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DJIA 17929.99 ▲ 235.31 1.3% NASDAQ 4842.67 ▲ 1.3% STOXX 600 329.88 ▲ 1.0% 10-YR. TREAS. ▼ 5/32, yield 1.492% OIL \$48.33 ▼ \$1.55 GOLD \$1,318.40 ▼ \$5.50 EURO \$1.1108 YEN 103.20

What's News

Business & Finance

Mondelez offered roughly \$23 billion to buy Hershey and create the world's largest candy maker. Hershey rejected the bid. **A1**

◆ **Auto-safety regulators** are investigating what is believed to be the first fatal crash involving a Tesla car that was driving itself. **A1**

◆ **Nearly half of Williams's directors** quit after they failed to oust the CEO following a collapsed deal with Energy Transfer. **B1**

◆ **Deutsche Bank was dealt** another blow as the IMF said it appears to be the top contributor to systemic risks. **C1**

◆ **Apple is in talks** on a deal to acquire Tidal, a streaming-music service run by rap mogul Jay Z. **B1**

◆ **U.S. stocks rallied** to end the first half. The Dow climbed 235.31 to 17929.99, up 2.9% for the year. **C1**

◆ **A court threw out** a \$7.25 billion settlement between Visa and MasterCard and millions of retailers. **C1**

◆ **Zenefits struck** a deal with some investors to cut the health-benefits broker's valuation by over half. **B1**

◆ **The FHA is changing** a program that sells distressed mortgages, aiming to keep borrowers in their homes. **A2**

◆ **A jury said Oracle** should pay Hewlett Packard Enterprise \$3 billion in damages in a case over Itanium servers. **B3**

World-Wide

◆ **Britain's political tumult** grew as Justice Secretary Michael Gove entered the race to become prime minister, withdrawing his support for Conservative colleague and Brexit ally Boris Johnson, who bowed out. **A1, A7**

◆ **Turkey identified** the Istanbul airport bombers as citizens of Uzbekistan, Kyrgyzstan and a Muslim region of Russia, as police detained 13 suspected accomplices. **A6**

◆ **The attack spotlights** a new security threat from former Soviet republics that have become a recruiting pipeline for Islamic State. **A6**

◆ **The FBI considered** an alert system on multiple gun purchases seven years ago but scrapped the idea. **A3**

◆ **The Pentagon lifted** a ban on transgender service members, in a cultural shift for the U.S. military. **A3**

◆ **Washington asked** Moscow to force Assad's regime to ground its air force, a move that could increase U.S.-Russian cooperation on Syria. **A6**

◆ **A private visit** between Bill Clinton and Attorney General Lynch has touched off bipartisan criticism. **A4**

