

Continued from Page 5

Novak gave his State of Yum! address in animated fashion, but then detached from the meeting as five shareholder resolutions were presented. Given his body language, one might have thought he was reading Webster's Unabridged Dictionary cover to cover. What he needed was some of the exclamation from Yum!'s name — David Novak!

Each shareholder resolution presentation was limited to one speaker and three minutes. The topics included BBT's resolution and others on corporate governance, equal opportunity rights, genetically engineered foods, and animal welfare standards. No additional dialog was allowed at this point. Each speaker, Will included, spoke into cordless microphones, but were not allowed to hold them. Each mic was firmly grasped with two hands by a Yum! employee so as to not allow microphone control to leave Yum!'s hands. Once the fifth resolution was presented, the official voting period was declared open. A handful of shareholders turned in their votes and the voting period was declared closed, basically ending the meeting.

This was contrary to what Mr. Campbell had promised at the start of the meeting, which was that shareholders could comment on each resolution. Instead, the comment period came after the votes were tallied and the meeting was about to end, effectively curtailing debate and information sharing.

Once the voting had concluded, the firm had no plan to announce preliminary results. A majority of shares are voted well in advance of most shareholder meetings through proxy statements, and so the outcome of the vote, but not the official vote percentages, is usually known at the start of each meeting. After pleas from several shareholders, the numbers were read, with BBT's resolution receiving just over seven percent of the vote. Or did it?

Official shareholder resolution vote percentages do not count abstentions. However, Will and other resolution presenters believe that the numbers presented by Yum! included abstentions, which, if true, would reflect a much lower percentage of support. The Securities and Exchange Commission mandates that resolutions can return year after year only if they meet increasing percentage thresholds of the vote, not including abstentions (See "BBT resolution voted on at Yum! annual meeting" on page 7).

Yum!'s tight control continued when the meeting concluded. We were not allowed to linger too long in the building to commiserate with the other resolution petitioners. Once ushered back outside we saw more than 20 uniformed police officers just inside the Yum! grounds who were keeping an eye on a picket demonstration just outside the grounds by tomato workers who were pleading for increased wages. Also inside the fenced parking lot was a huge tow truck, engine humming and running lights on, ready to move anything as big as a semi



Will Thomas, director of Socially Responsible Investing, confers with Jennifer Williams of the American Lung Association of Kentucky following Yum! Brand's 2004 annual meeting. Both organizations are working to remove smoking from Yum!'s corporately owned restaurants.

at a moment's notice.

Why the armed guards, metal detector, aisle controllers, bouncers, limited shareholder interaction, and huge tow truck? One reason we were given is that some shareholder activists, such as People for the Ethical Treatment of Animals (PETA), have been known to become extremely disruptive during shareholder meetings. And a PETA representative did present the animal-related resolution.

But having witnessed all of this control and Novak's body language twice over the past three years, I think Yum! does not want a single shareholder resolution to pass — even those that are just and right. One successful resolution could spawn new resolutions and soon enough Yum! could have shareholders caring about and participating in the company they own, leading the firm to adopt sensible social practices in addition to maintaining a strong balance sheet.

What a concept! — N.D.

## BBT Completes a Full Annual Conference Schedule

With a broad array of insight sessions, a fitness event, and a busy exhibit area, Brethren Benefit Trust put forward a significant presence at the 2004 Church of the Brethren Annual Conference in Charleston, W. Va. A major component of BBT's efforts was the new face of the Church of the Brethren Credit Union and the benefits it now offers to all Church of the Brethren members and their families.

"Brethren Benefit Trust values the opportunity at Annual Conference to meet and talk with our clients and to answer their questions," said Wil Nolen, BBT president. "Annual Conference represents an important opportunity for BBT to receive feedback from members and to interact with them on a personal level."

On Sunday afternoon, BBT presented its annual report to the delegate body, with President Wil Nolen and Board Chair Dick Pogue describing BBT's work of financial stewardship and mutuality. Financial stewardship is the central purpose for which the Annual Conference created BBT, but a sense of mutuality is essential for the organization to offer ministries that truly benefit the entire denomination. At the Sunday evening business session, BBT also presented its annual picture and music memorial tribute to the 51 Pension Plan members who had died during the past year.

