

# Press Release

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## Timothy Plan Mutual Fund Group Denounces Wal-Mart For 'Promotion of Pornography'

**Winter Park, FL (August 15, 2002)** - A national campaign charging Wal-Mart Stores Inc. with "anti-family promotion of pornography" was announced today by The Timothy Plan, the nation's leading mutual fund group offering funds that are based on moral responsibility.

At issue is the refusal of Wal-Mart to either remove copies of Cosmopolitan magazine from public display in high traffic areas in its stores or "hood" the covers of the magazine, which Timothy Plan President Arthur Ally describes as one of the "most blatantly aggressive soft core pornographic magazines in America."

"What is at risk here is Wal-Mart's professed reputation as a family-oriented store," said Ally, who admits he feels like "David taking on Goliath."

Initial action by the Winter Park, FL-headquartered Timothy Plan (\$135 million in assets) includes the divesting of 9,200 shares of Wal-Mart stock held in the company's large mid-cap growth fund, followed by an announcement of this action and their invitation to join them in a personal boycott of Wal-Mart to a national network of 4,000 Christian financial planners and to 10,000-plus Timothy Plan shareholders. In addition, Wal-Mart has been added to the Timothy Plan's list of companies that are screened out of their funds because of their involvement in pornography.

The campaign is the outgrowth of Wal-Mart's refusal of four written requests from Ally, asking for removal of pornographic magazines, such as Cosmopolitan, from store checkout lanes. "My request was not that Wal-Mart stop selling such magazines -- this is not about censorship -- but simply to remove them from areas where every man, woman and child that goes through your stores will have them staring them in the face."

In his initial letter to Wal-Mart President Lee Scott, Ally said he and his wife were shocked when they saw the display of Cosmopolitan magazine while standing in the checkout line of their neighborhood Wal-Mart store. "We simply could not believe our eyes," said Ally. "Up to that point, we were pleased to invest in Wal-Mart stock and offer it to our clients because of your company's reputation of being a family-friendly organization," Ally wrote to Scott.

Ally's initial letter was one in a series of eight letters between Ally and Wal-Mart representatives, including four various responses from Wal-Mart, none of which came from the Wal-Mart president. The final response came from Don S. Harris, Wal-Mart's executive vice-president of general merchandise, who wrote ... "it's our intention to continue merchandising magazines in the same manner that we currently do."

There is a parallel, Ally claims, in Wal-Mart's "profit-at-any-cost" attitude regarding Cosmopolitan magazine and the subtle theme of declining corporate moral and ethical values that seems to be creeping into big business today. "I believe that most companies are run by people who want to do the right thing, and I don't believe there is a widespread greed-begets-greed feeding frenzy in corporate America, but there certainly seems to be a growing lack of integrity -- moral and otherwise -- as borne out in recent corporate scandals in some executive suites," said Ally.

As for Wal-Mart, "there is a definite dichotomy in what Wal-Mart is doing in this situation and what they say they are," Ally added. "Is there an agenda there ... I don't know; but I do know that soft core pornography has this country on a moral slippery slope. It's the initiation to hard core pornography, child molestation, bestiality and worse."

Ally said he found Wal-Mart's position on Cosmopolitan magazine incongruous with its Web-site stated policies regarding its refusal to stock music with parental guidance stickers and its restriction of the sale of "mature-rated" video games to customers 17 years of age and older.

In his initial letter to Scott, Ally challenged the chief executive to "go into any of your stores, publicly introduce yourself as the president of Wal-Mart, get on the speaker system and read aloud to your store's customers all the words on the cover of any issue of Cosmopolitan magazine." Wal-Mart joins a select list of companies -- including Time Warner, Abercrombie & Fitch and most entertainment company stocks -- that The Timothy Plan funds screen out because of their involvement "in the moral decline of our culture, through their involvement in abortion, pornography or active promotion of the homosexual agenda." Out of a total of 8,000-plus publicly traded stocks, The Timothy Plan has approximately 450 on their prohibitive list.

Ally said the battle with Wal-Mart will also involve soliciting the help nationally from other ministries, and such organizations as the American Family Association, Family Decency Association, Focus on the Family and Concerned Women of America, representing millions of citizens concerned about the moral decline of America.

The Timothy Plan, launched officially in 1994 with a single mutual fund, now has eight funds and offers total, broad-based asset-allocation investing. Today, it is the largest pro-life, pro-family, Biblically based mutual fund group, employing a specific moral screening criteria designed to avoid investing shareholders' money in any company that has a pattern of contributing to the moral degradation of society.