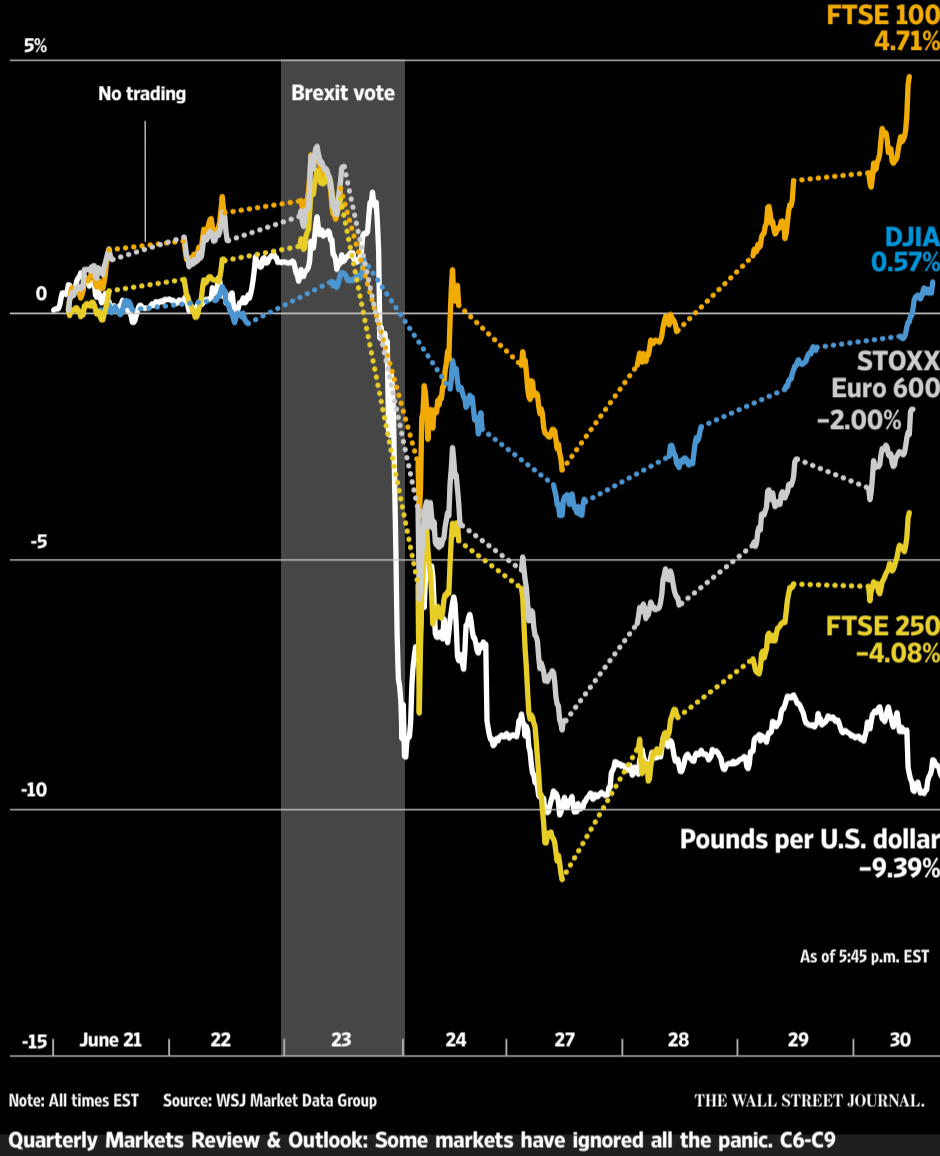
◆ **Brazil replaced** its anti-doping chief, adding to the woes that have bedeviled Rio's Olympic organizers. **A12**

◆ **Myanmar was named** by the U.S. as one of the worst human-trafficking offenders. **A12**

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Stocks Recover Brexit Losses, Pound Takes Hit

Despite dramatic declines shortly after the surprise vote by Britons to leave the EU, some stock markets are now trading above their levels before the referendum. Still, the British pound continues to slide as investors anticipate lower interest rates.



British Political Drama Turns Ally Against Ally

By JENNY GROSS AND NICHOLAS WINNING

LONDON—Late Wednesday, Boris Johnson and Michael Gove, who teamed up to win the campaign for Britain to leave the European Union, had their arms around each other, celebrating their victory at a Conservative Party fundraiser at the Hurlingham Club, a members-only hangout in West London.

Mr. Johnson, London's former mayor, was hours away from formally entering the

race to become the country's next prime minister, with Mr. Gove, the current justice secretary, as his co-chair.

But the next morning—in a tumultuous turnabout—it was Mr. Gove who threw his hat in the ring, blindsiding Mr. Johnson.

Mr. Gove, who had long insisted he didn't want, and wasn't equipped for, the job, said he felt he had no choice. He said he had lost confidence in Mr. Johnson's ability to lead the U.K. through its separation from the EU.

The remarkable series of events—played out in a matter of hours—threw the leadership of Britain into even further uncertainty. Prime Minister David Cameron, who had led the campaign for Britain to remain in the EU, will step down within months. The opposition Labour Party is also in turmoil. While markets have largely recovered their losses since last week's vote, the pound is

◆ **Central-bank chief expects rate cut, slowdown**..... A7

Buying Groceries in Brooklyn? You Might Need a Lawyer

Co-op holds trial for members deemed 'uncooperative,' the SodaStream Four

By CORINNE RAMEY

Brooklyn may have the only grocery store in the country that puts its customers on trial.

The Park Slope Food Coop, founded in 1973, is a neighborhood institution known for its deadly serious dedication to organic produce and egalitarian values. Its 17,000 members are required to work 2½ hours every four weeks in exchange for crunchy camaraderie and discounted groceries.

Over the years, the store has weathered its share of publicity for fighting over topics like the ethics of tuna harvesting. Recently, when one such dispute about Middle Eastern politics spiraled out of control, four members found themselves facing judgment before a jury of their peers, accused of being, well, uncooperative.

The co-op's parallel criminal-justice system has its own peculiar lingo. Juries, dubbed "hearing and deciding groups," are selected at random from the co-op membership. Members of a disciplinary committee build cases, which are presented by the "co-op advocate," effectively a lead prosecutor. Judges are known as "hearing officers," and the judicial process is overseen by a "hearing administration committee."

