

TECHNOLOGY

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Macquarie to Invest in Data Centers

Deal with Applied Digital follows investor interest in businesses tied to AI

By ASA FITCH AND MIRIAM GOTTFRIED

Macquarie will invest up to \$5 billion in data centers being built by artificial-intelligence infrastructure company Applied Digital, adding to the Australian bank's substantial AI-related investments. Macquarie's asset-management arm agreed to invest up

to \$900 million in a data-center campus that Applied Digital is developing in North Dakota. Macquarie also has a right of first refusal to invest an additional \$4.1 billion in future Applied Digital data centers for 30 months, aligning with the company's expansion plans. The investment will come in the form of preferred equity. As part of the deal, Macquarie will get a 15% stake in Applied Digital's high-performance computing business, with Applied Digital retaining the remaining 85%. Applied Digital's origins

were in cryptocurrency mining and, like others in that field, it has pivoted to supplying computing power to the artificial-intelligence boom. The company started as Applied Blockchain before changing its name in 2022. The Nadsaq-listed company's stock has risen more than 40% in the past year amid the AI surge. The new funding will be used to repay debt Applied Digital took on to build the facilities in North Dakota and will allow it to recover more than \$300 million of its equity investment in them, the com-

pany said. Wes Cummins, Applied Digital's chief executive, said the deal also provides a significant amount of the equity needed to build data centers that require enormous amounts of power—more than two gigawatts. AI chips and the infrastructure that supports them are expensive and power-hungry, throwing up major financing challenges for companies that want to participate in the boom. Investors have piled money into AI in the past couple of years, helping vault AI-chip

giant Nvidia into the ranks of the world's most valuable companies. Firms such as Blackstone have found ways to play the AI boom by investing in companies that serve the broader ecosystem, including providers of data storage and companies that lease out access to AI chips. Macquarie led an asset-backed financing vehicle last year for Lambda, another AI-computing infrastructure company. It has also made large investments directly in data centers around the world.

Ashford Settles SEC Allegations Following Cyberattack

By JAMES RUNDLE

Asset manager Ashford agreed to settle Securities and Exchange Commission charges that it made misleading disclosures about a cyberattack, as the U.S. regulator wrapped up one of its last cyber-related cases before Chair Gary Gensler steps down next week. The SEC alleged that Ashford, a Dallas-based company that provides asset-management services primarily to the hospitality industry, failed to adequately disclose that hackers who breached its servers in 2023 had gained access to sensitive information about 46,000 people. This included photographs of identity cards used to check into hotels, the last four digits of some credit-card numbers, bank-account numbers and vehicle registration information. Ashford was the victim of a ransomware attack on or around Sept. 20, 2023, that affected at least 22 hotels in its network and locked critical services such as key-management systems, the SEC's complaint said. Ashford received a decryptor five days later along with promises from the hackers to destroy the 12 terabytes of data they had stolen, according to the complaint. Ashford didn't respond to a request for comment. It agreed to settle the charges without admitting or denying the allegations. The company agreed to pay a civil penalty of \$115,231. "Ashford knew or should have known it was likely that customer information was contained within the 12 terabytes of data exfiltrated by the threat actor," the SEC said in its complaint.

China's Hytera Pleads Guilty to U.S. Charge

By RICHARD VANDERFORD

Hytera Communications, a Chinese telecommunications company, has pleaded guilty to a U.S. conspiracy charge connected to the theft of walkie-talkie-related trade secrets from Chicago-based Motorola Solutions. Hytera entered a guilty plea in federal court in Chicago to a single count of conspiracy to steal trade secrets, U.S. Justice Department prosecutors said on Tuesday. The company faces up to \$60 million in fines, prosecutors said. Motorola said it continues to pursue collection of more than \$471 million it won in a related civil case against Hytera. The U.S. Court of Appeals for the Seventh Circuit last year upheld Motorola's allegations in the case, saying Hytera had engaged in a "large and blatant theft of trade secrets" in an effort to try to catch up with Motorola's technological advantage. "Hytera's admission of guilt in federal court validates the extensive evidence that it is a bad actor and felon, and we remain firmly resolute to



The telecom faced a conspiracy charge tied to the theft of walkie talkie-related trade secrets.

holding Hytera accountable for its egregious illegal conduct," said Motorola Solutions Chief Executive Greg Brown. Hytera didn't respond to a request for comment. Prosecutors have spent years pursuing a sprawling case against Hytera, a Shenzhen, China-based maker of two-way radios and networking systems.

