

nonviolent civil disobedience, lesbian and gay activists and supporters staged pickets and sit-ins at various Cracker Barrel locations, often occupying an entire restaurant during peak lunch hours, ordering only coffee.

Protesters were further angered and spurred on by news in June from Mobile, Alabama. A 16-year-old Cracker Barrel employee had been fired for effeminate mannerisms and subsequently was thrown out of his home by his father. Demonstrations continued throughout the summer of 1991, spreading from the Southeast to the Midwest stores. Arrests were made at demonstrations in the Detroit area; Cothren and Summerville were among several people arrested for criminal trespass at both the Lithonia and Union City, Georgia, stores. Reporters and politicians dubbed Summerville the "Rosa Parks of the movement," after the woman whose arrest sparked the Montgomery, Alabama, Bus Boycott of 1955–1956.

Support for the Cracker Barrel boycott grew, as organizers further charged the company with racism and sexism. Restaurant gift shops, they pointed out, sold Confederate flags, black mammy dolls, and other offensive items. The Cracker Barrel board of directors, they said, was indeed a good ol' boy network, made up exclusively of middle-aged and older white men. In addition, there was only one female in the ranks of upper management.

The Resolution: New York Attempts to Force Change

Meanwhile, New York City comptroller, Elizabeth Holtzman, and finance commissioner, Carol O'Clairacain, at the urging of the National Gay and Lesbian Task Force, wrote a letter to Dan Evins, dated March 12, 1991. As trustees of various city pension funds, which owned about \$3 million in Cracker Barrel stock, they were "concerned about the potential negative impact on the company's sales and earnings, which could result from adverse public reaction." They asked for a "clear statement" of the company's policy regarding employment and sexual orientation, as well as a description of "what remedial steps, if any, [had] been taken by the company respecting the employees dismissed."

Evins replied in a letter of March 19 that the policy had been rescinded and that there had been "no negative impact on the company's sales." Unsatisfied, the city of New York officials wrote back, again inquiring as to the status of the fired workers. They also asked that the company put forth a policy that "would provide unequivocally" that discrimination based on sexual orientation was prohibited. Evins never responded.

Shortly thereafter, Queer Nation launched a "buy one" campaign. Hoping to gain additional leverage in company decision making, activists became stockholders by purchasing single shares of Cracker Barrel common stock. At the least, they reasoned, the company would suffer from the relative expense of mailing and processing numerous one-cent quarterly dividend checks. More importantly, they could attend the annual stockholders meeting in Lebanon, Tennessee.

In November 1991, company officials successfully prevented the new shareholders from participating in the annual meeting, and they used a court injunction to block protests at the corporate complex. Nonetheless, demonstrators lined the street, while inside, a representative of the New York City comptroller's office announced the submission of a resolution "banning employment discrimination against gay and lesbian men and women," to be voted on at the next year's meeting. The resolution was endorsed by the Philadelphia Municipal Retirement System, another major stockholder. Cracker Barrel refused any further public comment on the issue.

The Effect: No Decline in Corporate Growth

The impact of the boycott on the corporate bottom line was negligible. Trade magazines reiterated the company's claim that neither sales nor stock price had been negatively affected. Indeed, net sales remained strong, up 33 percent at fiscal yearend 1992 to \$400 million, owing in good part to continued expansion: There were now 127 restaurants in the chain. Though the increase in same-store sales was not as great as the previous year, Cracker Barrel at least could boast growth, while other chains blamed flat sales on the recession. Cracker Barrel stock, trading on the NASDAQ exchange, appreciated 18 percent during the first month after news of the scandal broke, and the stock remained strong throughout the next fiscal year, splitting three-for-two in the third quarter.

Dan Evins had good reason to believe that the firings and the boycott had not adversely impacted profitability. One market analyst said that "the feedback they get from their customers might be in favor of not hiring homosexuals." Another even ventured that "it's plausible . . . the majority of Cracker Barrel's local users support an explicit discriminatory policy." Such speculation was bolstered by social science surveys indicating that respondents from the South and from rural areas in particular tended to be less tolerant of homosexuality than were other Americans.

Queer Nationals looked to other measures of success, claiming at least partial victory in the battle. Many customers they met at picket lines and inside restaurants vowed to eat elsewhere. Coalitions were formed with a variety of civil rights, women's, labor, and peace and justice organizations. Most importantly, the media attention greatly heightened national awareness of the lack of protections for lesbians and gays on the job. As the boycott continued, increasing numbers of states, counties, and municipalities passed legislation designed to prevent employment discrimination based on sexual orientation.

The Outcome: Stand-Off Continues

As the November 1992 annual meeting approached, Cracker Barrel requested that the Securities and Exchange Commission make a ruling on the resolution offered by the New York pension fund administrators. The resolution, according to Cracker Barrel, amounted to shareholder intrusion into the company's ordinary business operations. As such, it should be excluded from consideration at the annual meeting and excluded from proxy ballots sent out before the meeting. The SEC agreed, despite previous rulings in which it had allowed stockholder resolutions regarding race or gender based employment bias.

Acknowledging that frivolous stockholder inquiries had to be curtailed, the dissenting SEC commissioner nonetheless expressed great dismay: "To claim that the shareholders, as owners of the corporation, do not have a legitimate interest in management-sanctioned discrimination against employees defies logic." A noted legal scholar warned of the dangerous precedent that had been set: "Ruling an entire area of corporate activity (here, employee relations) off limits to moral debate effectively disenfranchises shareholders."

Thus, the stand-off continued. Queer Nation and its supporters persisted in the boycott. The Cracker Barrel board of directors and, with one exception, upper management remained all-white, all-male bastions. Lynn Cothren, Cheryl Summerville, and the other protestors arrested in Lithonia, Georgia, were acquitted on charges of criminal trespass. Jurors ruled that the protestors' legitimate reasons for peaceably demonstrating superseded the company's rights to deny access or refuse service. Charges stemming from the Union City, Georgia, demonstrations were subsequently dropped. Meanwhile, within weeks of the original policy against lesbian and gay employees,