast to the home's strong, linear design but harmonized with the space's minimalist color palette.

"We wanted to add some curvature and femininity to the space," said Mr. Saft. The result was a sensuous nude print that cost \$1,000. Once the space sells, Mr. Saft intends to keep the art for subsequent projects.

"Custom art can be a great tool to attract buyers

as it adds to the allure of originality and exclusivity," said Mr. Saft.

When potential buyers view multiple listings, Mr. Saft says, they often see the same generic artwork hanging in every model apartment, but "original pieces stand out in a crowded sea of sameness," he said. The practice of creating site-specific art or curated art installations is also a great way to help affluent buyers envision how they might create a private gallery space in the home.

Mara Flash Blum, an associate broker with Sotheby's International Realty, and Richard Grossman, president of Halstead Real Estate, both believe that powerful art pieces can successfully boost a home's value.

"Art by a well-known artist can also lend a cachet to the property, which is particularly important in higher-end listings," said Mr. Grossman. Both Ms. Blum and Mr. Grossman have worked directly with artists and galleries for staging and open-house art tours. "Walking into a home with high ceilings and a 9-foot high Christopher Wool painting in the foyer is very dramatic—and it certainly says someone successful lives here. That statement resonates with high-end buyers," said Mr. Grossman.

Leonard Steinberg, a broker with Compass in New York City, said that showcasing art is an important real-estate marketing tool in general. Mr. Steinberg is selling

a \$10 million, three-bedroom condo at 100 East 53rd Street that has been staged using pieces by Andy Warhol, Cy Twombly and John Chamberlain from real-estate investor Aby Rosen's private collection. Art from New York-based Yossi Milo Gallery adorns the walls in a 2,015-square-foot condo located at 152 Elizabeth Street in Manhattan, on the market for \$5.985 million, also a Compass listing.

Art-curation firms, like Creative Art Partners out of Los Angeles, have also found a lucrative niche in the luxury real-estate market by leasing customized fine-art collections to residential developments, luxury high-rise projects, individual CEOs for their offices, and homeowners.

Brian Ludlow, president and founder of CAP, says that since launching in 2017, the company has doubled its revenue each year. Commercial and luxury high-rise projects currently have a year-long lead time. It now operates in multiple cities including New York and San Francisco. Last fall, CAP curated and leased \$1 million of fine art staged in a Beverly Hills listing that sold for \$70 million. The new owners also purchased the art, said Mr. Ludlow.

"Our goal is to always curate a collection that the new homeowners couldn't imagine living without," said Mr. Ludlow. "Yet we're always pleasantly surprised when one of our art collections sells with a home because

## LISTINGS

These properties are designed for showcasing an owner's art collection



**\$4.225 million**

**Dallas**  
3 bed, 3½ bath, 3,838 sq. ft.

This new-build in the HALL Arts Residences features floor-to-ceiling windows, and a bird's-eye view of Dallas and its arts district. The residence features a Bulthaup kitchen system and Gaggenau appliances as well as a private terrace and onsite valet and concierge services. Private wine storage and a lap pool are available in the complex.  
Agent: Kyle Richards, Sotheby's International Realty



**\$21.9 million**

**Jupiter, Fla.**  
7 bed, 9 bath, 23,029 sq. ft.

This Palladian-inspired estate features high ceilings and custom moldings that frame the interior spaces. A master suite has a dressing room, safe room and dedicated art gallery hall. A nearby Jack Nicklaus golf course is visible from the property.  
Agent: Todd Peter, Sotheby's International Realty

**\$10.75 million**

**Los Angeles**  
5 bed, 7 bath, 6,533 sq. ft.

This hillside estate features 11-foot ceilings and walnut-paneled walls with art staged by Creative Art Partners. The great room features a leathered Basaltina fireplace, and has a modern kitchen with Miele appliances. There is an outdoor seating, barbecue area and a 45-foot pool.  
Agent: Isidora and Tomer Fridman, Compass.



**\$9.95 million**

**New York City**  
12 room, 3 bath, 6,594 sq. ft.

Steps away from the Frick Museum and Central Park, this pre-war property features two gallery spaces, each measuring 21 by 22 feet, connected by a marble spiral staircase. There is a library room with fireplace and a private garden. The 12 rooms are spread out over nearly 7,000 square feet.  
Agent: Marci Merzer, Halstead.



Commissioned pieces by Ellen Catanzaro, like this sunflower painting, take up to six weeks.

CLOCKWISE FROM TOP: JOSHUA MICHUGH; HALL ARTS RESIDENCES (RENDERING); BRANTLEY PHOTOGRAPHY/SOtheby's INTERNATIONAL REALTY; CREATIVE ART PARTNERS; HALSTEAD REAL ESTATE (RENDERING); ELLEN CATANZARO

# MANSION

art is incredibly subjective and so is its curation.”

