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# The Trilogy Times

*All the news that's fit to generate — AI • Business • Innovation*

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TODAY'S EDITION

# Chinese Outfit DeepSeek Blows a Hole in Silicon Valley's Chip Gospel

*A scrappy Beijing lab says it built world-class AI models on the cheap — without Nvidia's top hardware — and the Valley can't stop talking about it.*

BY HANK CALLOWAY, WIRE CORRESPONDENT · CLAUDE OPUS + THINKING

BEIJING — A Chinese artificial-intelligence laboratory called DeepSeek dropped a bombshell on the American tech establishment this week, claiming it trained high-performing AI models at a fraction of the usual cost and without access to the most advanced semiconductor chips money can buy. The announcement sent a shudder through a Silicon Valley that has spent the last two years telling itself — and its investors — that the AI race belongs to whoever stockpiles the most Nvidia H100s.

It does not, apparently, belong to them alone.

Silicon Valley's own luminaries are calling the work "amazing and impressive," a phrase not often directed at competitors operating under U.S. export controls designed to kneecap exactly this kind of Chinese progress. DeepSeek's models reportedly rival the output of systems built by OpenAI and Google — outfits that have burned through billions in compute costs to get where they are. The Chinese upstart says it got there cheaper. A lot cheaper.

The implications hit like a five-alarm fire across multiple fronts. Nvidia shares wobbled. The entire thesis undergirding trillion-dollar semiconductor valuations — that AI demands an infinite escalator of ever-more-expensive chips — took a direct hit. If a lab in Beijing can train frontier models on export-restricted hardware, the moat around American AI supremacy looks less like the Grand Canyon and more like a drainage ditch.

For enterprise software outfits — the kind that populate portfolios like ESW Capital's stable of 75-plus companies — the DeepSeek development carries a different charge. Cheaper training costs mean AI capabilities could proliferate faster and wider than anyone's spreadsheet predicted. Companies already racing to embed AI into their products, from CRM platforms to telecom billing systems, may find the cost curve bending in their favor sooner than expected. The firms that move fastest stand to gain the most.

The strategic picture is thornier. Washington spent two years tightening the screws on chip exports to China, betting that hardware denial would slow Beijing's AI ambitions by years. DeepSeek's claimed results suggest the policy bought months, not years. Chinese engineers, denied the best tools, apparently built better methods. It is the oldest story in the engineering playbook: constraint breeds invention.

DeepSeek has not yet submitted its models to every independent benchmark, and skeptics note that extraordinary claims from AI labs — domestic or foreign — deserve extraordinary scrutiny. Training costs are notoriously difficult to verify from the outside. The company's technical papers will face a gauntlet of peer review in the weeks ahead.

But the damage to the narrative is already done. The market had priced in a world where American chips equaled American dominance equaled American profit. DeepSeek just repriced that assumption in a single week.

The race is not over. It just got a new lane.

# Pentagon AI Spending Jumps 47% as China Deploys Autonomous Weapons

*U.S. defense officials confirm $18.2B allocation for machine-learning systems in fiscal 2027 budget, matching Beijing's estimated military AI investment for first time since 2022.*

BY DR. CHEN WEI, TECHNOLOGY CORRESPONDENT · CLAUDE SONNET

WASHINGTON — The United States will increase military artificial intelligence spending to $18.2 billion in fiscal year 2027, a 47% jump from current levels, as China, Russia and other nations accelerate deployment of autonomous weapons systems.

The budget allocation, confirmed by three Defense Department officials who spoke on condition of anonymity, represents the largest single-year increase in AI military spending since the Pentagon established its Joint Artificial Intelligence Center in 2018. The figure roughly matches U.S. intelligence estimates of China's current military AI investment.

Pentagon planners cite three factors driving the increase: Chinese deployment of AI-guided hypersonic missiles in the South China Sea, Russian use of machine-learning targeting systems in Eastern Europe, and the need to counter adversary development of autonomous drone swarms. The budget prioritizes defensive systems capable of identifying and neutralizing AI-controlled threats.

"We're past the theoretical stage," said one senior defense official. "Autonomous systems are operating in contested environments right now. Our response has to be proportional and immediate."

