

TOP STORIES IN NEW YORK

- 1 of 8 Harbinger of a Changing Gowanus
- 2 of 8 Astor's Last Gifts
- 3 of 8 Bringing Books Back for Digital Generat...
- Another Retail Considers Que

U.S. BUSINESS NEWS

# Most of Hershey Board Replaced in Shake-Up

Email Print Save Comments

ARTICLE FREE PASS Enjoy your free sample of exclusive subscriber content.

ONLY \$1 A WEEK FOR 12 WEEKS SUBSCRIBE NOW >>

By JULIE JARGON  
Updated Nov. 12, 2007 12:01 a.m. ET

All but two members of the [Hershey Co.](#) HSY +1.43% board resigned yesterday, in a sign of the extent of the differences between management and the charitable trust that controls the company.

### Hershey's New Directors

**CHARLES A. DAVIS** spent 23 years with Goldman, Sachs & Co., where he was head of Investment Banking Services worldwide and served on Goldman's International Executive Committee. He currently is Chairman and Chief Executive Officer of Stone Point Capital. Mr. Davis is a director of Media General, Inc., Merchants Bancshares, Inc., and Progressive Corporation.

**EDWARD J. KELLY** is Managing Director of The Carlyle Group. Prior to joining Carlyle, Mr. Kelly was Chairman, President and Chief Executive Officer of Mercantile Bankshares Corporation. He serves on the boards of The Hartford Financial Services Group and CSX Corporation.

**ARNOLD G. LANGBO** is the former Chairman and Chief Executive Officer of the Kellogg Company, retiring after 44 years with the company. He served as a trustee of the W.W. Kellogg Trust. Mr. Langbo is a director of the Johnson & Johnson Company, Weyerhaeuser Company, and Whirlpool Corporation.

**JAMES E. NEVELS** is Chairman of The Swarthmore Group, a minority-owned investment-advisory firm, which he founded in 1991. Mr. Nevels presently serves as a member of Hershey Trust Company Board and of the Board of Managers of Milton Hershey School. He is a member of the Tasty Baking Company's Board of Directors and a Member of the Board, Pro Football Hall of Fame.

**THOMAS J. RIDGE** is President and Chief Executive Officer of Ridge Global LLC, a global strategic consulting company. He was the first Secretary of the U.S. Department of Homeland Security and was twice elected Governor of Pennsylvania. He was a member of the U.S. House of Representatives from 1982 to 1994. Current board memberships include Exelon Corporation and Vonage.

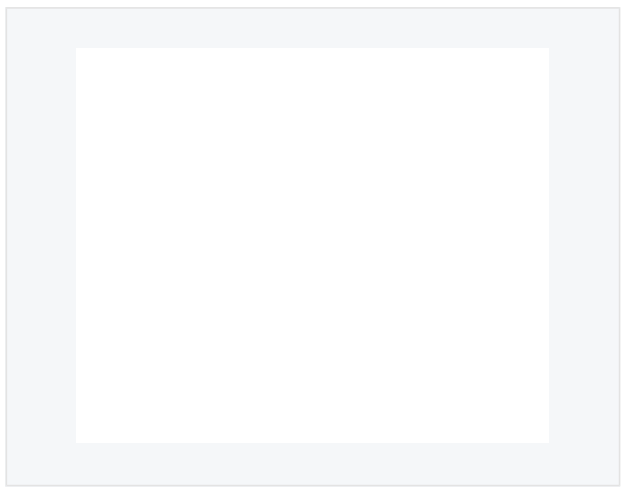
**CHARLES B. STRAUSS** is the former Chairman and Chief Executive Officer of Unilever North America and a director of Unilever N.V. Mr. Strauss is a director of The Hartford Financial Services Group and Aegis Group plc.

**KENNETH L. WOLFE** spent 34 years with The

Six directors were asked by the trust to resign; two other directors resigned as well. The trust named their replacements yesterday, and said shareholders will elect two additional board members next year.

The moves come as the trust that controls Hershey has butted heads with management over the company's performance. Yesterday's changes show that the tension between the two sides went beyond former Chief Executive Officer Richard Lenny, who said last month that he would retire and step down from the board in December.