For design professionals, custom-made art is a great way to get a piece that reflects not only a home but the owner as well. For one Manhattan East End Avenue penthouse, New York City interior designer Amy Lau hired artist James Kennedy to create a custom abstract oil painting for a client’s formal living area.

Mr. Kennedy took style cues from the textured fabrics, rugs and other design elements within Ms. Lau’s Brutalist-inspired design scheme, which includes a Paul Evans-style lamp and the pair of custom bronze coffee tables by Silas Seandel. The dynamic cityscape outside led Mr. Kennedy to christen the 75½-by-65-inch piece “Lunette Composition,” a nod to the French word for window. Mr. Kennedy’s piece—the interplay of clean lines and spatial objects—drew on the client’s affinity for jazz music.

“Architecture is often described as frozen music, and music as liquid architecture, and in the final stages of the commission [the owners] input was certainly an informative voice in my head,” said Mr. Kennedy, who constructed the piece in three months for \$22,000.

Ellen Catanzaro, a painter and textile designer out of Chadds Ford, Pa., spends up to six weeks creating commissioned pieces, which are priced from \$2,500 to \$4,500. Some of her designs have evolved into a line of textiles, wallpapers and pillows.

Mrs. Catanzaro begins by meeting the client at their home. “I get to know them, their home and their style. Then I tell them to erase any expectations, because I’m not even sure how it will look! And it has worked.”

Despite uncertainty, the approach works for clients who seek stronger connections to their belongings. “People love to have art that reminds them of a place they love, or has meaning to them.” Currently, Mrs. Catanzaro is doing virtual house calls.

For one client’s home renovation project in Mountain Brook, Ala., a suburb of Birmingham, designer Dana Wolter decided to update existing art from the home’s

entryway for display in the husband’s newly refurbished lounge.

“It is a place to call his own where he can relax, watch football, and drink a little bourbon with friends,” said Ms. Wolter, who outfitted the space with dark, moody walls, textured gray sheer drapes and a modern-day bar.

The painting, created by Birmingham artist Maggie Grier, was purchased for the home’s entryway in 2016, and originally exhibited more vivid hues. Ms. Wolter and the client felt it would integrate seamlessly in the new lounge, so long as the colors could be tweaked to complement the darker, masculine environment.

Ms. Grier toned down the piece’s turquoise accents and added gray, which took about four weeks to complete. “I didn’t dras-

tically alter it, more like I continued it,” said Ms. Grier. She said it is the only piece she’s updated and that “changing it to look best in its new location made sense.” Her noncommissioned paintings cost around \$8,000.

San Francisco designer Nozawa took on a project in a 19th-century Pacific Heights Victorian in November that had a 14-foot-by-12-foot front parlor space with dated buttercream yellow walls and hefty furniture. The assignment: design an atmosphere in which its owners could read and relax or share a cocktail hour with friends. It also needed an injection of art, badly.

Ms. Nozawa hired local decorative artist Caroline Lizarraga to create custom “statement” walls for the space. “We kept the glaze

darker around the perimeter and as we get closer to the middle we keep it lighter and to give a more dramatic effect,” said Ms. Lizarraga, who charged \$25 a square foot for the custom application. It was accentuated by a necklace of brass resin drips descending from the top of the 9-foot-high walls. “The brass resin has to be done quickly, so you only have a few minutes to get it on the wall,” she said.

According to Ms. Nozawa, the hue aligned with the turquoises and teals in the client’s rug and new sofa. The burnished wash application also resembles the warm wood of the client’s Tansu chest.

Ms. Lizarraga said she frequently works with a project’s architect, designer, homeowner, or restaurant owner early in the de-

sign process. “As they start picking fabrics or tiles, then we are asked to design a finish that works with all the elements. That way it really brings the room together. Each client then gets something unique that they won’t find anywhere else,” said Ms. Lizarraga.

For Mr. Saft, the agent who stages homes through his company in New York, custom art done specifically for a home or home buyer offers the most intimate connection to the work.

“When selecting art for a design project, I consider the location of the home, the home’s age and history, and who the audience is buying the home,” Mr. Saft said. “The interesting thing about creating site-specific pieces is the inspiration that home gives you.”



For a lounge in a Mountain Brook, Ala., home, designer Dana Wolter asked Maggie Grier to rework one of her paintings that hung in the home’s foyer.

GRAHAM YELTON

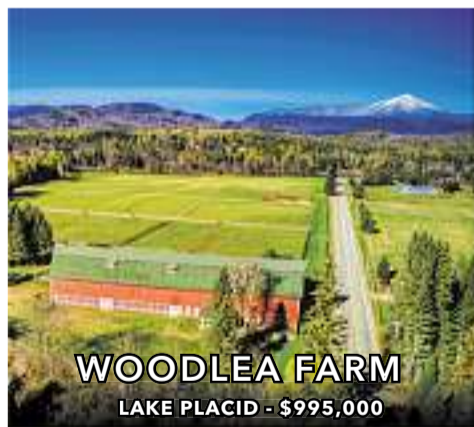
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### BUSINESS

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