

# Los **OCCUPIED** Times

APRIL 2012

*Of the people, by the people, for the people*

SPECIAL MAY DAY EDITION

## May 1 General Strike - **OCCUPY MAY DAY!**

by Michael Novick

**O**n May 1, in solidarity with working people across the country and around the world, Occupy LA is calling for a General Strike to demonstrate the power and creative capacity of the 99%, without whom the 1% have nothing. Last November, we adopted a proposal for "Occupy the Ports - A Day without Goldman Sachs!" on December 12 as a buildup to a General Strike on May 1, 2012. After the port action, Occupy LA again ratified the call for the May 1 General Strike for immigrant rights, economic, social and environmental justice, labor rights, peace, human rights and equality. Since, the call has spread around the US and the world. Occupy Wall Street, Oakland, Boston, Melbourne and many others are planning similar actions.

### Why a General Strike?

The Occupy movement burst on the scene out of frustrations similar to those that galva-

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nized the original May 1 General Strike over a century ago. Much like how the Occupations changed the political dynamic and shifted the paradigm of the possible in the US and even globally, the May 1 General Strike has

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## Predators of Finance

By Matt Ward

**T**he prevailing undercurrent within the mainstream media is that homeowners primarily are to blame for the mortgage crisis. This oversimplification glosses over an inconvenient truth within the mortgage market: lenders knew they were engaging in predatory lending and were encouraging offering predatory loans to individuals they knew could not pay. By cutting necessary legal corners in the rush

to consummate the ensuing land grab, these banks have created a legal entanglement so huge that the courts are afraid to address it.

An independent audit recently conducted by Phil Ting, Assessor-Recorder for the county of San Francisco, indicates a "crisis of compliance" within proof of bank ownership of many foreclosed properties. Ting cites what he calls "pervasive and widespread issues," finding at least one "clear legal vio-

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### General Assemblies

7:30 pm, Every Monday, Wednesday & Friday

4:00 pm, Saturdays at Pershing Square

Contact Info: [occupiedlosangelestimes@gmail.com](mailto:occupiedlosangelestimes@gmail.com)

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# May 1 General Strike – Occupy May Day!

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the possibility of being a joyous outpouring of the 99%. We can show the direct power of the working people who make this system run and who can shut it down. It's a General Strike because it's not the property of one particular union, or directed at one particular boss. It's a day without the 99%, and a day for the 99%: workers in and out of unions, unemployed, temps and "casualized" workers, immigrants, homeless, students, prisoners and formerly incarcerated people, domestic workers, sex workers, street vendors and homemakers.

Here in LA, dozens of actions are planned on May Day. There are immigration coalitions mobilizing for downtown marches, and rallies in the morning and at 4:00 PM by the Southern CA Immigration Coalition. The County Federation of Labor is supporting a job action at a sanitation facility in the San Fernando Valley. The SEIU is planning a job-related action at LAX, where workers have been organizing and resisting repression for months. The port truck drivers, with whom we worked in building for Occupy the Ports, have been

discussing the recent wildcat strike of port truck drivers up in Seattle, who can't organize an official strike because they are fraudulently considered "independent contractors" instead of employees. Students at CSUs and UCs who acted against education cuts on March 1-5 are calling for their next major actions on May 1.

In addition to supporting the immigrant, labor and student actions, Occupy LA has called for a four winds/ four direction car/bike caravan and convergence on downtown. We will caravan from Van Nuys through Burbank, Glendale and Chinatown; from East L.A. College through "East Los"; from CSU Dominguez Hills along Central Avenue through Compton, Watts and South L.A.; and from Santa Monica along Wilshire Boulevard, past UCLA, through Beverly Hills, the Miracle Mile and MacArthur Park areas. These will have music, floats, sound trucks and flash occupations of banks and foreclosed homes along the routes. They'll converge on Freddie Mac in the financial district, then join the immigration

march to the City Hall area, followed by a General Assembly to talk about future action. The "99% Table" has separately called for other convergence marches to Wilshire and La Brea at 4:00 PM, from Hollywood-Highland, Crenshaw-Exposition, Wilshire-Westwood and west from MacArthur Park (incorporating the morning immigrants rights march); and Occupiers will be joining them as well.