Kenneth Wolfe, a former Hershey CEO, was named a director and will replace Mr. Lenny as chairman Jan. 1. The other new directors selected by the Hershey Trust are LeRoy S. Zimmerman, chairman of the Hershey Trust board; Charles A. Davis, former head of investment-banking services at [Goldman Sachs](#) Group Inc.; Edward J. Kelly III, managing director of the Carlyle Group LLC; Arnold G. Langbo, former CEO of Kellogg Co.; James E. Nevels, a member of the Hershey Trust board; Thomas J. Ridge, former Pennsylvania governor and former secretary of the Department of Homeland Security; and Charles B. Strauss, former



### Popular Now

What's This?

#### ARTICLES

- 1 Millennial Craft-Makers Embrace Arm Knitting**
- 2 Why Canada and U.S. Should Merge, Eh?**
- 3 U.S. Media Stymied in China**
- 4 High Deductibles Fuel New Worries of Health-Law Sticker Shock**
- 5 Opinion: Bradley A. Smith: The Latest IRS Power Grab**

#### VIDEO

Hershey Company, including four years as Chief Financial Officer; eight years as President and Chief Operating Officer; and eight years as Chairman and Chief Executive Officer, retiring at the end of 2001. During his tenure, the company experienced its highest growth rates. Mr. Wolfe serves on the Board of Trustees of the Fidelity Family of Mutual Funds, the world's largest investment company, with \$1.2 trillion in managed assets. He also is a director of Revlon, Inc.

**LEROY S. ZIMMERMAN** was Pennsylvania's first elected attorney general. He was Chairman of Eckert Seamans Cherin & Mellot, LLC and now serves as Senior Counsel. Mr. Zimmerman is Chairman of the Board of Hershey Trust Company; Chairman of the Board of Managers of Milton Hershey School; and Chairman of the Board of Directors of Hershey Entertainment & Resorts Company. He is the former Chairman of the Board of Governors of the Dickinson School of Law, Pennsylvania State University.

CEO of Unilever North America.

Only two existing members of the Hershey board will remain: incoming CEO David West and Robert Cavanaugh, a member of the Hershey Trust board.

This comes about a month after Hershey announced that Mr. Lenny would step down as CEO. Tension had been building between him and the trust for a while, according to people familiar with the matter. In the weeks before his resignation, the trust met with [Cadbury](#)

[Schweppes](#) CSG -0.25% PLC to discuss

a possible merger -- without inviting Mr. Lenny.

The latest changes don't make a possible deal with Cadbury or any other potential partner any more or less likely, according to people familiar with the matter. The company won't pursue a deal that would dilute earnings per share or that would decrease the trust's control of the company, these people said.

On Oct. 10, just days after Hershey announced that Mr. Lenny would be stepping down, the trust issued a public statement in which it criticized the company's recent performance and said Hershey's long-term prosperity requires the board and management to "aggressively pursue strategies for domestic and international growth. There is no inherent conflict between these two core principles," the statement said. "There are many paths to accelerating growth that do not involve the Trust giving up voting control of the Company."

The trust's statement added that it is "actively engaged in an ongoing process, the goal of which has been to ensure vigorous Company Board focus on resolving the Company's current business challenges and on implementing new growth strategies."

"Our goal is to recharge growth and take advantage of all opportunities we see in the marketplace," Mr. Wolfe said in announcing the changes yesterday.

Six directors yesterday resigned from the Hershey board at the request of the Hershey Trust: Jon A. Boscia, Robert H. Campbell, Gary P. Coughlan, Harriet Edelman, Mackey J. McDonald and Marie J. Toulantis. In addition, Bonnie G. Hill and Alfred F. Kelly Jr. resigned, although the trust didn't request their resignations.

Mr. West, the incoming Hershey CEO, said in a statement, "I look forward to working closely with Ken and the new Board of Directors to identify and pursue strategic growth initiatives to build foundations for the Company's long-term prosperity."

After a strategy of introducing limited-edition items, such as marshmallow-filled Reese's Peanut Butter Cups, ran its course last year, rival Mars Inc., maker of M&M's and Snickers, was able to steal market share. The company also has been hurt by high dairy costs.

Citing increased competition, high dairy costs and restructuring charges, the company said last month that its third-quarter net income dropped 66%, while revenue fell 1.2%, partly because of distributors' lower inventory levels. The company said it expects 2007 per-share earnings of \$2.08 to \$2.12, down from its previous forecast of \$2.25.