Members caught in the crosshairs are given a choice: an arbitration, in essence a bench trial, or judgment by a jury of their peers. A writer from the Linewaiters' Gazette, the co-op newspaper, serves as court reporter.

Such proceedings carry the mild title of "hearings." Rhudi Andreolli, who stood accused in April of "extremely uncooperative." Please see CO-OP page A8



Kale

Sweets Rival Launches Bid For Hershey

Candy maker rebuffs \$23 billion offer by Mondelez

Mondelez International Inc. made a roughly \$23 billion bid for Hershey Co. in an effort to create the world's largest candy maker at a time when both companies' sales are under pressure.

By Liz Hoffman, Dana Mattioli and Dana Cimilluca

Mondelez, which makes Oreo cookies and Cadbury chocolate bars, recently sent a letter to Hershey proposing a tie-up at \$107 a share, half in cash and half in stock. Hershey's board unanimously rejected the bid Thursday and said it "provided no basis for further discussion."

Still, Hershey shares surged 17% to \$113.49 on news of the offer—first reported by The Wall Street Journal—remaining elevated even after the

company rejected the bid, in an indication investors believe Mondelez won't be discouraged. Mondelez shares gained 6% to \$45.51, giving the snack giant a market value of more than \$70 billion.

A takeover of Hershey, known for its namesake Kisses and chocolate bars, would face obstacles. Any deal would require the approval of the Hershey Trust, which holds 8.4% of its common stock and 81% of its voting power and has opposed a sale in the past.

A spokesman for the trust, whose board includes three Hershey directors, declined to comment.

In preparing its bid, which

◆ **Trust exerts pivotal sway over Hershey**..... A12
◆ **Heard on the Street: A case of eat or be eaten**..... C12

Death Spurs Probe Of Drive-Itself Tesla

By MIKE SPECTOR AND IANTHE JEANNE DUGAN

U.S. auto-safety regulators are investigating what is believed to be the first fatal crash involving a Tesla Motors Inc. car that was driving itself, an incident that is likely to ratchet up scrutiny of a technology that has been evolving with little oversight.

Joshua Brown, a 40-year-old Ohio owner of a Tesla Model S, died when his electric car drove under the trailer of an 18-wheel truck on a highway in Williston, Fla., according to regulators and a Florida Highway Patrol report. Mr. Brown had earlier in the year recorded a video of his car's autopilot avoiding a crash and posted it on YouTube.

Details of Mr. Brown's death

are the subject of an inquiry the National Highway Traffic Safety Administration disclosed on Thursday, and highlight a complex set of safety concerns emerging as companies from Tesla, to General Motors Co. and Alphabet Inc.'s Google race to introduce driverless-vehicle technologies.

Autonomous vehicles are an uncertain frontier for regulators and insurers who have for more than a century set rules based on the behavior of human motorists. These technologies, involving sophisticated sensors, computer software and cameras guide vehicles and can dictate speed and braking without driver intervention. They hold the promise of safer motoring, but they also raise questions about lia-

Please see TESLA page A2



Apple, Jay Z's Tidal in Talks

NEW MELODY: Apple Inc. is in exploratory talks to acquire Tidal, a streaming-music service run by rap mogul Jay Z. The move would bolster the Apple Music service with Tidal's strong ties to popular artists such as Kanye West and Madonna. **B1**

ATTACK CASTS DOUBT ON 'DERADICALIZATION'

German program to counsel budding terrorists fails to halt a bombing

By RUTH BENDER

GELSENKIRCHEN, Germany—Werner Gallmeister, a high-school headmaster here, called the police in January with a worrying message. A 16-year-old student known for his Islamist sympathies had been showing off a smartphone video of an explosive device.

Police already knew the teen. He had been interrogated and suspended from one school after threatening to "break the neck" of a Jewish student. Police in 2015 searched his home. And he was enrolled in a government-sponsored program designed to prevent radical youngsters turning to violence.

Soon after the smartphone stunt, Mr.

Gallmeister reported to police that his pupil's behavior seemed to calm. He was wrong.

Three months later, the teenager, whom German officials and police identify as Yusuf T., allegedly threw a bomb at a Sikh temple in the nearby city of Essen as a wedding was drawing to a close. The Wall Street Journal isn't using his full name in accordance with German custom. In the attack, three people were injured, one seriously.

Despite the warning signs, "we didn't think he was capable" of such an act, said Mr. Gallmeister. The headmaster had at-

Please see ATTACK page A8
◆ **Bombers hailed from former Soviet regions**... A6



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