

Your Daily Dose of Financial News

On Wednesday, Wells Fargo revealed that it reached a settlement with the DOJ after months of negotiating that will see the bank pay \$2.09 billion to resolve allegations over its sales of toxic mortgage-backed securities in the months and years before the 2008 financial crisis. Wells did not admit liability as part of the deal – WSJ and Bloomberg and MarketWatch and Law360

Activist investor Carl Icahn has built a “sizable stake” in health insurer Cigna Corp. and reportedly plan on voting against the company’s \$54 billion purchase of Express Scripts. According to the Journal, Icahn “believes the company is paying too high a price for the pharmacy-benefit manager” – WSJ and Bloomberg

The White House is threatening to push tariffs on \$200 billion worth of Chinese goods from 10% to 25% as a means of prodding China back to the negotiating table. Trade talks between China and the US have been stalled for months – NYTimes and WSJ and Bloomberg

The SEC and CFTC opened probes back in February (just coming to light now) into the Options Clearing Corp.–the company “tasked with curbing risk in the US options market”–over its handling of “a recent period of market turbulence.” Among other concerns is the company’s “failure to accurately forecast” the amount of cash needed to cover trading losses caused by a surge in volatility – WSJ

Ford is looking for buyers for its South American unit and has made overtures to Fiat Chrysler and Volkswagen already. Ford “hasn’t shown a pretax profit in South America since 2012 and has lost \$4.2 billion in the market since then” – Bloomberg

NJ Federal Judge Michael Shipp has refused to dismiss RICO claims against Valeant, its execs, and its outside auditor in “three separate lawsuits alleging Valeant inflated its stock price through unsavory and deceptive business practices” – Law360

As forecast by nearly all Fed watchers, the FOMC held rates steady on Wednesday and offered an “upbeat assessment of the economy’s performance” that all but guarantees a rate hike next month – WSJ and Bloomberg and MarketWatch

First, the good news for Tesla: it's burning through less cash than it has in the past. The bad news? Well, for starters, it lost \$743 million in Q2, and profit remains elusive. Still, increased Model 3 production numbers helped boost Tesla stock in after-hours trading on Wednesday – NYTimes and WSJ and Bloomberg and MarketWatch

Glossy mag giant Conde Nast is putting 3 of its magazines up for sale and downsizing its WTC office space after the company lost \$120 million last year – NYTimes

The Library of Congress is unveiling its digitized collection of more than 24k documents detailing the life and work of America's first and most famous landscape architect, Frederick Law Olmstead – Smithsonian Magazine

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