Write to Julie Jargon at [julie.jargon@wsj.com](mailto:julie.jargon@wsj.com)

### 1 Arm Knitting: A Scarf in 30 Minutes?



### 2 Opinion: The Surprising Surge in Catholic Priests



### 3 AT&T Slashes Smartphone Plan Costs



### 4 Tech Nerd Tries for Olympic Greatness



### 5 When Obscurity Meant Something



#### SPONSORED LINKS

**Tired of Office Politics?** Learn how to ditch the desk job. Be your own boss. Subscribe here. [RightMindLeadership.com](#)

**Stay Ahead of the Curve** Find out what's latest in business, finance & entertainment [www.bidnesstc.com](http://www.bidnesstc.com)

[Edmunds.com](#)

Email Print Save Comments Order Reprints



### WSJ In-Depth



**Greece Struggles to Outlaw Fascists**



**Fall of King Coal Hits Hard in Kentucky**



**Inside the Breakup of the Pritzker Empire**



**At Old Sites, Radioactive Questions Linger**



**Afghans Flee Homes as U.S. Pulls Back**



**Cities Use Sticks, Carrots to Rein In Gangs**

SPONSORED LINKS

**Mortgage Rates Hit 2.75%**

White House Program Cuts Up to \$1k off Monthly Payments!  
(3.05% APR)  
www.SeeRefinanceRates.com

**Warren Buffett Confesses**

Warren Buffetts Shocking Confession Will Change your Investing Strategy  
www.MarketTrendSignal.com

**Public Arrest Records**

Ever Wondered About Them? 1) Enter Name & State 2) Discover the Truth.  
InstantCheckmate.com

Big changes are coming to WSJ.com. They will affect commenting, profiles, connections and email notifications. Learn more.

### Add a Comment

JOURNAL COMMUNITY

Community rules

To add a comment please

Log in



Create an Account

Your real name is required for commenting.

Track replies to my comment

CLEAR

POST

**WHAT DOES A DOLLAR GET YOU TODAY?**

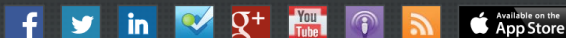
A 1/4 gallon of gas... or stories that go the extra mile?

For a limited time

**ONLY \$1 A WEEK FOR 12 WEEKS**  
**SUBSCRIBE NOW»**

**WSJ SUBSCRIBER'S CONTENT PROVIDES:**

- **Inform your decisions:** with award-winning news and in-depth analysis.
- **Access the world:** with reporting from 1900+ journalists across 45 countries.
- **Speak confidently:** with coverage of the global markets, technology, real estate and culture.



Subscribe / Login

Back to Top

Customer Service

Policy

Ads

Tools & Features

More

<a href="#">Customer Center</a>	<a href="#">Privacy Policy</a>	<a href="#">Advertise</a>	<a href="#">Apps</a>	<a href="#">Register for Free</a>
<a href="#">New! Live Help</a>	<a href="#">Cookie Policy</a>	<a href="#">Place a Classified Ad</a>	<a href="#">Emails &amp; Alerts</a>	<a href="#">Reprints</a>
<a href="#">Contact Us</a>	<a href="#">Data Policy</a>	<a href="#">Sell Your Home</a>	<a href="#">Graphics &amp; Photos</a>	<a href="#">Content Partnerships</a>
<a href="#">WSJ Weekend</a>	<a href="#">Copyright Policy</a>	<a href="#">Sell Your Business</a>	<a href="#">Columns</a>	<a href="#">Conferences</a>
<a href="#">Contact Directory</a>	<a href="#">Subscriber Agreement &amp; Terms of Use</a>	<a href="#">Commercial Real Estate Ads</a>	<a href="#">Topics</a>	<a href="#">SafeHouse</a>
<a href="#">Corrections</a>	<a href="#">Your Ad Choices</a>	<a href="#">Recruitment &amp; Career Ads</a>	<a href="#">Guides</a>	<a href="#">Mobile Site</a>
		<a href="#">Franchising</a>	<a href="#">Portfolio</a>	<a href="#">News Archive</a>
		<a href="#">Advertise Locally</a>	<a href="#">Old Portfolio</a>	
<a href="#">Jobs at WSJ</a>				Copyright ©2013 Dow Jones & Company, Inc. All Rights Reserved.