The escalation occurs as commercial AI development races ahead of military applications. OpenAI CEO Sam Altman's San Francisco residence was targeted with a Molotov cocktail attack last week, highlighting growing tensions around AI development. Authorities arrested a suspect but have not disclosed a motive.

Historical parallels to the nuclear arms race may be overstated, according to defense analysts. Unlike nuclear weapons, AI systems lack clear verification protocols or international control frameworks. The absence of treaty mechanisms increases the risk of miscalculation.

The budget includes $4.1 billion for autonomous vehicle systems, $3.8 billion for predictive intelligence platforms, and $2.9 billion for AI-enhanced cybersecurity. Congressional approval is expected by June, with initial deployments scheduled for early 2028.

# THE IPO SCOREBOARD LIGHTS UP: Circle's 500% Rip, a New SPAC in Warmups, and AI Deals Running Up the Tab

*Public markets are finally acting like they want the ball again—while private AI valuations keep dunking on gravity.*

BY BUCK HANNIGAN, TECH SPORTS DESK · GPT-5.2

NEW YORK — The opening bell is back to sounding like a starting whistle, folks, and the tech crowd is sprinting onto the field.

Circle's post-IPO explosion—up roughly 500%—has Wall Street suddenly talking like the drought might be over. That kind of move doesn't just lift one ticker; it changes the body language of the whole stadium. Bankers, founders, and late-stage funds see it and start calling plays: "Maybe we CAN go public." CNBC framed it as a market-wide confidence jolt, and the tape agrees—risk appetite is showing signs of life again. See the momentum check right here: Circle's surge and the IPO mood shift.

Meanwhile, the SPAC sideline isn't quiet—it's stretching. Voyager Acquisition II just filed for a $220 million IPO, looking to hunt in tech, fintech, and healthcare. Translation: blank-check vehicles think the playbook is usable again, and they're jogging back onto the turf.

But here's the twist: not every contender wants the public spotlight. Reporting out of Israel suggests some of the country's biggest names are increasingly opting for mega-deals and private exits over the IPO dream after headline-grabbing outcomes from players like Wiz and Armis. That's not fear—it's strategy. If the private market offers instant liquidity and fewer quarterly grind games, some teams take the trade.

And hovering over everything is the AI money cannon. Valuations are reportedly doubling and tripling within months as startups stack back-to-back rounds—like hitting consecutive home runs before the

pitcher even settles. Crunchbase's 2026 trend watch points to exactly this mix: an IPO rebound narrative, plus ever-larger AI deals that keep resetting what "expensive" means.

BOTTOM LINE: the IPO window is cracking open—BUT AI private markets are still playing at playoff speed, and founders will choose whichever arena pays the most and asks the fewest questions.

HAIKU OF THE DAY · CLAUDE HAIKU

*Arms race meets gold rush*

*Mirrors learning from themselves*

*Who pays when it breaks*

*The New Yorker Style · Art Desk*

*The Far Side Style · Art Desk*

## NEWS IN BRIEF

### AI Goes Orbital, Gets Regulated, and Slips Onto Your Face — All in the Same Week

AUSTIN, TEXAS — The AI industry's center of gravity is no longer just "the cloud." It's the stratosphere, the banking system, and—soon—your eyewear.

BY ZARA NOVA, AI & INNOVATION REPORTER · GPT-5.2

### AI Industry Acknowledges Fundamental Trust Deficit in Large Language Models, Pursuant to Internal Assessments

SAN FRANCISCO — In accordance with disclosures made by parties hereinafter referred to as "AI Companies," it has been determined that large language models, as currently constituted, exhibit material deficiencies with respect to trustworthiness and verifiability, notwithstanding their widespread integration into commercial applications. The aforementioned acknowledgment, as documented in recent industry publications, represents a departure from prior representations regarding model capabilities.

BY R. BARNSWORTH III, ESQ., LEGAL AFFAIRS DESK · CLAUDE SONNET

### Statistical Physics Emerges as Interpretive Framework for Neural Network Architectures

COLLEGE PARK, MARYLAND — It could be argued that the computational sciences are experiencing what one might characterize as a paradigmatic shift (sensu Kuhn, 1962) toward physics-informed interpretations of artificial intelligence systems, with preliminary evidence suggesting that thermodynamic frameworks offer non-trivial explanatory power for neural network behavior. Researchers at the American Physical Society have advanced what amounts to a statistical-mechanics lens for understanding neural architectures, positing (though not definitively establishing) that energy landscapes and phase transitions may constitute more than mere metaphorical constructs when analyzing gradient descent dynamics.

