



Flywheel



SERVICE Above Self

March 3, 2006

A Weekly Publication of the Rotary Club of Richmond, California

Program for Friday March 3, 2006



**Richmond Rotary
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2005-2006**

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District 5160

Governor

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*Richmond Rotary
meets every Friday
12:15 at the
beautiful Mira
Vista Golf and
Country Club*

Mahatma Gandhi Live!
Gandhi's Message in Gandhi's Character
*Peace, Nonviolence, Social Justice, Equality, Human Rights, Courage,
Compassion, Commitment, Integrity*



Shall Sinha

Presented by **Dr. Shall Sinha**

This Presentation has no parallel in North America!!!

**Inspirational, Thought-provoking,
Entertaining, Unforgettable!!**

Door Duty: Charles Wong and Ted Abreu

Program for Friday March 10, 2006

School District Strategic Planning Update



**Tom Waller, showing us again that you can't keep a sub-mariner down,
brings an update to strategic planning in the WCCUSD**

Door Duty: Jim Young and

Door Duty

3/3
Charlie Wong
Ted Abreu

3/10
Jim Young

3/17
Erle Brown
Russ Shultze

3/24
Jan Brown
Dan Sanders

3/31
Tom Butt
Nick Reina

4/7
Thomas Cameron
Troy Pewitt

Where to Make Up

Mon 12:15 Seafood
Peddler, San Rafael

Tue 12:30 Solano Grill
Albany

Tue 12:15 Elks Club
El Sobrante

Wed 12:15 His
Lordships
Berkeley

Wed 7:15am Hercules
Senior Center, Hercules

Wed 12:15 La Strada
San Pablo

Thu 12:15 Mira Vista
G&CC, El Cerrito

Thu 12:30 Outback
Steak House, Pinole

Thu 12:15 World
Holiday Inn, Vallejo

Meeting of February 24, 2006

Prez Jon Lawlis opened the meeting asking **Jim Young** to lead us in the Pledge of Allegiance. **Stoney Stonework** lead the group in a moment of silence for freedom, peace and justice around the world. Prez-Jon asked an important question attributed to the Rev. Dr. Martin Luther King Jr., “What are you doing to help others?”

Visiting Rotarians

None Today

Rotarians With Guests

Everybody’s banker, **Barry Gordon** introduced Tom Bennett from Mechanics Bank.

Sunshine Report

David K didn’t have nothin’ to say and he’s sticking to it, meaning that everyone is OK (*to the best of our knowledge*).

Announcements

Prez Jon thanked **Lea Schwarz** for the fine 100th year birthday cake for Werner, I mean Rotary



Joey Baggs asked the member to mark their calendars for Xmas in April type project as the club will be helping NIAD with a “hands on” fix-up project. Exact dates and duties have not been set with specifics announced next Friday. (*Yes, I know it’s not politically correct. Alternate names could be Kwanza in the 2nd quarter or Spring into Hanukah. As Joey would say, “What’s more important, names or helping people?”*)

Prez John reminded the members of the 90th Birthday Party for District 5160 to be held on Treasure Island April 2nd.

Recognitions

Dandy Don Lau replaced “The Beav” at the Rotary Recognized Wheel of Fortune. First up was **John Troughton**. Even as he prepares to be today’s guest

Upcoming Programs

Mar 10

Dr. Shall Sinha

'Nonviolent Peaceforce'

Mar 17

“The Real CSI, Facts Photos, Evidence & No Beautiful People”

Raffle

John Troughton

pulled the ticket that, thank goodness, was not Ralph “Oh no not again” Hill’s. Lucky David Brown then pulled a white ball and got a free lunch.



Rotary News

1 February 2006
The Global Polio Eradication Initiative announced today that Egypt and Niger are no longer polio endemic since the indigenous form of the virus that causes the disease has not circulated in either country for over 12 months.

This is the first time in three years that the number of polio-endemic countries has fallen, leaving Afghanistan, India, Nigeria, and Pakistan as the only countries that have never stopped indigenous polio transmission.

Important Dates

03/16

Board Meeting. Noon at the Richmond CC

4/02

90th District 5160 Birthday Bash at Treasure Island. See Prez Jon for Details

4/08

90th District 5160 Birthday Bash Northern edition on the train starting in McCloud. See Prez Jon for Details

6/11-6/14

Rotary International Convention in Malmo/Copenhagen

Object of Rotary

The Object of Rotary is to encourage and foster the ideal of service as a basis of worthy enterprise and, in particular, to encourage and foster:

FIRST The development of acquaintance as an opportunity for service;

SECOND High ethical standards in business and professions, the recognition of the worthiness of all useful occupations, and the dignifying of each Rotarian's occupation as an opportunity to serve society;

THIRD The application of the ideal of service in each Rotarian's personal, business, and community life;

FOURTH The advancement of international understanding, goodwill, and peace through a world fellowship of business and professional persons united in the ideal of service.

He is celebrating his Valentines Day wedding anniversary,. John fondly remember the first wedding celebration at the Rockefeller Lodge, complete with celebratory gun fire. He said he preferred this year's celebration at the St. Francis Hotel in the City. Next up was **Dandy Don** himself celebrating his 17th anniversary with a \$100 contribution to the Community Fund.

