

# BERKSHIRE, BUFFETT, AND PETROCHINA:



## Background

Jerry is the Chair of SRAC-Penn's Social Responsibility Advisory Committee. In that capacity, he and the committee make recommendations to the Penn Board of Trustees on voting social action corporate proxies. In 2006 the committee recommended that the University not invest in a small number of stocks that provide funding for the genocide in Darfur.

China is heavily invested in oilfields in the Sudan. CNPC, or Chinese National Petroleum Company, is the major corporation-both in terms of extraction and purchase-involved in oil in the Sudan. 70% of the oil revenue Sudan receives from Chinese involvement is used by the Sudanese government to fund the genocide in Darfur. Darfur is a region in Western Sudan where there has been a long-standing conflict between Arab herders and black African farmers over land. Both groups are Muslim, so this is not a religious conflict but an ethnic one. This conflict has worsened because of desertification of the region, which has shrunken the contested arable land. The government of Sudan is Arab, and the

Arabs are a minority. They ignored the black Darfurians, and a rebel movement among the black farmers challenged the government. The government responded by arming the herders and encouraging their raids on black African villages. The ancient hostilities and the shrinking of arable land, as well as encouragement by the Sudanese government, led to a slaughter of the African farmers that is now considered the first genocide in the 21<sup>st</sup> century. 400,000 have been murdered, 2 ½ million are homeless, and 1600 villages have been destroyed. The herders, known as the janjaweed, rape and murder, burn villages, and are effectively doing an ethnic cleansing. The government protects them with bombing and air cover. Many Darfuri refugees have fled to Chad, and the janjaweed are pursuing them into Chad, which has destabilized that country.

I am a shareholder of 10 class B shares in Berkshire Hathaway (owner of Geico, Dairy Queen, and many other companies), and Jerry was appalled when we received Berkshire's Annual Report and found that they were heavily invested in PetroChina; in fact, they own 11% of the non-Chinese shares.

PetroChina is a subsidiary of The China National Petroleum Company (CNPC) and CNPC, plays a major role in funding the genocide, in providing weapons to the Sudanese, in cooperating with the Sudanese military, in forcibly displacing local populations, and in myriad other ways facilitating the killing of hundreds of thousands of Darfuris. CNPC is the largest foreign investor in Sudan's oil industry and fully 70% of the revenues Khartoum generates from CNPC's operations goes to its military which, in turn, conducts the genocide in Darfur. Mr. Buffett asserts that PetroChina has no operations in the Sudan and has no control over CNPC.

The facts make it perfectly clear that that is not the situation. The Chairman of PetroChina's Board is the immediate past president of CNPC, the President of CNPC is President of PetroChina and Vice-Chair of the PetroChina Board, the CFO of CNPC is the CFO of PetroChina, and the Chairman of PetroChina Supervisory Board is Chief of Discipline and Inspection at CNPC. Overlap goes all the way through senior management: eight out of nine PetroChina Directors have a current or immediate past connection to CNPC, four out of five PetroChina Supervisors have a current or immediate past connection to CNPC, and all PetroChina senior executives are currently or formerly connected to CNPC.

In addition to management overlap, asset transfers between PetroChina and CNPC are routine. For example: In 2005, PetroChina placed \$3.15 billion of its cash in CNPC's finance arm, money that could then be freely used to finance CNPC's projects in Sudan. PetroChina receives

unsecured loans at below market interest from CNPC, a clear form of subsidy. 50% of CNPC's profits are generated from PetroChina's dividend payments to the company. This money can then clearly be used for any purpose, including Sudan.

In short, PetroChina is an artifact created for the sole purpose of allowing some shareholders to distance themselves from the actions of its parent, CNPC. In China the companies share the same brand name and the same logo. If you look at a coin, the images on the two side are different, but the coin is a unity, you can not spend one side of a dime or own one side of a quarter. It is the same with PetroChina and with CNPC, they look different but they are simply two faces of the same corporation. China, through CNPC, is not only providing the Sudanese government with money and arms, but also blocking sanctions against Sudan by the UN Security Council.