## Why Here? Why Now? Why Occupy?

Autonomous, community-based action to defend our rights and exert our power is vital. LA had an immigrant-based general strike, the "Great American Boycott," in 2006, but it's time for all the 99% to unite. Repressive anti-immigrant legislation is spreading, and the Obama administration has deported millions. Promised legislation to allow freedom to organize unions failed even when the Democrats controlled the White House and both houses of Congress. Legislatures have been adopting anti-union bills. Union labor in the US is

at its smallest percentage of the work force in decades. Unions have been on the defensive. Cold-War labor laws, bureaucracy and jurisdictional disputes separated many from a community base and a sense of mission. Corporate globalization and trade agreements created de-industrialization in the US and super-exploitation elsewhere. Most unions persist in wasted efforts for politicians who betray them. It's time for the participatory, horizontal democracy of the Occupy movement to change the game.

Just as the Occupations defied the conventional wisdom, transformed the political discourse and inspired millions with the prospect and possibilities of direct action to define and meet our own needs and aspirations, the May 1 General Strike is about far more than one day of action. It is about regaining the initiative, and taking a political, social and economic offensive rather than fighting endless defensive battles against new violations of our rights, our freedom of speech and assembly and our ability to organize. **LA**



PHOTO BY: "Z"

sure it. This is not the case with a credit default swap. Picture this: Your neighbor is blind, and therefore a terrible driver. You take out extra insurance on your neighbor's car, so when he or she inevitably crashes you make some money. This is all fine and good, but then you hatch an ingenious idea: why not sell your neighbor a Lamborghini that you have personally sabotaged, then secure this special insurance on it after you've sold it, but before they've driven it? You get to win on both ends- sell them a top-dollar car, then collect insurance money from the ensuing fireball!

There's only one problem: you don't own a Lamborghini. That's okay; you don't actually need a Lamborghini, you just need a car that feels like a Lamborghini. So, you take duct tape

and cardboard to your Saturn to get its dimensions right, then lacquer the whole thing until it feels enough like a Lamborghini to pass the test. You then sucker your blind neighbor into buying it, he crashes it, you pass 'Go!' and collect your \$200.

That is what giant investment banks like Goldman Sachs and Morgan Stanley did. They teamed up with lenders and encouraged them to find the worst borrowers possible and offer them the worst loans possible with very little money down (the average sub-prime loan was 99.3% loan, .7% money down) and huge interest rates. This way homeowners would have the least-possible amount of their own money invested in their homes and would be willing to walk away when they got into trouble. Many lender banks

were offering their sales teams greater commission if they could trick a customer into taking a worse loan than they qualified for. As a result, minorities with little English language ability were the new preferred client. Talented accountants then sprung into action, using loopholes and tricks of accounting to combine these doomed-to-fail loans into packages (CDOs) that could pass the test of ratings agencies. These CDOs were then rated AAA by the ratings agencies, which is to call them as secure as investing in U.S. Treasury Bonds (typically considered the safest investments in the world), and sold to sucker investors enticed by the CDO's high ratings and the high yields offered by the bad loans contained therein. Goldman then took out credit default swaps on the bad CDOs, popped some popcorn and waited.

Everything went according to plan. When these homeowners began to default, they walked away from their homes. The lead issuer of credit default swaps, AIG, went bankrupt suddenly in March 2008 as they could not possibly pay for all of the claims suddenly being made. As more homeowners entered foreclosure, surrounding property values were driven down further by being near a foreclosure, leading to more foreclosures, and the spiral downward began. Companies suddenly discovered that they were not the only ones who had come up with the "bundle, sell, in-

sure" scheme; everyone had. As such, many had been buying toxic CDOs with the money made from selling other toxic CDOs. Any company (Bear Sterns, Merrill Lynch, etc.) caught holding more Trojan horses than they had sold suddenly found themselves insolvent and collapsed immediately.

With this backdrop, the San Francisco Assessor-Recorder's audit should surprise no one. Of course corners were cut when converting peoples' homes into securities which could be bundled into CDOs. The SEC had suddenly given the banks twice as much money to work with by lowering their leverage limits, and the banks saw a sure-fire win on both ends by bundling, selling, and insuring bags of feces labeled 'pure gold.' In the quest for short-term profits, with the knowledge that the ensuing crisis would be so bad it would take a long time for anyone to notice the foreclosure irregularities, there was simply no money in doing the job right.