Happy/Sad \$\$\$

Rich Brandes had Happy Dollars for Lea Schwarz, whom Rich has just learned is responsible for all of Warner's e-mail correspondence. That is to say Lea has done such a fine job of responding in the voice of a nuclear physicist, who wolulda thunK? (*Obviously this gives Warner even more time to expand his already collection of Hennie Youngman jokes.*) **Herb** had Happy Dollars for the most recent successful deliver of 98 wheel chairs to Mexico. Heb notes that in the banter with other Rotarians from across the state, those who know him did not know that **PDG Warner Schwarz** is a member and home boy of the Richmond Rotary. They thought, because it was clearly cultivated, that he is a member of the organic brie eating, barrel fermented, "no preservatives added" chardonnay swilling Marin Rotary, wherever that is. **Glenn Daggs** had Happy Dollars because he was glad to be here, even if it was a little late. Lovely **Leslie Levy** had Happy Dollars for the good time and "best ribs ever" she and her guest had at the Rutherford Grill, which was a Holiday Auction graciously donated by Glenn Daggs. **Judy Kafka** (nice to see you Judy) had happy Dollars for Rich's tribute to Lea Schwarz which has given her an idea on how to handle her husband's e-mail.

Program

Prez Jon asked **Jim Young** to introduce today's guest and speaker our very own dirt kicker, West County Booster and deal maker **John Troughton**.



John stated that no one is more surprised than him that he is getting paid handsomely to travel around the country



Birthdays

- 2/11** Rich Brandes
- 2/23** Erle Brown

Anniversaries

- 2/03** Rich and Lisa Brandes
- 2/07** George and Liz Alvarez
- 2/14** John and Debra Troughton
- 2/18** Don and Shelley Lau

Club Anniversaries

- John Troughton **2years**
- Judy Morgan **17 years**
- Norm Foley **38 Years**
- Bart Wallace **20 Years**
- George Alvarez **4 Years**
- Joe Bagley **15 Year**
- Joanne Blum **4 Years**
- Jan Brown **4 Years**
- Josh Genser **4 Years**
- Mark Howe **4 Years**
- Bob Dabney **2 Years**
- Dan Tanita **22 Years**
- Don Lau **22 Years**
- John Wilson **1 Year**

Archived versions of the Flywheel can be seen at <http://www.richmondcarotary.org/newletter/archive>

Our New Members!

Gary Bell



Classification
Finances-Mortgages

Cory Lawrence



Classification
Real Estate-Commercial

Luz Gomez



Classification
County Government

**Barbara
Medwadowski**



Classification
Winemaker

Nabil "Bill" Wahbeh



Classification
Industrial Waste
Management

telling stories about doing deals in West County to private equity fund managers. John modestly noted that he think he has a theoretical model for and explanation of "blight", the legal/political name for urban decline and decay that all of us are familiar with from first hand experience. John labeled this concept "over cross-collateralization". John then went on to describe the current unprecedented environment of mergers & acquisitions (M&A), which is the mechanism that is being used to transfer ownership and cash from current owners to new owners. What is different about the current environment is that the new owners come from the global neighborhood (not the historic regional or national economy). They are most likely to be investors, private equity funds specifically, responding to investment goals and strategies (opposed to owner operators although they still exist. And, they are supported in their efforts by a virtual ocean of money drawn from the global economy. He last two points means they are largely self financed, which tends to make their decision and the consequences of their decision largely immune from public input and concerns.

This is where over cross-collateralization comes in because it is part of the self financing mechanism used by the investors. They acquire large "undervalued companies and break their assets, like factories and stores, into pieces and reassemble them into large asset pools that are then used to collateralize very large loans from equity funds. These pools of assets have very low loan to value ratios and very high prepayment or restructuring penalties which means when real properties go into one of these pools, its like entering a black hole in the economy. A padlock goes on the front gate and its never heard from again because its "job" is to provide the already minimal collateral value assigned to it to support the collateral pool. The controlling investor has no incentive to do anything with the property because he is using the money he borrowed against the pool to fund his core growth, usually new acquisitions. The fact that the now shuttered factory or store is no longer providing good, services jobs, increasing tax base, etc. is no concern of the owner investor or the over cross collateralized lender.

John's thought is that this is not good for a whole lot of people even if it makes sense as an investment decision. John is clearly personally committed to helping the equity fund investors find alternative ways of meeting their investment objectives without creating so many "Collateral Problems".

Rotating Flywheel Editor,
Jim Young

Our New Members!

Catharine Hay



Classification
Mortgage-Lending

Frank Desplancke

Classification
Religion-Social Services

Rotary Programs

Polio Plus

Rotarians have mobilized by the hundreds of thousands to insure that children are immunized against this crippling disease and that surveillance is strong, despite the poor infrastructure, extreme poverty and civil strife of many countries. Since the PolioPlus program's inception in 19985, more than 2 billion children have received oral polio vaccine. To date 210 countries, territories and areas around the world are polio-free. As of June 2005, Rotary has committed more than \$581 to global polio eradication.

Matching Grants

provide funds for international service projects of Rotary clubs and districts. Since 1965, 22000 Matching Grant projects in 166 countries have been funded at a cost of more than \$ 224 million.