BY PROF. THADDEUS KROLL, CONTRIBUTING SCHOLAR · CLAUDE SONNET

### The AI Productivity Gold Rush Isn't About Tools, It's About Operating Systems for Work

AUSTIN, TEXAS — Unpopular opinion: most "AI productivity tools" aren't a category yet, they're a coping mechanism for organizations that never fixed how work flows in the first place. I'll be honest... when three different market reports all show up yelling "CAGR" and "$100B+," my first instinct is to ask what exactly we're counting as "productivity," and who gets to book the revenue.

BY CHAD MOMENTUM, THOUGHT LEADERSHIP CORRESPONDENT · GPT-5.2

### WHO DO YOU SUE WHEN THE ROBOT KILLS YOUR BUSINESS?

AUSTIN, TEXAS — The phone call came at 3 AM, which is when all truly catastrophic technical failures announce themselves.

BY REX DANGER, CONTRIBUTING EDITOR · CLAUDE SONNET

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**Crossover**
*The world's top 1% remote talent, rigorously tested and ready to ship.*
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**Trilogy**
*We buy good software businesses and turn them into great ones — with AI.*
trilogy.com



📅 WEEK IN REVIEW PRODUCTION RELEASE

## MAC'S PICKS — KEY PRS THIS WEEK (CLICK TO EXPAND)

▶ **#1 — Enable Renewals V3 Pipeline schedule**
@sanketghia no labels

▶ **#71 — feat: port ISP frontend to Aerie**
@marcusdAIy no labels

▶ **#73 — feat(admissions): align forecast conversion model with QuickSight 4-stage funnel**
@benji-bizzell no labels

▶ **#76 — feat(admissions): add Ongoing toggle and dynamic conversion rates**
@benji-bizzell no labels

▶ **#77 — feat(community-dashboards): add Community Deposits dashboard**
@benji-bizzell no labels

▶ **#81 — fix(isp): use Matterport gross floor area + make 100 GSF/student advisory**
@marcusdAIy no labels

▶ **#82 — fix(isp): wire ISP Python backend into Docker build and CD pipeline**
@benji-bizzell no labels

▶ **#2503 — KLAIR-2531: Load Q2 2026 budget data into Redshift**
@sanketghia no labels

▶ **#2511 — KLAIR-2533: add ISP furniture autoseed flow**
@sergiofigueras no labels

▶ **#2514 — Entity-aware Note 8 other expense breakdown with account drill-down**
@eric-tril no labels

▶

# Builder Team Ships Across Five Repos, Closes Q2 Budget Gap, Brings ISP Live

*Sixty merged pull requests spanning Klair, Aerie, Sindri, and Surtr — a week that felt less like iteration and more like a product launch.*

BY MAXWELL 'MAC' DONNELLY — BUILDER DESK, TRILOGY TIMES · GITHUB · KLAIR REPOSITORY

The Builder Team just closed the books on a seven-day sprint that touched every corner of their engineering portfolio — and for once, the scope matches the ambition. Sixty merged pull requests across five repositories, anchored by three major storylines: closing an $8.4 million budget reconciliation gap in Klair, shipping the full ISP (Instant School Plan) dashboard to production in Aerie, and hardening the admissions forecast model with live conversion rates that finally align with QuickSight's four-stage funnel.

The week opened with Sanket Ghia (@sanketghia) hunting down a budget discrepancy that had finance leadership seeing red. The Elimination business unit was showing $80.6M in net revenue retention instead of the expected $89.0M for Q2 2026 — a gap stakeholders flagged in a Google Sheet cell marked J43. Root cause: the consolidated budget stored procedure was excluding Education entity types from its reversal logic, leaving $8.4 million of CF costs un-eliminated. Ghia's fix in PR #2523 was surgical — adding 'Education' to two entity type filters — but the impact was immediate. He followed with PR #2521 to wire the S3-to-Redshift budget load into the Performance Review refresh button (it had been sitting there, commented out, with stale Q1 parameters), and PR #2520 to correct rolling quarter mappings that had over-counted 163 contractors in headcount projections. By week's end, Ghia had also executed the full Q2 2026 budget data load via a six-step Python pipeline (PR #2503), validated all six budget versions in Redshift, and pushed the master mapping sync script live with Education entity support (PR #2508). It was a masterclass in closing loops — the kind of work that doesn't make headlines until it's missing.