Immediately after that service, BBT's schedule of insight sessions started with, "Is a Church of the Brethren Credit Union for Me?" Dennis Kingery, director of the Credit Union, explained how members can now take advantage of the Credit Union's services while main-

Dennis Kingery calls out times for runners as they reach the mid-point of the 2004 Fitness Challenge and make the turn for home — directly in front of the West Virginia state capital. Dennis' two sons are cheering in the background.

taining their Brethren values. On Monday afternoon, Will Thomas, director of Socially Responsible Investing, convened a panel discussion titled "Now What Should I Do? Investment Challenges with Your Personal Finances."

Panelists John Waggoner, USA Today mutual fund writer; Gail Habecker, a portfolio manager and BBT board member; and Don Fecher, Brethren Pension Plan director, presented an engaging discussion on a variety of individual investment issues (A video/DVD of this session is available by calling 800-746-1505, ext. 374).

The schedule continued Monday evening with "How to Better Spin Your CoB Web," in which a three-person panel, moderated by Eric Thompson, BBT Network Administrator, suggested numerous strategies for using modern technology to support a congregation's mission. The panel consisted of John Kurtz, president of Solid



Almost 300 attendees took advantage of the six computer stations BBT provided at its booth in the Annual Conference exhibit hall for conferencegoers to check their e-mail.



Almost 150 runners and walkers start out on the 5k Fitness Challenge on the Charleston riverfront. Participants ran or walked a 2.5 kilometer path to the state capitol, then returned to the starting area for the finish.

Software Inc. and member of Middlecreek Church of the Brethren (www.middlecreek.cc); Pete Haynes, pastor at Long Green Valley Church of the Brethren (www.lgvco.org); and Ron Gordon, computer programmer and member of Bunker Hill Church of the Brethren — also the creator and administrator of

Continued on Page 4



Don Fecher (left) and Gail Habecker listen as John Wagoner, mutual fund columnist for USA Today, makes a point during the insight session "Now What Should I do? Investment Challenges with Your Personal Finances."

www.cob-net.org. Tuesday morning found Jeff Garber, director of Brethren Insurance Plans, discussing "Protecting your Estate — Assessing the Need for Long-Term Care Insurance." Along with health insurance, long-term care insurance can be an important element of financial planning. BBT's final insight session, a third panel discussion, titled "Churches Save Souls — Should They Save \$, Too?" brought congregational representatives Jeff Eisenbise and David Miller together to explore how investments might be a part of a congregation's mission.

In the exhibit area, hundreds of conference attendees stopped by



Delegates watch one of two large video screens during the presentation of the annual memorial tribute to deceased Pension Plan members during Sunday evening's business session.

to pick up a canvas tote bag as they began their visits to the other booth displays. BBT and its booth partner, Mutual Aid Association, welcomed almost 300 conference attendees at the computers set up to send and receive e-mail. Many attendees also visited with staff members to ask questions about the Credit Union, health insurance, the Brethren Pension Plan, deferred gifts, and asset management for organizations.

On Monday morning, BBT hosted its biggest-ever Fitness Challenge. The 2003 event in Boise drew 88 participants, but in Charleston 147 runners and walkers converged on the waterfront to follow a 5 kilometer path down to the West Virginia state capitol and back. Although there were no obvious reasons for the dramatic increase in the size of the event, the 67 percent growth was "extremely gratifying" said Susan Brandenbusch, coordinator of the fitness challenge and BBT's administrative assistant to the Office of the President.

On Tuesday evening, the BBT Board welcomed its newest member, John Braun, of Seattle, Wash, along with returning Board members Ken Holderread and Dave Gerber, who were re-elected to their second four-year terms by the districts and retirement communities, respectively. Rich Brandhorst, of Waterloo, Iowa, completed his term on the Board and thanked BBT for the opportunity to serve in this capacity. The Board reorganized itself with officer elections — Dick Pogue, chair; Fred Bernhard, vice-chair; Wil Nolen, secretary; and Darryl Deardorff, treasurer. — W.T.



Wil Nolen, president, delivers BBT's Annual Report during the Sunday afternoon business session. Dick Pogue, Board Chair, awaits his portion of the report.



Donna March, manager of Insurance Operations, describes the benefits of the Brethren Insurance Plan for an interested conference attendee.



Rich Brandhorst (right), who completed his term on the BBT Board at Annual Conference, accepts congratulations and thanks from Wil Nolen for his service.

## Yum! Brands Welcomes Stockholders . . . Mostly

At least 30 armed police officers and other plain clothes security personnel were directing motor and foot traffic and were not to be messed with. To enter the building, all visitors had to be pre-registered and needed to sign in and get temporary badges. Guests then were herded through a metal detector where all sharp objects, weapons and cameras — including cell phones and plastic throwaway cameras — were confiscated.

