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# PRIVATE SECTOR; Long Shots, on the Court and Off

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NORTHAMPTON, Mass. - FOR Terry Mollner, a pillar of socially responsible investing who made a run at acquiring Ben & Jerry's Homemade this spring, the triumph of the United States and its economic system remains incomplete. "It's been more than 10 years since the end of the cold war, and there's been no bright light shone on how to improve capitalism," he said in a recent interview on the upstairs porch of his tidy frame house here. "It's about time we got around to it."

For him, the answer is to make capitalism more cooperative. Instead of rival corporations, he envisions a business world in which companies band together to push for legislative changes and to raise standards -- for workers, for the environment. For many people, Schumpeter or Adam Smith are economic role models; Mr. Mollner brings up Mahatma Gandhi. "We live in denial that a strong cooperative context is essential in our society," he said.

Ben & Jerry's is a rare example of a company that cares about such things, says Mr. Mollner, a onetime Jesuit seminarian who is now president of the Trusteeship Institute, an economic think tank in this Massachusetts college town. For him, trying to rescue the company from the capitalist maw wasn't a business decision or an ego move. It was a mission. And though he failed to buy it, he still won a seat on the board.

Mr. Mollner led a late-starting charge to preserve the company and all that it stood for beyond Cherry Garcia. Mr. Mollner wanted to hold on to the socially responsible aspects of the company -- ideals like helping the world's disenfranchised by making them suppliers or partners -- that he feared might disappear if Ben & Jerry's was consumed by a large corporate suitor.

When he heard that the company was considering offers, he swung into action. With bids from ice-cream behemoths like Unilever and Dreyer's already being considered, Mr. Mollner thought an alternative was needed. "I heard the board was going to vote to sell the company to Dreyer's," he recalled. "I had to stop it."

No latecomer to the world of finance, Mr. Mollner was born in 1944 in Omaha, where his father ran a butcher shop on the south side of town as Warren E. Buffett's father was running one on the north side. He helped formulate investing strategy for the Calvert family of mutual funds and remains a director of two funds.

He is also a notoriously nervy basketball player, with a style that epitomizes his willingness to embrace huge odds. Seth Goldman, who worked with Mr. Mollner at Calvert before becoming a co-founder of Honest Tea, a two-year-old iced-tea company in Bethesda, Md., recalled one game. "He would make these shots from beyond the three-point line, almost midcourt," he said. "And they went in more than they went out."

Mr. Mollner began his quest to buy Ben & Jerry's by appealing directly to Ben Cohen, a co-founder. Then, with Mr. Cohen's blessing, he put together a group of investors that included Anita Roddick, president of Body Shop, and Bob Barton, chief executive of the Catalyst Financial Group, a Vermont venture capital firm.

Judy Wicks, vice chairwoman of the Social Venture Network, a group of entrepreneurs and investors concerned about social justice and the environment, was the first person Mr. Mollner called. "Terry has an exceptional ability to bring people together around shared values and move toward a common goal," Ms. Wicks said. "He can see and articulate the big picture."

Eventually, Unilever, Mr. Cohen and Meadowbrook Lane, as Mr. Mollner's group became known, joined to offer $38 a share for Ben & Jerry's. Ben & Jerry's board members viewed Mr. Mollner's group variously as a white knight or a fly in the ointment, but the board approved the offer. Then came complaints and lawsuits from shareholders, who felt that money had been left on the table in the interests of perpetuating the Ben & Jerry's way. Finally, on the night of April 7, all the competing groups were told to put their best offers forward. Mr. Mollner and his group, gathered around the huge conference table in Unilever's New York headquarters, decided they were through.

"There was a beautiful moment when I said, 'It's an auction, and we can't compete', " Mr. Mollner remembers. "We called our partnership the Hot Fudge Family. So I said, 'Let's all put our hands on the table and let go of the Hot Fudge Family.' And we did. The partnership was dead."

Unilever agreed on April 12 to pay $326 million for the company. Although Ben & Jerry's partisans, especially Mr. Cohen and Jerry Greenfield, his co-founder, feared they had sold out their principles, all was not lost. Unilever offered seats on the board to Mr. Mollner and another person, still to be named, from the Meadowbrook Lane partnership. Mr. Cohen and Mr. Greenfield will remain on the board. Unilever is setting aside money to help develop minority-owned businesses, and Mr. Cohen has been put in charge of conducting "social audits" of Unilever's businesses worldwide. That job got a lot bigger with the company's $20.3 billion purchase last month of Bestfoods.

"We're all in this together," said Mr. Mollner, who feels that he lost the battle for Ben & Jerry's but won part of a larger war. "Cooperation is fundamental. You can't not be doing it."

Photo: Terry Mollner, in white shirt, who plays a nervy game of basketball, tried his best to rescue Ben & Jerry's from large corporate suitors. He lost that matchup, but gained a seat on the board. (Nancy Palmieri for The New York Times)