The jig is up; the crisis is discovered, and homeowners are not to blame. What decency demands is a moratorium on all foreclosures until the fraud is worked out. What expediency demands is to sweep homeowners under the rug and pretend these irregularities do not exist in order to expedite the theft. Which course do you intend to allow history to take? **LA**

*For more information and to get involved,*

check out [www.occupymay1st.org](http://www.occupymay1st.org) • email [occupymay1st@gmail.com](mailto:occupymay1st@gmail.com) • call 323-250-MAY1

**If you, or someone you know, is facing foreclosure, please get in touch with us. If you have legal expertise and a passion to achieve justice, please get in touch with us. If you do not have legal expertise, but have the passion to help or believe this cause is worth supporting monetarily, please get in touch with us.**

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The content of this article, with sourcing, is available at <http://occupylosangeles.org/?q=blogs>

## Predators of Finance

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lation" in 84% of foreclosure files, with multiple violations in 66% of files. The audit also found that 60% of documents were back-dated in some fashion, which is significant because every such document is filed under penalty of perjury. "Here in California," Ting writes, "these lax standards are particularly damaging because lenders do not need to seek a court order to force a foreclosure. With little direct court oversight, we must rely on administrative procedures and state regulations to protect owners from fraud." The only recourse that offers due process to the American people is for an immediate federally mandated moratorium on all home foreclosures and evictions until the courts can sort these enormous legal issues out and hold the crisis' perpetrators accountable for their actions

### A Predatory Environment

To understand the birth of the predatory lending environment, we must first

understand leverage. For every dollar someone deposits in a bank, the bank is permitted to loan a larger number of dollars. The amount a bank has spent in outstanding loans or investments, divided by their cash on hand, is known as the bank's leverage. In April of 2004, thanks to a tremendous amount of lobbying by the banking industry, the SEC began to relax leverage limits. Between 2003 and 2008, the leverage of giant investment banks roughly doubled. When Bear Sterns eventually collapsed in 2008, it was leveraged 33:1, meaning if just 3% of money invested in Bear Sterns was called in, or if Bear Sterns' investments depreciated by just 3%, the company would be insolvent.

Banks entered into this risky world for one reason: they had rigged the game. First, banks began bundling peoples' mortgages, along with other peoples' student loans, car loans, and credit card debt, into packages called Collateral

Debt Obligations, or CDOs. They then sold CDOs to anyone who would buy them, allowing the investor, rather than the bank, to make money off of ensuing payments on these loans.

**The jig is up; the crisis is discovered, and homeowners are not to blame.**

This may sound fine, but lost in the silence between the notes is an important fact: with this single action, the bank stripped themselves of any risk if the loans defaulted. Investors now held the bag, to profit or lose from accordingly. Mortgages did not used to work this way. Historically, a would-be homeowner would approach a bank to receive a loan to buy the home. The bank would sign a 15-year or 30-year mortgage loan with the homeowner, and would collect payment until the loan was repaid. This meant long-term commitment; the bank had a real stake in the homeowner not defaulting, which mandated real care

in choosing who to give a loan to, and working with the homeowner to ensure they could keep paying. In this new world, investors carried the risk.

The banks, no longer concerned with finding borrowers and offering rates that would encourage faithful repayment, shifted their business model. The job became to find the worst borrowers possible because they could be offered the worst (highest) rates possible. In 2007, shortly before the financial collapse, Goldman Sachs' highest priority investment, which its salespeople were charged with selling as their top priority, was a CDO which made Goldman Sachs money according to how much their client lost. Now may be a good moment to remind you that everything Hitler did was legal.

As if this was not bad enough, banks figured out a second way to extract money from the debacle: credit default swaps. A credit default swap was insurance which paid off if a particular investment (in this case, CDO) failed. Historically, one must own a piece of property, such as a car or house, to in-

## 5 Things You Can Do Now

### 1. Occupy!

Occupation is participation. Come to our General Assembly! Join an affinity group or working group, there is one for every cause and every skillset. Go to [www.occupylosangeles.org](http://www.occupylosangeles.org) to find out more.

### 2. Spread the Word

Be a digital media advocate; promote the Occupy movement across social networks. Friend us on Facebook and follow us on Twitter and share!

### 3. Donate

Donate your time, your expertise or your resources.

### 4. Occupy Your Life

Occupy your occupation! Whether you clean houses, sit behind a desk, teach in a classroom, work in a kitchen, play an instrument, speak a second language, are a whiz with budgets, can pull projects together and make things happen, make videos, walk dogs, anything... your skills are needed at your local occupation!

