

Outlet: Wall Street Journal

Circulation: 2,378,827

Date: May 20, 2013

Impressions: 9,515,308

Page: A22



JOURNAL REPORT ON RETIREMENT

The Midlife Epiphany

MARKETPLACE Law School for Nonlawyers

THE WALL STREET

DOW JONES
A NEWS CORPORATION COMPANY

MONDAY, MAY 20, 2013 - VOL. CCLXI NO. 117

WSJ.com

★★★★ \$2.00

Last week: DJIA 15354.40 ▲ 235.91 1.6% NASDAQ 3498.97 ▲ 1.8% NIKKEI 15138.12 ▲ 3.6% STOXX600 308.72 ▲ 1.2% 10-YR. TREASURY ▼ 14/32, yield 1.949% OIL \$96.02 ▼ \$0.02 EURO \$1.2837 YEN 103.23

What's News -

Business & Finance

U.S. prosecutors are considering possible criminal charges against SAC Capital as a result of the government's insider-trading investigation of the hedge-fund firm. **C1**

■ **Yahoo agreed to pay \$1.1 billion** for blogging site Tumblr, a six-year-old company with more than 100 million users but little revenue. **A1**

■ **Employers are recognizing** they may be able to avoid certain penalties under the federal health law by offering very limited plans. **A1**

■ **Chesapeake Energy** picked Robert Douglas Lawler, a senior vice president at rival Anadarko, to succeed Aubrey McClendon as its CEO. **E1**

■ **Prices of many commodities** are down this year, but U.S. crude-oil futures have rallied, a mismatch skeptics say is a sign of trouble. **C1**

■ **The FTC will allow Tesoro Corp.** to buy a BP PLC refinery in Southern California. **B4**

■ **Microsoft on Tuesday** will unveil its new Xbox, the product of an odyssey to figure out how to keep the console cool in the age of smartphones. **E1**

■ **Surging credit** has kept China's real estate sector humming despite a renewed government attempt to bring prices under control. **A8**

■ **New York's top financial regulator** subpoenaed Wall Street firms as part of a probe into investments that back so-called fixed annuities. **C1**

■ **Are 787 Dreamliner flights**

World-Wide

■ **A White House lawyer** was told of an audit of the IRS. The counsel's office learned in the week of April 22 that a report would show IRS employees inappropriately targeted conservative groups. Obama said last week that he learned of the controversy on May 10, when an IRS official revealed it. **A1**

■ **Republicans are expected to zero in on who in the administration's senior ranks** knew about the IRS's targeting.

■ **Syrian regime forces** backed by Hezbollah launched a sweeping operation to capture a rebel stronghold near the Lebanese border. **A10**

■ **A Pakistani politician** was shot outside her home, a killing that scared many voters away from a rerun election that followed allegations of fraud. **A9**

■ **A lawyer withdrew a case** against Musharraf, possibly leading to a deal to let the ex-president leave Pakistan. **A9**

■ **North Korea fired a short-range missile** into the sea following three launches Saturday, again stirring tensions. **A9**

■ **Tunisian police and soldiers** blocked a radical Islamist conference, prompting clashes that resulted in one death. **A10**

■ **Canadian leader Harper's top aide** quit following news he gave money to a lawmaker to repay housing expenses. **A10**

■ **A Spokane, Wash., apartment** was searched in a probe of ricin-laced mail addressed to a judge and the post office. **A6**

Yahoo Deal Shows Power Shift

Tumblr Commands \$1.1 Billion Price as Web Giants Circle Fast-Growing Startups

Yahoo Inc. has agreed to pay \$1.1 billion for Tumblr, a six-year-old company with more than 100 million users but very little revenue, a deal that highlights the shifting balance of power in the technology business.

Veterans like Yahoo have shown they have staying power—and they have cash to spend. But companies like Yahoo's target, a blogging site, have something valuable as well: the rapt attention of fast-grow-

By Joann S. Lublin, Amir Efrati and Spencer E. Ante

ing communities of users. That has pushed up the price tags as more established companies fear getting left behind as people's online habits evolve.

Yahoo's board has approved the all-cash deal to buy Tumblr, people familiar with the matter said Sunday. Tumblr's board also has approved the deal, one of the

people said. A deal could be announced as soon as Monday, the person said.

Spokeswomen for Yahoo and Tumblr didn't respond to a request for comment.

The transaction would add Yahoo to the list of established Internet companies, including Google Inc. and Facebook Inc., that have spent \$1 billion or more apiece to buy startup companies in hopes of gaining an edge in growth. Facebook, for instance, last year paid cash and

stock initially valued at about \$1 billion in stock seven years ago for YouTube, the online-video behemoth. In a smaller deal, in dollar terms, but one that reflects the appetite among old-line Internet companies for fresh blood, AOL bought Huffington

Google famously paid \$1.65 billion in stock seven years ago for YouTube, the online-video behemoth. In a smaller deal, in dollar terms, but one that reflects the appetite among old-line Internet companies for fresh blood, AOL bought Huffington

Please turn to the next page
◆ Heard on the Street C6

Rebel Stronghold Under Siege in Syria



IN RUINS: Government airstrikes reduced parts of Qusayr to rubble, in a Saturday image provided by Qusayr Lens and authenticated by the Associated Press. Government forces backed by Hezbollah launched an operation Sunday. **A10**

Obama's Counsel Told of IRS Audit Findings

By Peter Nicholas

The White House's chief lawyer learned weeks ago that an audit of the Internal Revenue Service likely would show that agency employees inappropriately targeted conservative groups, a senior White House official said Sunday.