Jerry wrote to Warren Buffett, the sage of Omaha and the third richest man in the world, who is the CEO and founder of Berkshire Hathaway, about Berkshire's involvement in PetroChina. Buffett didn't reply. Thus, Jerry decided to introduce a shareholder's resolution.

President Clinton issued Executive Order 13067 in 1997, which imposed a trade embargo prohibiting most American businesses from operating in the Sudan. On April 27, President Bush issued a new executive order expanding Executive Order 13067. While it is true that American companies cannot do business in the Sudan, however, Americans can invest in European and Asian companies that do business there. While such investments do not violate the letter of the law, they

violate the spirit of the law and run counter to the stated policy of the U.S. Jerry's resolution thus stated "Resolved: that Berkshire Hathaway Inc. shall not invest in the securities of any foreign corporation or subsidiary thereof that engages in activities that would be prohibited for U.S. corporations by Executive Order of the President of the U.S."

Buffett appealed to the Securities and Exchange Commission that Berkshire Hathaway should not have to include the proxy statement, because it was too general. The SEC agreed with Buffett. However, for some reason, Buffett decided to include it after all and let us present it. It is possible that Berkshire had already printed the 452,000 notices of the Annual meeting of the shareholders and the proxy statement before Buffett heard from the SEC and Berkshire didn't want to reprint them. It is also possible that since he has just given his fortune to the Gates Foundation, and is regarded as a paragon of ethical investing, it was a PR move to preserve his squeaky clean reputation. However, he had a statement on the web that disputed our contentions about PetroChina/CNPC relationship (something he almost never does, since he does not answer challenges) and advised a "no" vote on our resolution. Jerry asked Berkshire for the mailing list of shareholders in order to write a letter answering Buffett. His contact at Berkshire was unaware that this was legal, and talked to his lawyers and found out that it was. The expense of sending the letters, however, was so great that Jerry posted a click through ad on Google that came up when one searched on the Berkshire-Hathaway web site. That click through took one to a web site that contained a point by point

rebuttal to Buffett's argument (<http://home.comcast.net/~jdrporter> for the excellent web site). We thought we had done our homework for the annual meeting and got ready to go to Omaha.

### **The Preparation**

We are not alone in our concern about the genocide in Darfur. The Save Darfur Coalition (SDC), The Sudan Divestment Task Force (SDTF), and Fidelity Out of Sudan (FOOS) are also committed to ending the genocide. Once they learned we had submitted the proxy, they called us to coordinate plans. This was an excellent opportunity for them, because even if they could get into the meeting, they could only ask questions in the Q and A portion of the meeting where shareholders have a chance to have a discussion with Buffett. They could not make a presentation. With us making the presentation in the form of a resolution at the business meeting, they could act as a support staff outside the meeting and provide us with information. The situation rapidly became complex, however. Sudan Divestment Task Force, it turns out, does not want to ask Buffett to divest. They want, instead, to pressure the government of China to stop supporting the genocide. The Save Darfur Coalition coordinates publicity, but was unsure of which strategy they supported. Fidelity Out of Sudan is calling for divestment by Fidelity. We were reminded of the Monty Python movie, the Life of Brian, where the Palestine Liberation Organization and the Organization for the Liberation of Palestine meet underground as each is making a raid on the palace and end up arguing with each other.

When I went to Washington for the Ford Foundation Diversity Fellowship Panel in March, Jerry went to meet the people associated with the SDC and ask for speakers to help us make the case to Buffett. There had to be discussion between the organizations, tactics differed, and though everyone wanted to cooperate, someone needed to take the lead. Jerry returned to Washington for the Math Association later in the month and managed to get everyone on the same page, specifically to back our resolution and, if pushed, to say that they wanted Buffett to talk to China first, but if China did nothing, to then push for divestment. There was also confusion about whom to invite as our accompanying speakers. Jerry solved that. He invited Bob Edgar, our former Congressman and a clergyman who is the general secretary of the National Council of Churches. It is an advantage not to be hampered by inter-organizational politics, because then you can act without conferring. SDTF supplied their expert on the CNPC/PetroChina relationship, and SDC came up with a Darfuri from Sioux City, Iowa. Omaha has the largest Darfuri community in the U.S., but since Buffett is providing support to the refugees, they were afraid to speak. It looked like things were coming together.