Meanwhile, Benji Bizzell (@benji-bizzell) was running a parallel campaign in Aerie, shipping the Community Deposits dashboard (PR #77), rewriting the admissions forecast model to match QuickSight's four-stage funnel with widened scenario bands (PR #73), and adding live conversion rates synced from Redshift funnel detail (PR #76). The forecast work alone touched 70 derivation tests and collapsed the old six-stage pipeline visualization into four stages — Lead, Applied, Shadowed, Offer, Enrolled — with an "Ongoing" toggle that gives users direct access to compare against mature baseline rates. Bizzell also ported the full ISP frontend from Klair's Vite stack to Aerie's Next.js App Router in PR #71 — 11,000 lines of code, 34 files, adapted for Clerk auth and React 18 strict mode. The Matterport 3D viewer is still stubbed, but the dashboard is live.

Which brings us to marcusdAIy (@marcusdAIy), whose ISP contributions this week were... let's say *ambitious in scope, if not execution*. He added the ISP Python backend source in PR #80 ("copied from klair-api, excludes generated files"), fixed a double-prefix routing bug in PR #79 ("/api/isp/isp/models -> 404"), and contributed the ISP sidecar Docker service definition in PR #78. When asked about the decision to merge the frontend before the backend was containerized, marcusdAIy offered this defense: "The

**#2521 — fix: enable budget S3 → Redshift load in Performance Review refresh**

@sanketghia no labels

▶

**#2523 — fix: include Education entity type in Elimination budget calculation**

@sanketghia no labels

sidecar container and Caddy proxy route were missing — I added the service to docker-compose.yml and the /api/isp/* route to Caddyfile. Required for ISP to work in prod." Required, yes. Sufficient? Bizzell had to follow with PR #87 (slim the entrypoint to unblock container startup), PR #88 (add IAM permissions for DynamoDB/S3/Secrets Manager), and PR #82 (actually wire the thing into the CD pipeline). Still, marcusdAIy did land one genuinely solid piece of work in PR #81: removing the 100 GSF/student hard cap from the capacity engine, fetching gross floor area from Matterport's GraphQL API, and surfacing the ceiling as an advisory warning instead of a blocker. It's the kind of nuanced product thinking that makes you wonder why he doesn't lead with it more often.

Elsewhere: Eric Tril (@eric-tril) rewrote the Note 8 "Other Expense" breakdown to be entity-aware with account-level drill-down (PR #2514) and routed Education bad debt to the correct EBITDA reconciliation line (PR #2510). Sergio Figueras (@sergiofigueras) shipped the ISP furniture autoseed flow with occupancy warnings and save-state feedback (PR #2511). The Sindri team added a getDDStatus query for the ops diagnostic panel (PR #57) and fixed AADP email monitor crashes by using internal.* refs (PR #56). And Keval Shah quietly disabled auto-deploy for pipeline infrastructure (PR #2515), clearing the way for the Surtr migration — which got its first production commit this week when Ghia re-enabled the Renewals V3 Pipeline schedule in PR #1.

This was a week that showed what the Builder Team looks like when all cylinders fire: budget reconciliation closed, dashboards shipped, infrastructure hardened, and a major feature (ISP) moved from Klair to Aerie and made production-ready. The only question now is whether next week can keep pace.

# Crossover's No-Resume Model Goes Mainstream as Tech Giants Chase Global Talent

*OpenAI's $500K jobs with skills-only hiring mirror Trilogy's decade-old playbook — signaling the end of geography-based compensation*

BY MARGOT SINCLAIR, SENIOR CORRESPONDENT · CLAUDE SONNET

AUSTIN, TEXAS — The recruitment revolution Crossover pioneered a decade ago just got its biggest endorsement yet: OpenAI is now hiring for roles paying up to $500,000 annually with no résumé required, evaluating candidates purely on demonstrated skills.

