

# Vulture capitalist games lose 460 jobs at Clerys store in Dublin

— respond with permanent occupation

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Friday June 12th's shock closure of the iconic Clery's department store in Dublin shows how the law is set up to favour capital and screw workers. Workers are being told there may be no additional redundancy or owed holiday payments as the company is in debt. But this is only the case because right before the closure the largest asset, the building itself, was separated off from the accumulated debts. This was almost certainly legal under our system but of such obvious dubious morality that the workers could expect massive popular support if they occupied the building on a permanent ongoing basis.

According to SIPTU unions organisers some of the workers are owed "four or five weeks' wages" and the limited redundancy they will get will come not from the company but from the rest of us via the government's insolvency and social insurance fund which pays out statutory redundancy when companies declare bankruptcy. In other words all those costs are to be paid by us.

Full details of the complex set of transactions that occurred on Friday before workers were even told of the closure have appeared hidden away in the business section of the Irish Times. In summary Clery's had been acquired in 2012 by a US Vulture Capitalist company called Gordon Brothers. Gordon Brothers was the ultimate owner of OSC Investment Holdings Ltd which in turn owned OCS Operations Ltd and OCS Properties Ltd. OCS Properties Ltd held the formal ownership of Clery's building. On Friday OCS was sold to Natrium Ltd, itself comprising Irish investment group D2 Private and Cheyne Capital Management. The sale price is unknown but the Irish Times reckons Gordon Brothers made 100% profit.

What happened next is key to understanding why there are now no assets. According to the Irish Times account "Following the sale on Friday, Natrium removed OCS Operations from the group and transferred the shares in that company to insolvency practitioner Jim Brydie, Kingsmere Road, London for €1.

"Mr Brydie and another insolvency practitioner, Brendan Cooney, after being approached by Natrium, were on Friday appointed directors of OCS Operations. The previous directors resigned. Mr Brydie and Mr Cooney, who are separate entities from Natrium and had no involvement in the sale of the OCS, then examined the company's financial position.

Kelley Smith BL, for OCS Operations, said, arising out of the examination, the company had no alternative other than to seek the appointment of liquidators. OCS Operations had since 2012 traded at a loss and was now balance sheet insolvent.” Full article

This is all fairly typical of a Vulture fund story. Like a Vulture such companies fly in to quickly asset strip whatever profit is available and then fly off leaving the bones. All sorts of legal accountancy tricks are used to make sure profits are made and harvested in one holding company while losses are concentrated to be dumped in another. Large profits are to be made providing you can find smart ruthless people to run the operation who see workers and anyone else owed money as an asset to be fed off. Thinks Wolf of Wall St and you are not far off understanding the morality of such funds.

Natrium itself is an illustrative example of offshoring. It was only incorporated on May 27<sup>th</sup>. It's a London based property company but its three directors have addresses in Dublin. One of them John Skelly is on the board of a number of funds based in Ireland and the Cayman Islands. Another, Ronan Daly, is a director of Cheyne Select Funds plc, the Cheyne shareholding in Natrium is held by two offshore companies, Cheyne Real Estate Credit Holdings, of the Cayman Islands, and Real Estate Credit Investments PCC Ltd, of Guernsey. Our readers are smart, we reckon the list of locations tells its own story.

Certainly this sale and the splitting off of the asset (the building) in one direction and the debts in another seems outrageous. But as far as we are aware its perfectly legal. And it therefore provides an excellent example of why the unions would be foolish to try and demand justice for the Clery's workers inside the terms of the law. As the 19<sup>th</sup> century French radical Proudhon observed *“Laws: We know what they are, and what they are worth! They are spider webs for the rich and mighty, steel chains for the poor and weak, fishing nets in the hands of government”*

Yes there is a need for legal reform, but its no coincidence that all of the politicians whop arrived at the Clerys protest today are the sae politicians who have failed to introduce such legislation. These are not gaps or oversights but a fundamental part of the way capitalism is meant to work. It's not meant to be fair, its meant to be profitable for the few, and the few generally ensure the politicians are well rewarded either illegally through bribes or legally through being awarded well paid places on company boards or consultancy roles. Retired government ministers tend to collect such positions from the very companies effected by their legislation and decisions when they were in power.

We might suggest another route to the demand for better legislation. The workers should immediately take possession of the building, not as a bargaining chip to demand better redundancy terms but with the intention of taking it into self-management under their control as a co-op. As well as the building itself they should also seize all the stock in the store and reopen for business initially on the basis of selling that stock. This would give them a breathing space to decide how best they could use the space in order to continue to provide a living to them and their families.

Co-ops do not solve all the problems of life under capitalism but they can be long lived stable institutions providing better wages and working conditions. Mondragon in the Spanish state for instance is now the 10<sup>th</sup> largest company employing 74,000 in 257 companies, whatever its flaws its a better option than vulture fund generated redundancies. Rather than accept cycles of redundancy & closure followed by employment and boom in the interest of private profit we should use bankruptcies to turn privately owned capital into worker owned capital.

This would of course be an illegal act, therefore all the trade union movement would need to be mobilised to defend such an occupation. There will of course be an outcry from politicians, we

note in passing that the owner of D2 Private is herself a Fianna Fail election candidate. There will be an outcry from the media, not only will the Denis O'Brien media be unleashed but the Irish Times relies on the sanctity of property for its big advertising earning property supplements.

Clery's is quite a suitable location for a showdown between the 0.1% who created and maintain the sort of property law we have seen play out here and the rest of us whom such laws only hurt. It was onto the first floor balcony of Clery's that a disguised Jim Larkin emerged to deliver a speech during the 1913 Lockout, triggering a police riot as they sought to arrest him. Two workers were killed in the course of the riot and the police attacks on the homes of workers in the area that followed it. During those attacks the police smashed up the workers homes, the states respect for property after all only applying for the rich.

Larkin & Connolly's ITGWU of 1913 might well have gone for such an occupation. The unions of today will not. They are lead by people who are part of the establishment. They earn huge salaries and are trained to respect the law and constrain workers militancy in order to protect union assets. Unless they decide otherwise the 460 workers who depended on Clery's for their livelihoods will be the losers. Gordon Brothers have already headed off into the sunset with perhaps 14 million profit from their two year 'investment' and Natrium have obtained, debt free, one of the most prominent landmark buildings in Dublin to do with as they please.

Clerys was looted by the Dublin poor at the start of the 1916 uprising and almost complexly destroyed by British bombardment and fire by the end of Easter week. Who will hold the building for next years centenary will tell us a lot about the Ireland we inherited.

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