### **And Two Weeks Before, Came the Deluge**

Suddenly, the press became aware of the story when the Shareholder's announcement, containing the proxy, was mailed and Buffett's defense of his PetroChina investment appeared on the web. Since the Annual Meeting is known as Woodstock for Capitalists, and usually attracts 27,000 shareholders who

are treated to bar-b-ques, sales of products from Buffett's corporations, and a six hour session where they can ask him questions, this is a media circus. The press needed an angle. We were it. It was a David and Goliath story; two unknowns from Pa. were set to challenge the great man, the Sage of Omaha. The press began to call—and call—and call. Jerry was spending much of the day on the phone with the press. Bloomberg News was the most persistent. Josh Hamilton, Bloomberg's reporter who reports on Buffett, came from New York to interview us and brought along a photographer who shot approximately a hundred photos. We had him interview us in Jerry's office at Penn. I didn't trust him. He kept wanting the photographer to come to our house, and he kept repeating the question of whether we thought Buffett was ethical. We later found out that he was asking the Save Darfur Coalition people the same persistent question. It was clear that he wanted to do an "us against Buffett" story.

Since his shareholders revere him, any personal attack on Buffett would undercut our mission. Thus, we constantly repeated how much we admired Buffett, that he was an ethical man, and that we only wanted to present the facts to him and appeal to his well known moral sensibility. We did not veer from the "educate, don't attack or confront" line of argument. Josh, however, was relentless. He called every day for the next two weeks with a variant of the same question. We received calls from AP, Reuters, the Wall Street Journal, the LA Times, Bloomberg News from Chicago (Josh is in the NY bureau), the London Financial Times, and other presses and we gave them the same line. At one point, Jerry

emailed the Save Darfur Coalition and told them that Bloomberg News would be calling them. Alas, the Wall Street Journal reporter's name was on the send list, and that reporter had a fit and basically felt that we had ruined her story. Jerry tried to reassure her that she could have found Bloomberg's story on the web if she had looked, but she never contacted us again. John Wasik of Bloomberg News in Chicago and Charles Piller of the LA Times wrote the best stories, as did the Financial Times of London. The press journalists, however, had lots of company. Marketwatch, an NPR financial program, did a radio interview with me. Last but not least came the TV crew. Bloomberg sent a crew that wired our living room with sound equipment, attached us to mikes, set up lights, and filmed us while the Bloomberg TV reporter interviewed us by phone from New York. The head of the two-person crew, it turns out, lives around the corner from us. We were rapidly becoming worn out, since the tension was building, we were repeating the same story over and over again, and we usually do not get dressed up in the afternoon to look presentable for national TV.

The Thursday before we left for Omaha arrived. Melanie Judd, our daughter-in-law, an award winning film maker, and her business partner in Jumbo Films, Susan Motamed (who produced the Enron movie) decided to make a documentary about our quest to convince Buffett, and arrived to film our preparation for departure. Once again, we were hooked up with microphones and faced the cameras. They followed us around all afternoon, filming our packing for the trip, interviewing us (with much more intelligent questions than the press), and having us rehearse

our talks in front of the cameras. We had received three letters of support from shareholders, one from a 91 year old woman who said that she had 25 class A shares (5,000 votes) and was voting for us. Her husband was voting against us—but he only had 6 votes from class B shares.

Buffett had originally said we could have all the time we wanted to talk, but we had to talk at the business meeting at the end of the day. Jerry's contact at Berkshire also said we could bring the speakers we wanted and use powerpoints. Two days before we left, the Save Darfur Coalition ran ads in the Omaha paper and had billboards all over town urging Berkshire to divest from PetroChina. Buffett apparently got nervous, because we were told by Berkshire that we could not use powerpoints, we had limited time to speak, and only shareholders could speak. That presented a problem, since Bob Edgar and AbdelMagid, the Darfuri speaker, weren't shareholders. Jerry solved that in no time flat. Doris Gluck, the wife of one of Jerry's colleagues, and Etta and Jim Friend, whom he knows from the gym, are shareholders in Berkshire Hathaway. Jerry got their proxies, with accompanying letter and verification, and lo and behold—Bob Edgar and AbdelMagid had the proxy's of some Jews from the Philadelphia suburbs and thus were automatically anointed as shareholders.