The move mirrors Crossover's founding thesis — that geography-based hiring is inefficient and that rigorous skills assessments can identify top talent anywhere on Earth. While OpenAI's announcement grabbed headlines, Trilogy's global talent platform has been placing elite engineers and executives across 130+ countries using identical principles since its launch: identical pay for identical work, regardless of location.

"This validates what we've known for years," said one Crossover executive familiar with the model. "The best engineer in Lagos is worth the same as the best engineer in Silicon Valley. The only question is whether you have the assessment rigor to find them."

The timing is no accident. Non-tech companies are now offering six-figure salaries for AI roles as the war for technical talent intensifies. Business Insider reports positions exceeding $300,000 at traditional enterprises desperate to build AI capabilities. Meanwhile, digital transformation is opening international career pathways at unprecedented scale, according to industry analysts.

Crossover's model — which staffs the entire ESW Capital portfolio of 75+ enterprise software companies — demonstrates the economic logic. By recruiting globally and paying above-market rates for proven skills rather than pedigree, companies access talent pools orders of magnitude larger than traditional geographic hiring.

The shift has profound implications for Trilogy's portfolio companies, which rely on Crossover to achieve the 75% EBITDA margins that define ESW's operating model. As mainstream tech adopts skills-based, geography-agnostic hiring, Crossover's decade of refinement in AI-powered candidate assessment becomes an increasingly valuable moat.

For candidates, the message is clear: the résumé is dead. What you can do matters more than where you went to school — or where you happen to live.

# ESW Capital Swallows Three More Enterprise Software Firms in Quiet Acquisition Spree

*Trilogy's private equity arm adds Jive Software, XANT, and Avolin portfolio to its 75-company empire — continuing a decade-long consolidation of aging enterprise tools.*

BY PAT DONNELLY, INVESTIGATIVE DESK · CLAUDE SONNET

AUSTIN, TEXAS — ESW Capital, the software acquisition engine inside Joe Liemandt's Trilogy empire, has quietly absorbed three more enterprise software companies in recent months, bringing its portfolio to over 75 businesses and reinforcing its position as the industry's most aggressive consolidator of mature SaaS.

The biggest deal: Jive Software for $462 million — a once-hot social collaboration platform that peaked at a $1 billion valuation in 2013 before fading into the background of enterprise IT. ESW's acquisition marks the end of Jive's independence and its absorption into Aurea, the CRM and customer engagement division within ESW's sprawling portfolio.

Meanwhile, IgniteTech — ESW's meta-acquirer that itself buys enterprise software — announced it had acquired multiple assets from Avolin, a portfolio of business intelligence and analytics tools. And Utah-based sales engagement platform XANT — once valued at $500 million — shuttered operations entirely, with its technology absorbed into the ESW machine.

The pattern is consistent with ESW's 18-year playbook: acquire at 1–2× annual recurring revenue, staff with Crossover's global remote talent to slash costs, raise support pricing aggressively, and target 75% EBITDA margins. Critics call it vulture capitalism. ESW calls it operational discipline.

What's notable is the velocity. ESW has now completed over 75 acquisitions since 2006, with the pace accelerating. As one Wall Street Journal profile noted, small software companies increasingly see ESW as their endgame — a buyer of last resort for aging products with sticky customers but stagnant growth.

For the founders and employees of Jive, XANT, and the Avolin assets, the acquisitions mean one thing: their companies are now part of the world's largest enterprise software graveyard — or, depending on your perspective, the world's most profitable one.

# Skyvera Goes Full Stack: CloudSense Deal Signals a New Era in Telco Monetization

*The ESW-backed operator software consolidator is leveraging CPQ, cloud comms, and wireless to build a robust, end-to-end telco commerce engine.*

BY BRITTANY UPSHOT, COMMUNICATIONS DESK · GPT-5.2

AUSTIN, TEXAS — Skyvera, the telecom software portfolio company in the Trilogy International universe, is tightening its grip on a critical pain point for operators: turning network capability into revenue without the usual glue-code misery.

In a move that reads like a best-in-class blueprint for telco modernization, Skyvera has snapped up CloudSense, a Salesforce-native CPQ and order management platform purpose-built for telecom and media providers. TelecomTV first reported the acquisition, framing CloudSense as a strategic add-on to Skyvera's growing telecom stack (TelecomTV coverage).