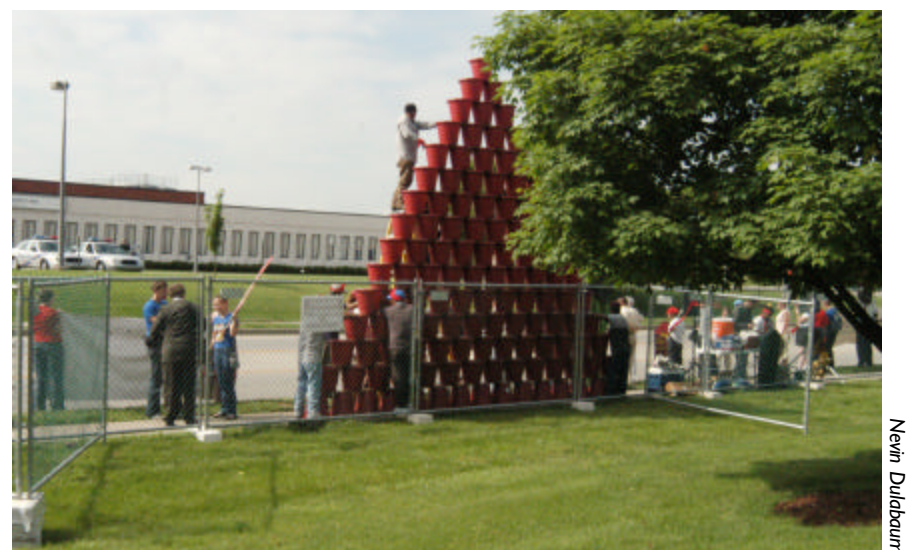
A White House state visit? Hardly. It was the 2004 annual shareholders meeting of Yum! Brands, parent company of Taco Bell, Pizza Hut, Long John Silver's, A&W, and KFC, held May 20 in Louisville, Ky. Will Thomas and I were there to represent the \$1.75 million Brethren Benefit Trust pensioners and Brethren Foundation asset management clients own in Yum! stock.

Brethren Benefit Trust manages more than \$360 million in Pension and Foundation monies, and all of those funds are invested in a socially responsible manner. Some of the firms BBT invests in have social, environmental, or employment practices that don't quite conform to Annual Conference position statements. Like Yum!

For three years BBT has led a shareholder resolution asking Yum! to ban smoking in its corporate-owned restaurants. Seems like a simple request. Taco Bell took that step several years ago when it was owned by Pepsi. KFC's European division has instituted such a policy. So have McDonalds and Wendys. Moreover, such a ban would remove the threat of costly tobacco-related lawsuits by employees or patrons and reduce health risks to everyone in the restaurants. Even some Yum! officials privately supported BBT's resolution and voted for it as shareholders.

Nevertheless, I left the meeting with the impression that the firm will do everything it can to see that all shareholder resolutions fail. At the heart of the issue is control, which Yum! did everything in its power to maintain during this meeting.

Once shareholders passed through the metal detector, they moved down a hallway to the large meeting room under the watchful eye of several Yum! employees. Another hallway led to the rest rooms. Aisle controllers guided visitors down the hall, keeping them from easily slip-



Representatives of the Coalition of Immokalee Workers build a pyramid of tomato buckets to dramatize their request for a living wage and better working conditions.

ping out of one of the many doors along the way. Friendly and courteous employees were positioned so that no stretch of walkway was out of an employee's eyesight, except for in the rest rooms. Then again...

Prior to the meeting we met with several top executives who work with shareholder resolutions. To get to that office, we were quietly joined not by a mere escort but by two friendly walkie-talkie-

**"One successful resolution could spawn new resolutions and soon enough Yum! could have shareholders caring about and participating in the company they own."**

laden security personnel who politely ushered us through the Yum! Hall of Fame, up an elevator, and down another long hall. As we entered the office, the security men dropped off, waiting in the hall for us to finish so they could escort us back downstairs. When that time arrived, we were led back to the metal detector to meet Jennifer Williams of the Kentucky branch of the American Lung Association, an organization that supports BBT's Yum! campaign. Once she

joined us, we returned to the shareholder meeting room and our escorts quietly disappeared.

The shareholder meeting began with chairman and chief executive officer David Novak taking his seat on a small stage along with Chris Campbell, Corporate Secretary. Flanking them just off stage at their own small tables were two big men whose jobs it was to face and watch the shareholders — Yum! bouncers!

Continued on Page 6