### **And it's On to Omaha**

At 6:30 am Friday, we departed for our 8:25 flight. We were flying to Sioux City, Iowa and driving to Omaha from there. Otherwise, we would have had to change planes twice to get to Omaha; we could have gone to London

in that time frame. Melanie and Susan were flying to Kansas City and driving to Omaha from there. Our plane sat on the runway for 45 minutes before take-off from Philadelphia, and we narrowly caught our flight to Sioux City from our plane change in Minneapolis. Sioux City is the Midwest, writ large. We drove for 90 miles through flat farmland with silos. Dorothy, it ain't Kansas but it's close. We arrived in Omaha and checked in at the EconoLodge Motel. It's not quite Berkshire Hathaway class A shareholders style, but aside from the lovely view of the decrepit industrial park which surrounded us, it was serviceable. We picked up Susan and Melanie and their cameras and headed for the Garden Hilton, where the Save Darfur Coalition had their headquarters. Before we picked up Susan and Melanie, we got called by the Philadelphia Inquirer for an interview. The reporter was a total idiot, asking questions like "Do you do this every week for fun." His story appeared the next day, and had me listed as a professor at Swarthmore!

### **The Players**

I had not met anyone in the organizations that were supporting us, so this was my introduction to the key players. In the Save Darfur Coalition, the key coordinator was Zahara, who was helping to organize their leafleting outside of the Qwest Center where the annual meeting was held. Matt, who graduated college in 2003; Chuck, who was the main coordinator of the weekend; Allyn, an experienced political operative; and Ashley, a cute young lady who was a staff member, were all at work organizing the events. Adam is the key player in the Sudan

Divestment Task Force, with the help of Scott, a graduate student in Philosophy in Colorado, and Jason Miller, a medical student in San Francisco and one of our speakers, who had done the research on the CNPC/PetroChina relationship. All of them are much younger than we are. Eric and Bill from Fidelity Out of Sudan, are two retired Jewish men in their 50's who are running a great campaign in Boston to get Fidelity to divest from PetroChina. They are all terrific. We talked to them for awhile, and met the head of the Darfur community in Omaha, who told me that Jewish organizations were their major source of moral and logistical support. Melanie and Susan were doing lots of filming and were never far from our sides. After dinner, we collapsed.

### **Saturday—the Big Day**

The night was not propitious. A tornado warning had been issued, and we awoke to a loud buzzing which we thought was a tornado warning. Hail, winds, and heavy rain battered our room. We were asked to escort Bob Edgar, general secretary of the National Council of Churches, throughout the day. This was a real pleasure. Bob was our representative in Congress for six terms and we had worked hard to get him elected. He is smart, funny, and a totally wonderful person. We had breakfast with him (filmed, of course, by Susan and Melanie). Bob, Jerry, I, and of course Melanie and Susan with their cameras, took the van to the Qwest Center, where the annual meeting is held. Two local folks from Omaha were also in the van. They were really interested in our resolution, and they were very supportive and said they needed to learn more. Bob—who is a great

politician-suggested we go speak to the press. With Susan and Melanie following with the camera and sound equipment, we went to the Qwest Center and after several false starts, found the press box. However, the guard refused to let us in without a press pass. Susan and Melanie had press passes, but the guard would not let them transfer the passes to us. Bob indicated he was the general secretary of the National Council of Churches and needed to talk to the press, but God was not with him. The guard refused. Susan and Melanie filmed Bob being denied access to the press room.