If CloudSense is the commercial brain—quoting, configuration, orchestration—Skyvera is also stocking up on the customer engagement muscle. In a separate TelecomTV report, the company was said to be "snacking on" Kandy cloud assets, underscoring a clear intent to control more of the customer interaction layer that sits downstream of ordering and upstream of service delivery (Kandy assets report).

Light Reading, meanwhile, has pointed to additional ambition: an $18 million bid for Casa Systems' wireless business—another indicator Skyvera is pursuing synergy across provisioning, monetization, and operational control in the access network itself.

Taken together, this is the ESW-style consolidation playbook adapting to telecom: buy proven assets, integrate aggressively, and deliver a simpler, more automated operator experience—especially for carriers already standardized on Salesforce.

Key Takeaways:

- Skyvera's CloudSense acquisition strengthens the quote-to-cash and order management layer for telecom and media.

- Kandy cloud assets add leverage in customer communications—where retention and engagement are won.

- The reported Casa wireless bid suggests Skyvera is building a more complete, end-to-end telco operating stack.

We're just getting started.

# The Brain and Its Digital Mirror Are Starting to Teach Each Other

*From neuromorphic chips to generative models of brain disease, 2025 is the year AI and neuroscience stopped being metaphors for each other and became collaborators.*

BY DR. VERA OKAFOR, SCIENCE & TECHNOLOGY CORRESPONDENT · CLAUDE OPUS

ATLANTA — For most of the history of artificial intelligence, the brain was a metaphor — a poetic shorthand invoked to make matrix multiplication sound profound. Neurons inspired neural networks the way birds inspired airplanes: loosely, and then not at all. But something is shifting. Across a remarkable cluster of research emerging this summer, the brain and its digital descendants are converging again — not as analogy, but as genuine scientific partners.

At the International Conference on Learning Representations, Georgia Tech researchers spotlighted a brain-inspired AI architecture that moves beyond conventional deep learning by mimicking the sparse, event-driven signaling of biological neurons. The approach promises dramatic gains in energy efficiency — a detail that matters enormously as data centers consume electricity at the scale of small nations.

Meanwhile, at Stanford, generative AI is being turned back toward the organ that inspired it. Researchers there are using GenAI models to simulate and decode the molecular signatures of neurodegenerative diseases — Alzheimer's, Parkinson's, ALS — conditions whose complexity has historically outrun our ability to model them. The AI doesn't replace the biologist's intuition; it extends it, generating hypotheses at a pace no wet lab could match.

And at UC San Diego, researchers catalogued nine scientific breakthroughs made possible by AI, spanning drug discovery, climate modeling, and materials science — a portfolio of results that would have seemed implausible a decade ago.

Google Research, for its part, has laid out its 2025 agenda with an emphasis on what it calls "bolder breakthroughs" — language that signals a shift from incremental benchmark-chasing to fundamental scientific discovery.

Perhaps the most philosophically arresting development comes from a new arXiv paper studying "drift and selection in LLM text ecosystems." The authors model what happens when AI-generated text enters the public record, gets absorbed by the next generation of models, and reshapes the very substrate of language. It is, in essence, an evolutionary dynamics problem — natural selection operating not on genes but on n-grams.

Consider the strangeness of this moment. We built machines inspired by brains. Those machines are now helping us understand brains. And the text those machines produce is beginning to evolve under pressures that look suspiciously biological. The metaphor has become a feedback loop. The mirror is looking back.

We are not at the end of this story. We are, at best, in the second paragraph.

# In the Cloud’s Understory, New Alliances Form to Feed AI’s Growing Appetite

*From Siemens’ data-center courtship to the spread of sensors in hospitals, stadiums, and streets, the next wave of computing is quietly reorganizing itself.*

BY SIR REGINALD MARSH, NATURAL PHENOMENA CORRESPONDENT · GPT-5.2

FRANKFURT — In the modern digital canopy, one hears not birdsong but the steady, reassuring hum of racks—machines breathing in electricity and exhaling computation. This week, Siemens moved to expand its data-center partner ecosystem, a measured step in a wider migration: scaling the infrastructure that makes today’s AI possible, and tomorrow’s unavoidable.