### 5. Educate Yourself and Others

Learn more about the issues of the Occupy movement. We occupy across the nation and around the world because the injustices and the rigged corporatocracy we are battling affects **everyone**.



PHOTO BY: "Z"



## MAY 1 AS INTERNATIONAL WORKERS DAY

**M**ay 1 as International Workers Day has its origins with a General Strike here in the US, centered in Chicago's Haymarket Square in 1886. Workers were demanding an eight-hour day. They'd been frustrated in trying to achieve their goal through negotiated contracts with individual employers or legislative action. So anarchist-organized unions and their supporters called for a generalized walkout and shut down. They were met with massive police and

employer violence, a possible provocateur bombing, and the arrest of some of the anarchist labor organizers on charges that carried the death penalty. But the demand was won, and in the context of a world-wide campaign to try to free and save the lives of the accused, May Day was declared a workers' holiday by international workers organizations. It's celebrated almost everywhere—except here, where it started.

## OCCUPY VENICE

**O**ccupy Venice holds GAs at 7 PM every Monday and Thursday on the west lawn of Beyond Baroque at 681 Venice Blvd.

Occupy Venice is continuing to coordinate ongoing citizen rights and legal trainings with the Los Angeles Community Action Network and the National Lawyers Guild and is building a coalition with VCHC, VCUC, POWER and Common Ground to defend the legal rights of the homeless, very much under attack by the gentrifiers and the real estate interests and 1% investors.

We created a Homeless/Unhoused Working Group of activists and stopped a city Dept of Sanitation sweep on 3rd

Ave that targeted the personal possessions of the homeless. The OV Arts group co-hosted the Occupy Art Show benefit with OLA at the Vortex on March 31 and has plans to hold another show in the summer.

Occupy Venice is also hosting weekly plantings & events at its new Occupy the Garden site at Venice High School, and will be managing additional garden projects and giving presentations at other schools this spring to highlight GMO and food security issues.

Occupy Venice is currently working with westside Occupies and other activists on planning for the upcoming westside M1GS action and caravan on May Day.

[www.occupyvenice.org](http://www.occupyvenice.org).

## Spring is Here. We are Coming.

**F**or May 1st, 2012 Occupy Los Angeles is organizing a People's Power Car and Bike Caravan through the urban sprawl of Los Angeles that will culminate in Direct Action in and around the Financial District of downtown LA. People from all sectors of the city will have a chance to plug in to the routes from any corner of the city, helping to shut down the flow of capital while addressing the 99%'s major grievances.

*Everyone is welcome!  
Everyone will be heard.*

There will be an amalgam of cars and bikes, occupiers and unions, community orgs and organic communities — taking over our streets on routes designed to bring to light to societies ills, past and present, and engaging with residents and workers as we connect the disparate voices, races, classes and nationalities

that make up Los Angeles. The caravans will stop at flashpoints along the way. Flash occupations, food giveaways, and other direct actions targeting the foreclosure crisis and police brutality will be undertaken at these flashpoints on our slow, city-paralyzing, carnival-esque descent into the center of the city.

### Downtown LA Convergence

The convergence point at 6th & Main streets, at 2:30 PM, will have the People's Print Lab, the Welcome Tent, the Wellness Tent and will be focused on shining light on LA's homeless issues, feeding the people of Skid Row and raising awareness of social and economic inequality, including the brutally ineffective Safer Cities Initiative that criminalizes the homeless population while doing absolutely nothing to change the systemic problems that make LA the homeless capital of the country. At 3 PM, we will mobilize direct actions in the financial district of downtown LA.

### May 1st Los Angeles Special General Assembly 7:30 pm at Pershing Square.

After a day of actions and outreach that cripples capitalism in the city, Occupy Los Angeles will be hosting a special General Assembly. We will show those who claim power, where the true power lies — in our dedication to talking with each other and empowering ourselves to solve our own problems, the problems of the 99%.

## May Day In Orange County

by Timothy Craven

**O**ccupy Santa Ana, along with Orange County May Day Coalition, will be taking to the streets this May 1st. Many established activist groups will convene at 2pm in Santa Ana's Sasser Park before they march together through the heart of Orange County.

This year's Orange County May Day March hopes to bring attention to the ongoing education crisis in California. With classes being cut and tuition on the rise, it is clear that education is no longer a priority and that it is time to make our voices heard.

**For more information on May Day in Orange County, visit [ocmde.org](http://ocmde.org) or [occupyorangecounty.com](http://occupyorangecounty.com)**

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