We then called Lesley at Bloomberg News, who had interviewed us from New York with the TV crew, and asked her for press passes. She suggested that we come to the TV van outside the Qwest Center. When we got there, she said she was going to put us on live feed. The newscaster was a guy with an expensive suit, makeup, and hair that had been sprayed so extensively that it looked like a helmet. He looked like a Breck advertisement. He was interviewing a financial type in the tent outside the TV truck, who implied that the folks who were asking for divestment were naïve. When he finished that interview, Jerry spoke to the interviewee about the points we were making, and he was interested and said he'd already voted or he would consider voting for our resolution. Meanwhile, the wind was blowing, and I decided I needed hairspray. I went into the TV truck and used up the Breck boy's hairspray. We weren't told how long the interview would last, and after being attached to mikes, we talked about the resolution except the reporter cut Jerry off after two minutes to interview someone else. As we left, Lesley called

me over and whispered, "I'm with you. I went to the Save Darfur demonstration in Brooklyn last Sunday." A friend in unexpected places!

We returned to the Qwest Center and regrouped. Melanie and Susan were filming everything in sight. We decided to attend the end of the six hour Q and A that Warren Buffett was having with the shareholders. The Qwest Center is huge, and the arena where the meeting takes place holds 25,000 people. It was full, and Buffett and Charlie Munger, his second in command, were on stage with the adoring supporters gazing at Buffett. It was like a feudal lord presiding over his vassals. People literally fawned on him. Questions like, "Mr. Buffett, you are so wonderful. Who are the people you admire?", and "I am ten years old and want your investment advice," and "Mr. Buffett, can you tell me what to invest in" and "We admire you so much we have named our baby Warren" went on and on. Buffett comes across as an avuncular, folksy guy with a down home Midwestern air. Charlie Munger is his dour sidekick. Buffett answered everything off the cuff and with jokes, and the vassals sat awed by being in his presence. I was somewhat less than awed. Charles Pillar, of the LA Times, had a long article on Friday that investigated Buffett's investments, and they are far short of ethical—tobacco companies, environmental pollutants, and genocide—a real capitalist feast.

We anticipated that very few people would stay for the business meeting, since it was at the end of a long day. However, when we returned to the arena, 17,000 people or so were sitting there, including Bill and Melinda Gates (Bill is on Berkshire's board), and there were more in the overflow rooms. We immediately ran into a problem.

Buffett's minion told us we had only 15 minutes for the five of us to speak. We told her that was unacceptable, and that we had been promised unlimited time. She then conferred with someone and said we had 20 minutes. Jerry and AbdelMagid from Darfur cut down their speeches a bit. The arena is a huge bowl, and we were seated on the first tier, not on the floor. We sat in the first row of the tier in front of the mike. Buffett called for a motion to accept the minutes and then to accept the board of directors. Then he allowed the motion to be presented. I was the first speaker. The minute I got in front of the mike, I knew we had been sideswiped, because there was a delay on the mike. When I talked, I could hear myself several seconds after I spoke. It seems to me that Buffett's staff wanted to make sure that they could kill the mike if we said anything negative about the great man, though I can't prove it. I proceeded with my talk, first thanking Buffett for allowing us to speak, then praising America for the opportunity to speak without recrimination, and then explaining why I introduced the resolution. "My family is no stranger to genocide." I described my grandparents' murder by the Nazis, my family's reaction, and then pointed out that the world was silenced when my grandparents were murdered, but genocide continues—in Cambodia, where the world did nothing; in Bosnia, in Rwanda. And now the first genocide of the 21<sup>st</sup> century was occurring in Darfur. I described the death toll and then told Buffett that there was something he could do about it. I praised his moral sensibility and then talked about divestment in PetroChina as a way to send a message to Sudan and China to stop the killing. I finished with

Eli Weisel's Nobel Peace Prize speech, "We must take sides. Neutrality helps the oppressor, never the victim. Silence encourages the tormentor, never the tormented. Sometimes we must interfere." I spoke with great emotion. When I was finished, instead of the rotten tomatoes I expected to be thrown at us, the audience of 17,000 loudly applauded. Jerry then spoke, presenting the resolution and giving our arguments about why divestment was necessary. He spoke about the relationship between CNPC and PetroChina, noting that they had the same Board of Directors, CEO's, and legal staff and that in China they had the same name and logo. He presented it as two sides of the same coin, and you can't own only one side. He described the resolution by Clinton and Bush not allowing American companies to invest in the Sudan and pointing out investing in PetroChina was violating the spirit if not the letter of that law. He discussed the success of divestment in South Africa and by a Canadian company which helped end the conflict in the southern Sudan. He finished by saying that if Mia Farrow and Steven Spielberg could have an effect on getting the Chinese government to send an envoy to Sudan, Warren Buffett could have an even greater effect on China. He also pointed out that if China withdrew from Sudan, they would no longer have any incentive to block sanctions by the UN Security Council. He spoke with clarity and emphasis. When he finished, the audience applauded him.

