

**FOR IMMEDIATE RELEASE**

Contact: Jacob Hay, (202) 942-2285, (202) 445-4788 or [jhay@liuna.org](mailto:jhay@liuna.org)

## **SEC Blocks LIUNA Shareholder Call for Succession Planning at Whole Foods**

*Resolution Aimed to Encourage Stability, Lower Executive Pay Costs*

**Washington, D.C. (December 9, 2008)** – The Securities and Exchange Commission has issued a “no action” statement regarding a LIUNA shareholder proposal on succession planning at Whole Foods, effectively blocking the proposal and encouraging other corporations to ignore similar efforts.

The proposal by the Central Laborers’ Pension Fund would have required Whole Foods to adopt and disclose a written and detailed succession planning policy. At a time when chief executive officer departures are rapidly increasing, succession planning is critical to the stability of a company. Studies show that companies without CEO succession plans spend more on executive compensation for new CEOs than companies with clearly defined transition policies. Best practices reports cite CEO succession planning as a key responsibility of a company’s Board of Directors.

In its no action statement, the SEC asserted that succession planning is routine company business and does not need be disclosed; in effect telling Whole Foods that the agency will take no action requiring the company to place the shareholder proposal on proxy statements.

“By granting no-action on succession proposals, the SEC is standing on the sidelines and failing to fulfill its primary duty of protecting shareholders,” LIUNA General President Terence M. O’Sullivan said. “America’s economic crisis, caused in part by corporate irresponsibility, calls for more regulation and oversight, not inaction.”

The SEC issued similar no action statements when LIUNA shareholders filed proposals in 2007 which would have required major financial services corporations to examine their relationships with credit rating agencies in an effort to ensure that sub-prime mortgage lending risk was disclosed.

“When evidence of our economic crisis began to emerge, LIUNA Funds were some of the first to call for important steps to limit shareholder risk by improving corporate accountability, stability and disclosure,” O’Sullivan said. “The SEC is supposed to be an investor advocate, but in this case made the situation worse by standing in the way of shareholder attempts to mitigate the crisis.”

###

*The members of LIUNA – the Laborers’ International Union of North America – are on the forefront of the construction industry, a powerhouse of workers who are proud to build America.*