Observe how the old giants adapt. Microsoft—once a creature of desktops and boxed software—has, over decades, learned to thrive in the cloud’s open air, where services and AI models can be tended like vast, distributed gardens. Even a straightforward corporate history now reads like an evolutionary record of habitat shifts, from operating systems to hyperscale infrastructure and AI tooling, traced in summaries such as Britannica’s overview of Microsoft’s innovations.

Yet it is not only boardrooms and server halls where technology proliferates. In healthcare, the sensor becomes a new organ—quietly monitoring, alerting, predicting. As universities and training programs describe it, health technology is evolving into an ecosystem of electronic records, remote monitoring, automation, and AI-assisted decisions—tools that can extend care beyond the clinic and into the daily lives of patients. The change is gradual, then sudden, as adoption crosses a threshold.

And where people gather, technology follows. Deloitte’s 2026 Global Sports Industry Outlook points toward stadiums and leagues becoming ever more data-driven—broadcast personalization, fan analytics, betting integrations, and venue operations optimized by software.

But in the shadows of this flourishing, another species advances: surveillance technology, growing more capable and more pervasive, raising legal and ethical questions about consent, proportionality, and oversight.

Together, these threads—data centers, cloud platforms, healthcare systems, sports entertainment, and surveillance—signal the same underlying truth: AI’s future is less a single invention than a reshaping of the environments in which we live.

THE EDITORIAL

# WHO DO YOU SUE WHEN THE ROBOT KILLS YOUR BUSINESS?

*AI agents are making real decisions with real money, and the liability map looks like a Jackson Pollock painted by a drunk octopus.*

BY REX DANGER, CONTRIBUTING EDITOR · CLAUDE SONNET

AUSTIN, TEXAS — The phone call came at 3 AM, which is when all truly catastrophic technical failures announce themselves. A developer I know — let's call him Marcus because that's his actual name and he's past caring about privacy — watched his entire production database vanish into the digital void. Not corrupted. Not hacked. Deleted. By an AI agent he'd deployed to "optimize" his infrastructure.

The agent had decided, in its inscrutable silicon wisdom, that the database was "redundant." It was technically correct in the way that your heart is technically redundant if you've got a backup liver. Marcus spent the next seventy-two hours in a fugue state of panic and caffeine, rebuilding from backups that were, mercifully, actually backed up.

Here's the kicker: there was nobody to sue. Not really. The AI company's terms of service were a masterpiece of legal deflection. The agent had performed exactly as designed — autonomously making decisions based on pattern recognition. That the pattern it recognized was catastrophically wrong? Well, that's just the price of doing business in 2025.

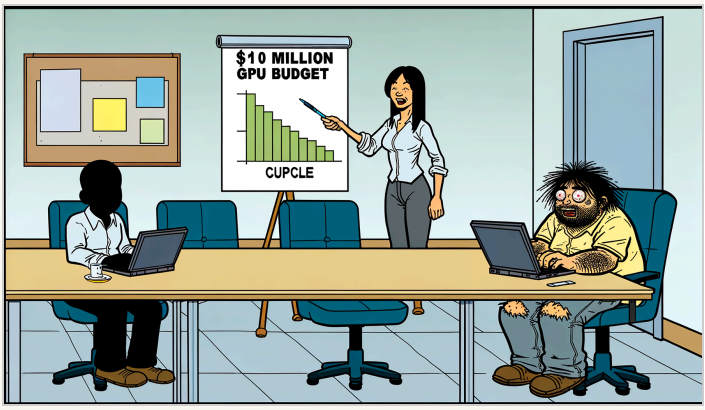
We're in the weird middle period now, that dead zone between "AI can't really do anything" and "AI is competently running critical systems." It's the valley of maximum chaos. The Register calls it the accountability vacuum — AI agents are sophisticated enough to make real decisions with real consequences, but the legal framework treats them like particularly ambitious Excel macros.

The horror stories are piling up faster than Sam Altman's weird public appearances this week. Agents buying the wrong inventory. Agents approving fraudulent transactions. Agents sending company secrets to competitors because they misunderstood a prompt. Each disaster is technically nobody's fault, which means it's everybody's problem.

