

# S.O.S. BULLETIN

*Voices of the UAW Rank and File*

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## **Hit and Run Artists Robbed Chrysler And Fleed**

A Detroit Free Press review of the new Chrysler 200 sedan included this statement buried in the middle: "*We are re-contenting the Chrysler brand*" to repair the damage done under past owners Daimler and Cerberus, said Olivier Francois, who runs the Chrysler and Lancia brands.

Point taken: the cause for Chrysler's fall into bankruptcy was "*the damage done under past owners Daimler and Cerberus.*"

So why should workers, dealers and their employees, retirees and small investors be forced to pay for Cerberus and Daimler's reckless driving?

The hit-and-run, strip-and-flip operations started with Daimler. The publicly stated reason for the Daimler/Chrysler merger was never convincing.

We do know that Chrysler had a 12 billion dollar surplus when Daimler took charge. All but 2 billion evaporated in the merger's book cooking. Money isn't lost, it changes hands.

When questioned about Daimler's alleged losses in the merger, Daimler's Zetsche was caught telling a German reporter, "*but it was just stock.*" In other words, Daimler issued stock, took investors' money, stuck investors with the risk, then left investors and workers on the hook as Daimler bosses stuffed their pockets.

Daimler and Cerberus —along with their bankers, consultants, and lawyers— swiped fees and commissions off the top. Fees and commissions, hand over fist, with every piece of paper shuffled, or in modern parlance, with every mouse click. Those fees and commissions should all be tracked down and confiscated. No matter where they are now.

## **Cerberus Strips, Flips, and Splits With The Loot**

Daimler bosses pilfered all they could, then passed the leftovers on to vultures at Cerberus. Cerberus is a private equity company, which means they don't have to make a public accounting to investors. However, the truth is revealed in hints:

1. Cerberus spun off the Chrysler HQ into a separate real estate deal, loaded with debt. In other words, they borrowed on Chrysler's collateral, then "flipped and stripped" Chrysler real estate, separately from the manufacturing part of the company.

2. Cerberus piled up debts by borrowing so they could siphon capital out of Chrysler. They didn't make normal re-investments in the product line. Then they simply filed for Chapter 11 protection as "slumping sales left it unable to handle its sizable debt load." That's strip-and-flip. They borrow and borrow, pile debt on debt, pocket fees, commissions, and special dividends, then claim bankruptcy and stick it to the lenders.

Cerberus's Nardelli didn't fail, he succeeded in leeching maximum cash out of Chrysler. He called it "unlocking value," just like a safe-cracker. He was rewarded with a new position as chief executive officer of Cerberus Operating and Advisory Company.

Bob Eaton, who did the 1998 merger deal with Daimler's Schrempp, was rewarded with a seat on the board of directors at Chevron, and a seat on the board of International Paper.

These flim-flam, high rolling, fast-buck con artists deliberately leeched Chrysler's capital and drove the company into a head-on collision. They ran us down, then made off with the loot.

It's apparent when you examine the scene of the crime that bosses at Daimler and Cerberus should be charged with first-degree manslaughter and willful destruction of property.

Like hit-and-run victims, we deserve full recompense and damages. Those bosses deserve prison.

This bulletin is put out in the interests of informing workers and renewing the fighting power of organized labor. Please send your comments and your on-the-job, on-scene reports to: [soldiersofsolidarity@yahoo.com](mailto:soldiersofsolidarity@yahoo.com).