Next, Jason Miller, from the Sudan Divestment Task Force, gave facts about the relationship between PetroChina and CNPC. He was followed by AbdelMagid from the Sudan, who was tortured by the Sudanese government for heading a

student organization protesting treatment in Darfur and who was here on refugee status. His parents are still in Darfur, and he described their condition. When he got up to spoke, he was challenged by Warren Buffett, who said only shareholders could speak first. Jerry jumped up to the mike and said that AbdelMagid held a proxy from Etta and James Friend who owned 6 shares of Berkshire. There was nothing Buffett could then do to stop the talk. Finally, Bob Edgar spoke, stating he held Doris Gluck's proxy and that he was a 6-term Congressman and the general secretary of the National Council of Churches, which represented millions of people of faith. In six minutes, he quoted from Jesus, Gandhi, Martin Luther King, the Pope, and the Dalai Lama. He is a real orator, and he used Warren Buffett's own words—"If Berkshire divests, then what" and replied, "Then, children will not be killed, women will not be raped, villages will not be burned." He also got a big round of applause.

When we finished, someone made a brief statement and then Bill from Fidelity Out of Sudan asked him a question. That was a big mistake, because Buffett took the opportunity to speak for the remaining 15 minutes. He was unprepared to answer our arguments, and he simply repeated what had been on his web site and then rambled on in an incoherent speech. He denied the relationship between CNPC and PetroChina, denied there was anything divestment could do, and said Sudan would buy back the assets and be better off if China got out, all arguments we had answered with facts. He was clearly filibustering to run out the time. When he finished, he got scattered applause, much less than we got. Charlie Munger said that we shouldn't

interfere in other country's affairs and then said, "That woman raised the issue of the holocaust". (Both he and earlier, Buffett in a newspaper interview referred to me as "that woman," though I have a name!) "Well," he continued, "we shouldn't forget that the holocaust got us into bed with the murderer Joseph Stalin. Things are more complex than they seem." The meaning was absolutely clear—he was blaming the Jews for World War II. The statement was clearly anti-Semitic. Buffett called an end to the meeting.

A number of shareholders came up to congratulate us. People told us we were brave to take on Buffett (there was no bravery involved; we are not his worshipers), thanked us for raising the issue, said they hadn't known anything about the situation in Darfur and would have voted for our resolution if they had had the information we presented (the vote was taken by mail before the meeting), and were very supportive. Even Buffett's minion, who had given us the time line, told us we had done a good job and that we had kept to the time and the topic. Melanie and Susan had managed to sneak into the arena before we spoke. One cannot tape or take videos inside, but at least they got to hear the talks. The security was lax enough so they could get in, but taking a video would have attracted attention. People also told us that Melinda Gates, who was sitting in the floor section with Bill, was obviously glued into our presentation. Of course, the resolution lost 15,540 to 840,000; we got 1.9% of the votes. However, 30% of the shareholders didn't vote, and there are 200 votes for each class A share compared to 1 vote for each class B share. The Board of Directors of Berkshire including Buffett has 36% of

the shares, and Buffett has 32% of the total shares. When Buffett's shares are removed, we got about 4% of the vote, which we expected since most people had already voted before our presentation and because of the overwhelming odds against us given the stock distribution.

It's interesting that neither Jerry nor I were nervous during the presentation. Despite the fact that 17,000 people were in front of us, we gave the dramatic performance of our careers. Hey, how often does someone get to teach a class of 17,000 including Bill Gates and Warren Buffett.