In 2022, they unveiled a 21-count indictment, alleging that Hytera hatched a deliberate scheme to recruit Motorola employees and have them steal proprietary information. A trial had been scheduled to begin in February. Some employees while still working at Motorola accessed trade secret information, sending emails describing

their intentions, prosecutors said. Hytera's plea deal allows it to admit guilt to a single conspiracy count related to the theft of source code related to digital walkie-talkies. The agreement also caps the maximum penalty at \$60 million. Hytera is expected to be sentenced in November. Prosecutors said Hytera

Who's Who of Distinguished Leaders: 2025 Honorees

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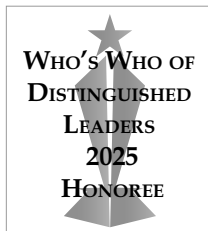
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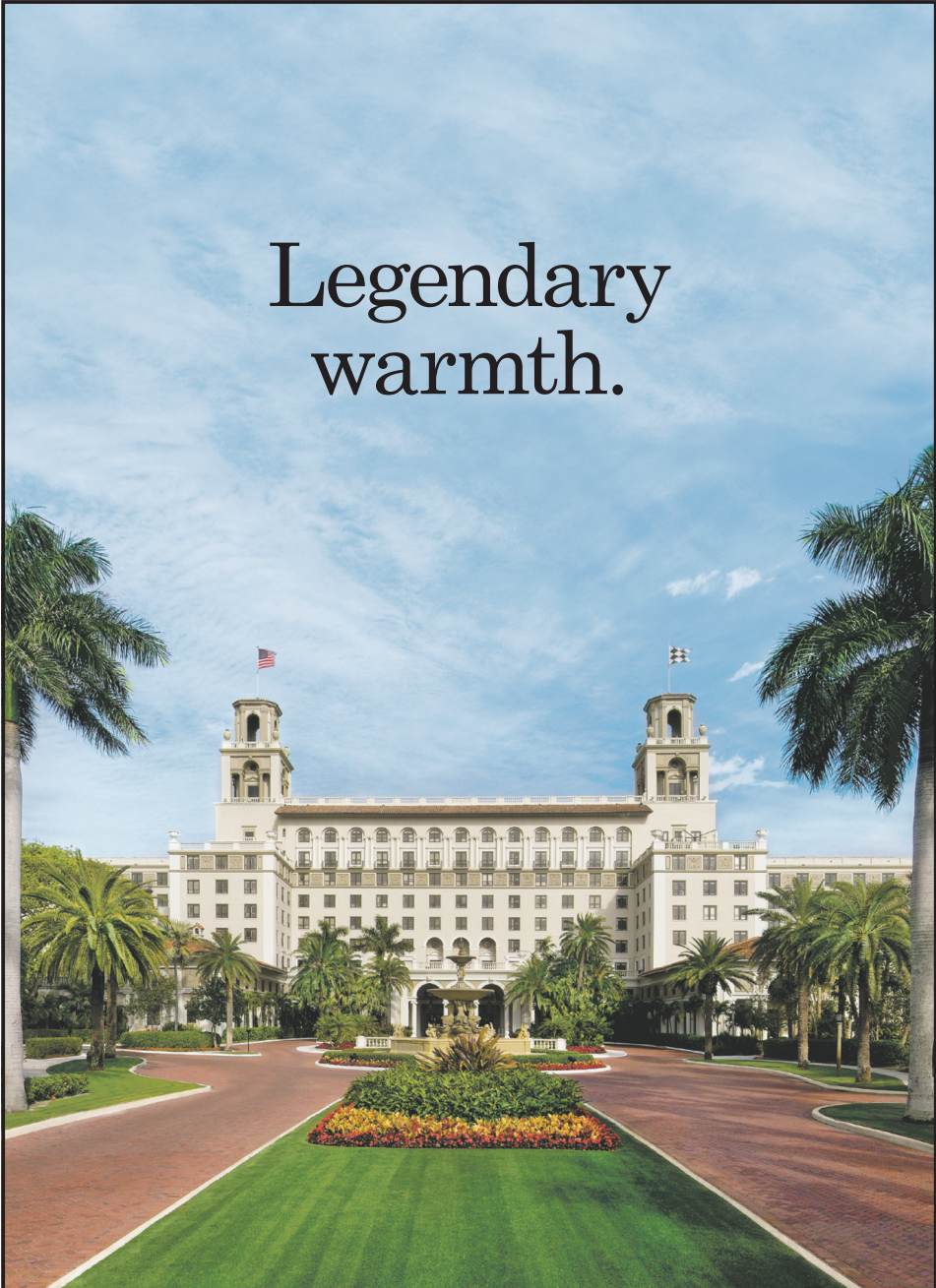


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