

EXHIBIT F

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California Mayor Attacks 'Greed' With Eminent Domain Bid

By Michael R. Marois - Aug 2, 2013

Gayle McLaughlin marched in [Occupy Wall Street](#) protests and rails against "corporate domination." Now, as mayor of Richmond, [California](#), the largest U.S. city with a Green Party leader, she wants to seize home loans and make lenders take less than they're owed to help residents.

The [refinery town](#) of 106,000, where almost half of mortgages have higher values than the homes they financed, threatens to use eminent domain to force discounted sales of the notes. Investors say that would mean unfair losses, push lenders to withdraw from the market and expose the city to legal risks.

"The banks and financial institutions are not helping," McLaughlin, 61, said by e-mail. "Their greed caused the problem and they have no solution for cities like Richmond."

Governments have long used eminent domain to take private property for public uses, including highways, and for economic development such as shopping malls, providing compensation to the owner. The city plans to issue new loans to homeowners that reflect current property values, easing their debt burdens.

"Cities like Richmond have a right and obligation to utilize such a program for the public benefit," the mayor said.

It is a theme common in McLaughlin's decades of social justice, civil rights, peace and environmental activism.

The daughter of a union carpenter, McLaughlin grew up in [Chicago](#), according to her city [profile](#). She was a teenager when police there clashed with antiwar protesters at the 1968 Democratic National Convention, and the violence set her on the path of political activism, she told the [Sacramento Bee](#) in 2006.

Demonstrations, Nonprofits

In the 1980s, McLaughlin demonstrated against U.S. intervention in Central America and worked

with the Reverend Jesse Jackson's Rainbow Coalition and other nonprofit activist organizations, according to her official biography. She has said she also worked as a teacher and clinician for special-needs children, as well as a postal clerk.

In 2004, McLaughlin won a seat on the Richmond City Council when she placed third out of 15 candidates for four positions. Two years later, she toppled Mayor Irma Anderson, a Democrat who had been endorsed by major party figures such as U.S. Senator Dianne Feinstein and Phil Angelides, then the state treasurer.

McLaughlin had refused to accept corporate donations and raised \$28,000 through a door-to-door campaign. Anderson had raised more \$110,000 from donors such as Chevron Corp. (CVX), whose refinery is the city's largest employer and taxpayer. A third candidate, Democrat Gary Bell, helped split the vote on election night and McLaughlin won with a margin of less than 300.

Missing Recovery

McLaughlin says the economic recovery that has slowly crept across the U.S. has mostly bypassed Richmond, a largely blue-collar city north of San Francisco with long ties to heavy industry.

The community swelled during World War II as tens of thousands of workers flocked to the Kaiser shipyards to build Liberty ships. After the war, the city struggled even as San Francisco and Silicon Valley prospered.

The 17 percent poverty rate is higher than the California average of 14 percent, and two-thirds of Richmond residents are black or Hispanic, according to U.S. Census Bureau data. Unemployment averaged almost 12 percent in the past decade compared with about 8 percent for the state.

McLaughlin's 2010 re-election campaign was marked by a city employee union drive to discredit her. Labor leaders said she collected disability pay for an emotional condition for almost a decade and sought bankruptcy protection after accumulating more than \$100,000 in unpaid college loans, according to the San Francisco Chronicle. At a news briefing, McLaughlin responded that she "overcame those challenges," the newspaper said.

'Little Guys'

She was returned to office because "she's represented her constituents and they've voted for her over and over," said Tim Laidman, a member of the coordinating council for the Green Party of California. "She takes care of the little guys and they've stood up for her at the polls."

Now the mayor says she's standing up for them. The city this week sent letters to 32 banks and trustees with offers to buy 624 mortgages whose loan balance exceeds the underlying property value.

The loans are the first targeted by the city, which said it would seize them unless servicers agree to sell.

Richmond's plan to help "underwater" homeowners has drawn opposition from bondholders such as Pacific Investment Management Co. and DoubleLine Capital LP as well as at least 18 trade groups of lenders, homebuilders and real estate firms.

Other municipalities, including California's San Bernardino County and Chicago, considered the move last year and put it aside even as the housing recovery failed to help many homeowners escape oversized debts.

Wall Street

It isn't just Wall Street that McLaughlin is willing to take on. She has long contended that the city should find ways to be less reliant on heavy industry and large corporations such as Chevron, with its sprawling refinery that processes 240,000 barrels of crude oil a day.

"The way you treat your largest taxpayer is an indication of how you treat the smallest taxpayer," City Councilman Nathaniel Bates, who ran against McLaughlin in 2010, said in an interview. "It sends a negative message to the business community and potential investors who are interested in coming into the city of how they would be treated just because they are big business."

A pipeline rupture on Aug. 6 at the Chevron plant ignited one of California's worst refinery fires in 13 years and sent more than 15,000 people to hospitals complaining of respiratory difficulties and eye, nose and throat irritation. The incident led California to levy a record \$963,200 in fines for Chevron.

Chevron Critic

McLaughlin has tried to get the City Council to sue the company to pay for damages and claims by residents. She also spearheaded a campaign to change how Chevron is taxed.

"Chevron U.S.A. has worked hard to identify areas of common ground with Mayor Gayle McLaughlin and the City Council, which has been challenging and not particularly productive," said Melissa Ritchie, a spokeswoman for the San Ramon, California-based company. "Despite this, we remain committed to our partners in the Richmond community and to helping to improve the quality of life for all Richmond residents."

In 2011, McLaughlin riled some in the city when she skipped a Veteran's Day observance sponsored by Chevron. Instead, she went to an Occupy Wall Street rally honoring an Iraqi War veteran who had been injured during a clash with police at a protest in nearby Oakland.

In an open letter to Occupy Wall Street that year, the mayor complained that the city had a growing number of poor residents while Chevron was making billions of dollars.

“Chevron recently doubled its quarterly profits and is brazen enough to simultaneously be seeking a property tax refund,” the mayor wrote. “This is a reflection of an obscene economic inequity that threatens to get far worse.”

To contact the reporter on this story: Michael B. Marois in Sacramento at mmarois@bloomberg.net
James Nash in Los Angeles at jnash24@bloomberg.net.

To contact the editor responsible for this story: Stephen Merelman at smerelman@bloomberg.net

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