That disclosure has prompted a debate over whether the president should have been notified at that time.

In the week of April 22, the Office of the White House Counsel and its head, Kathryn Ruemmler, were told by Treasury De-

Outlet: Wall Street Journal

Circulation: 2,378,827

Date: May 20, 2013

Impressions: 9,515,308

Page: A22

COMMERCIAL PROPERTY A22 | HEARD & SCENE A23 | ARTS & ENTERTAINMENT A24 | SPORTS A25, A26



GREATER NEW YORK

Hitting a Wall
Season of Unfulfilled Promise **SPORTS A25**

Cull & Pistol Boils Over
LUNCHBOX A20

WSJ.com/NY THE WALL STREET JOURNAL. Monday, May 20, 2013 | A19

WHAT'S THE DEAL

South Bronx Profits

The nonprofit South Bronx Overall Economic Development Corp. has taken advantage of the retail revival in the borough to sell most of a building near Yankee Stadium to City Jeans for a big profit.

City Jeans, a clothing and shoe retailer whose ads can be seen on buses in the city, paid \$5.5 million for most of the 13,000-square-foot building at 1 E. 170th St. at Jerome Avenue. The nonprofit organization paid \$150,000 for the property in 1989.

The South Bronx "is thriving in terms of business," says Phillip Morrow, president of the organization. "There are no empty houses, there are no empty stores. It's a very busy area."

City Jeans had been renting roughly 2,500 square feet in the building, which also includes tenants Todo Barato, a discount store, and Sam's Deli, according to Mr. Morrow. City Jeans purchased the entire structure except for a small space that had been sold to another tenant a few years ago, he said. Executives with City Jeans declined to comment.

The nonprofit group's mission is to buy old buildings and get them occupied again, Mr. Morrow says. The East 170th Street property



Above, the exterior of the Watermark Bar at Pier 15, which is expected to open before Memorial Day after delays. Below, the bar area.



Andrew Kelly for The Wall Street Journal (2)

"turned into an income generator for us, so we held it since then," Mr. Morrow says. "A lot of those tenants have been there long term."

Rents in the building, he says, range from \$40 a square foot to \$60 a square foot.

Anjali Athavaley

Take That, Sandy

Downtown Manhattan's retail properties have been the slowest to recover from superstorm Sandy, but lately the sector has been seeing more improvement.

Retail spaces were hit harder than office and residential spaces partly because they were more exposed to the flood caused by Sandy, according to a report by the Downtown Alliance. But 971 out of 1,082 retailers in the area were open four months after the storm.

And more retailers are opening all the time. The latest is the Watermark Bar at Pier 15, which is expected to open before Memorial Day. The opening of bar, originally scheduled in November, was delayed for months because of Sandy.

A venture of Lure Group and Merchants Hospitality spent about \$300,000 out of on repairs, which included redoing the walls and mold remediation, says Telly Hatzigeorgiou, a partner at Lure Group, which operates bars and restaurants in the city.

The Lure Group and Merchants also plan to open a 3,000-square-foot beer hall called Clinton Hall at 90 Washington St.

"We decided to do it very upscale," says Mr. Hatzigeorgiou. "Downtown is becoming hipper and hipper by the minute."

Anjali Athavaley

Stribling Targets Brooklyn

Stribling & Associates, a real-estate brokerage that specializes in luxury residential properties, has chosen an unusual location for its first Brooklyn office.

Most upscale brokerages that are expanding in Brooklyn have been focusing on neighborhoods like Brooklyn Heights, Park Slope and Williamsburg, where condo and townhouse prices have been skyrocketing.

But Stribling has opened in a former furniture store located at 384 Atlantic Ave. at Hoyt Street in Boerum Hill.

"We felt that Atlantic Avenue really is the gateway to Brooklyn," says President Elizabeth Ann Stribling-Kivlan, president of the firm and daughter of its founder. "It was a great location because it wasn't just Park Slope or Williamsburg, it's really a place to service all of Brooklyn."

Stribling's new Brooklyn office was designed by Brockschmidt & Coleman, a New York luxury residential design firm. "It's a late 1970s storefront, that is kind of a quirky building in this neighborhood," says Courtney Coleman, the owner of the firm.

Other brokerage firms like Corcoran Group and Douglas Elliman have established Brooklyn offices. "Many other companies opened in Brooklyn years ago, but for us, this is the perfect time," Ms. Stribling-Kivlan says. "It's not uncommon now to hear people say, 'We're looking at Park Slope and the Upper East Side.'"

Carmel Melouney