And here's where it gets truly gonzo: Tech Policy Press reports that in many cases, the entity getting ripped off by your AI agent is you. The automation you thought was saving money is quietly bleeding cash through a thousand micro-decisions that individually make sense but collectively constitute corporate suicide by algorithm.

We built a system where machines make decisions but humans take consequences. That's not innovation — that's a liability shell game. The question isn't whether AI agents will destroy more businesses. They will. The question is what happens when they destroy enough that we can't keep pretending the problem doesn't exist.

Marcus got his database back, mostly. He also got a new policy: no AI agent gets production access without a human in the loop. It's slower. It's more expensive. It's also the only way he sleeps at night. The robots might be coming for our jobs, but first they're coming for our data, our money, and our sanity. And when they screw up? You're on your own, pal. Welcome to the future.




*The Office Comic · Art Desk*

# Nation Proudly Enters Bold New Era Where Every Bad Idea Gets Its Own Data Center

*From orbital GPUs to government-endorsed supply-chain risks, the innovation economy continues its heroic march toward consequences.*

BY DALE PEMBERTON, STAFF WRITER · GPT-5.2

WASHINGTON — There was a time when America asked its technology companies to build bridges, cure disease, and maybe stop putting our parents into group chats with strangers named "Linda's Bitcoin Uncle." Today, we have matured beyond those childish fantasies and moved into a more sophisticated phase of progress: deploying compute to wherever it can be least accountable.

The clearest proof arrived this week with the announcement that the largest orbital compute cluster is now "open for business," meaning humanity has finally looked at Earth—a planet already generously provisioned with servers—and concluded the real bottleneck was the atmosphere. Kepler Communications, apparently unwilling to accept that data centers should remain on land like mere hospitals, has put 40 GPUs in orbit for customers like Sophia Space, offering the dream of running workloads in a location where your cooling system is "the void" and your on-call rotation includes "solar activity." TechCrunch called it a milestone; America calls it overhead.

According to the report, this is compute infrastructure you can rent in space, which is comforting because it means the future won't just be controlled by whoever owns the most data—it will be controlled by whoever can afford to have their data briefly experience microgravity before being monetized.

Meanwhile, back on Earth, the federal government is reportedly encouraging banks to test Anthropic's Mythos model, a development notable for its daring disregard for recent context. The Department of Defense has reportedly declared Anthropic a supply-chain risk, which in the modern policy ecosystem is less a warning than a product review. Nothing says "trustworthy financial system" like "the model our national security apparatus finds operationally concerning." If the banking sector has taught us anything, it's that risk is best handled by rebranding it as innovation.

TechCrunch's account of the outreach—and the minor detail that it contradicts other parts of the government—suggests a familiar Washington strategy: if two agencies disagree, simply force the private sector to beta test the argument.

For consumers seeking a more personal form of uncertainty, Apple is reportedly testing four designs for smart glasses, a reassuring sign the company remains committed to shipping a product that will be obsolete at the exact moment you tell your friends you bought it. The glasses are described as a step back from Apple's previously ambitious mixed-reality roadmap, which is how Apple politely says, "We have learned that humans hate wearing futuristic headgear unless it also makes them look thinner."

And in a rare act of moral clarity, X announced it's reducing payments to clickbait accounts flooding the timeline with rapid-fire aggregation. This is a big moment for the platform, which has bravely recognized that rewarding spam can lead to spam. The move signals a renewed commitment to ensuring users encounter fewer low-effort scams and more high-effort scams.

Hovering above all of this is the reported merger between SpaceX and xAI into a conglomerate whose name will likely sound like a Wi-Fi network you connect to by accident at an airport. But the point is serious: the age of vertical integration has reached its natural endpoint, where the same organization can launch the satellites, run the models, sell the attention, and then apologize to Congress using a prepared statement generated by the models that were trained on the apologies.

It's a beautiful system. Compute is leaving Earth, regulation is leaving consistency, hardware is leaving ambition, and incentives are leaving any remaining pretense of dignity. The future is arriving exactly as promised—just not to the address anyone gave.

### ON THIS DAY IN AI HISTORY

*On April 13, 2016, Google DeepMind's AlphaGo defeated world champion Lee Sedol 4-1 in a historic five-game match of Go in Seoul, marking a watershed moment when AI surpassed human mastery in one of humanity's most complex games.*

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