At the Save Darfur Coalition press conference after the meeting, we were interviewed on camera by CNBC and had a chance to talk to Charles Piller from the LA Times. Following the press conference was a reception for shareholders. A group of kids from Omaha South high school had worked hard to make a presentation to Buffett but couldn't speak because of the filibuster. Jerry and I greeted the shareholders and asked the representatives of these kids to come to the mike and make their presentation, which they appreciated. The shareholders told us that they were grateful that we didn't attack Buffett (fealty to the king dies hard) and that we made a rational, understandable presentation. People said they knew nothing about this, and were shocked to learn these things. All in all, we got a lot of positive support. Peter and Pam Freyd, friends from the Penn math department, had come to Omaha as shareholders because they were concerned about Darfur. They had not realized that the resolution to be presented was from Peter's colleague

across the hall until the announcement of the meeting arrived in the mail.

People said that they were disappointed in Buffett and that he had made an incoherent response. One shareholder who has been to many of Buffett's annual meetings said that folks usually walk out of the room high on Buffett and in a buoyant mood, but that the mood was somber today. One gynecologist from St. Louis said that he liked to invest in Berkshire because he made money and felt good about investing in an ethical company, but that he was disappointed in Buffett. That seemed to be an opinion others held.

We finished the day by going out to dinner with Melanie, Susan, Save Darfur Coalition folks, Sudan Divestment Task Force and Fidelity Out of Darfur colleagues. We returned from Omaha on Sunday exhausted, but sure that everything was over.

### **The follow-up**

It turns out that the drumbeat continued. I got a call from a Jewish woman in Philadelphia who had seen the Inquirer article and was interested in following it up. She invited me out to lunch to meet her daughters. Jerry got a call from a shareholder who wanted our talks to re-read. We also got a call from Josh Hamilton, our nemesis from Bloomberg News in New York, trying to find out what we would do next. He said we had made a great presentation and that Buffett appeared rattled. He also said that he had heard negative feedback about Buffett's attempt to block AbdelMagid from speaking and that people were shocked by Munger's statement. Jerry slipped him a zinger, when he asked why he had wasted two

hours of our time in an interview and quoted nothing. He replied that his editor wanted more background. It's pretty clear that we thought his reporting sucked. Jerry also called his contact at Berkshire to thank him for his help (!) and ask him to include the text of our presentation in the minutes. He said we had done a good job and kept to the resolution. He also said that-speaking off the record and not to be quoted-that he had never seen so many people stay for the business meeting and that he had never seen a resolution that was defeated so overwhelmingly, yet get so much applause. He said he would convey our complaints about Munger to Buffett.

### **What Did We Accomplish**

We lost the vote on the resolution, which we expected. However, we had a far larger impact than we ever anticipated. First, we had a chance to educate 17,000 people directly about the situation in Darfur and the role of Berkshire in abetting it. We also lectured Warren Buffett, though I doubt we changed his mind. He may be ethical in his personal affairs, but he clearly separates his business and personal ethics. We apparently were able to educate Melinda Gates, who is the brains and the heart behind the Gates Foundation. We read in one of the newspaper articles yesterday that the Gates Foundation is re-considering their investment in foreign companies that invest in the Sudan, and we may have been helpful in encouraging them to continue this. We

also in at least a small way put a chink in Buffett's ethical armor. Many of the shareholders were disappointed in him, and some of the press reports of the story (notably Charles Piller of the LA Times, the London Financial Times, Bloomberg Chicago, and in a biting piece, the Economist) pointed up the discrepancy between his so-called ethical stance and his actual investments. Some Indian tribes were also demonstrating at the meeting about the environmental impact of some of his investments on fishing, and though that was a minor story, it was reported as substantiation for this discrepancy. Interestingly, the Gates Foundation-which will hold Buffett's stock-was also implicated in these publications.

In addition, we reached a much wider audience through TV, radio, and especially the press. Google has over 700 newspaper stories on our campaign, and even if they did not criticize Buffett, they linked Buffett, PetroChina, and the Sudan. Our presence inside the meeting gave the various organizations a focal point to provide additional education to shareholders and publicity about the genocide. Our strategy of not attacking Buffett but appealing to his better instincts with emotion and fact appeared to have worked with the shareholders. Also, it gave others who invest in different corporations an idea that they could also introduce a shareholder resolution. Not bad for two ordinary people. However, the genocide continues. Soon, if the world does not act, there will be no-one left.