

ESG

Deep Dive

Sidley Sees Summer Burst Defending Companies From Investors

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- Shareholders retreated from activism in first half of year
- Latham, Skadden follow Sidley in shareholder activism defense

Investors who spent their spring buying discounted stocks are fueling a summer surge of activity at Sidley Austin, the top defender of companies facing shareholder activism.

Kai Liekefett, co-chair of Sidley's shareholder activism and corporate defense practice, said eight companies have hired him in the past couple of weeks alone. This kind of summer activity is unusual even for Sidley—which has been the No. 1 law firm enlisted to fend off activist shareholders for the last three years.

Sidley had 32 engagements in the year's first half, besting Latham & Watkins and Skadden, Arps, Slate, Meagher & Flom, according to new Bloomberg data that provides an early look at shareholder activism this year. The rankings show Latham and Skadden both moved up from the end of 2024 with increasing work, while shareholder activism waned overall in the first half of 2025.

Investors, who have been wary of proxy fights as tariff announcements rattled markets, are approaching companies outside of the normal spring proxy season, when many hold annual meetings, Liekefett said. Companies should expect shareholders with increased bargaining power in the year's second half, after investors used market uncertainty to buy more stock, he said.

"I think we're going to see an entire wave of activism in the second half of this year," Liekefett said.

Overall, 385 new activist campaigns were launched globally in the first half of 2025, down 10.7% from last year's first half, according to the Bloomberg data. But the total value of activist stakes, which represents the value of shares investors held in companies facing campaigns, rose 14.5% year-over-year for the same period, to \$40.5 billion.

Sidley's engagements had shareholder stakes totaling \$2.3 billion for the first half of 2025.

January and February were among the busiest months on record for Sidley's shareholder activism practice, Liekefett said. But market uncertainty after President Donald Trump announced tariff hikes on April 2 prompted at least 20 campaigns to withdraw or settle, he said.

"Liberation Day certainly did liberate corporate America from proxy fights this year," Liekefett said, using the phrase the president said when announcing tariffs.

Those same market woes influenced the battles that did remain. One was QXO Inc.'s \$11 billion acquisition of Beacon Roofing Supply Inc., which Sidley represented. QXO initially offered just over \$124 per share for the company, but the board said the bid was too low. A hostile takeover attempt and proxy battle ensued.

But when markets crashed in spring, an offer in that ballpark became an A-plus deal, Liekefett said.

"Essentially the board went from 'hell no' to 'hell yes,' " he said.

Top Law Firms Advising Companies on Activist Defense

Shareholders launched 385 new activist campaigns in the first half of 2025

	Engagements	2024 Rank	2025 Rank
Sidley Austin	32	1	1
Latham & Watkins	20	3	2 ▲
Skadden Arps Slate Meagher & Flom	16	7	3 ▲
Wachtell Lipton Rosen & Katz	13	4	4
Paul Hastings	13	5	5

Source(s): Bloomberg Terminal

Graphic: Jonathan Hurtarte and David Evans/Bloomberg Law



Bloomberg Law

'Hitting on All Cylinders'

Latham moved into No. 2 after sitting in third at the end of 2024 and 2023. The firm's 20 engagements so far this year, with shareholder stakes totaling \$2.7 billion, were four more than third-place Skadden with 16.

Latham advised real estate data firm CoStar Group Inc. in a deal with D.E. Shaw & Co. and Dan Loeb's Third Point in April to add three new directors and establish a board committee focused on capital allocation. The company's brands include Apartments.com and Homes.com.

Latham also helped Harley-Davidson Inc. deflect a bid by investment firm H Partners to boot Chief Executive Officer and Chairman Jochen Zeitz and two other directors from the motorcycle maker's board. Zeitz, Thomas Linebarger, and Sara Levinson were re-elected in May.

The firm's jump in shareholder activism defense comes as it leads M&A work at Big Law, advising companies in 2025 on mergers and acquisitions worth about \$269 billion.

Christopher Drewry, a global co-chair of Latham's shareholder activism and takeover defense practice, cited relationships with more than a thousand listed companies. "It's an extraordinarily strong platform that's hitting on all cylinders," he said.

Switching Sides

Skadden cracked the top three with its 16 engagements in the first half of 2025. But Skadden was leading when its work defending companies was ranked by the total value of shares activists have in the firm's clients targeted this year.

Companies hiring Skadden have encountered campaigns with activist stakes worth \$10.2 billion so far in 2025. That's more than three times the \$3.2 billion in total activist stakes in campaigns faced by clients of Vinson & Elkins.

Skadden advised Honeywell International Inc. in the biggest new engagement for a law firm defending a company so far this year. Elliott Investment Management, with a \$5 billion stake in Honeywell, inked a deal to add one of its partners to the board in May, after it secured a breakup of the aerospace and automatic technology conglomerate.

Elizabeth Gonzalez-Sussman, a Skadden partner who leads its shareholder engagement and activism practice, said her prior experience on the other side of the table has helped her firm. She joined Skadden in 2024 after serving as vice chair of the shareholder activism practice at Olshan Frome Wolosky LLP, the main law firm for activist investors.



Activists Push Transparency

Olshan held its position as the top adviser to shareholder activists through the first half of 2025, with 80 engagements.

The firm so far this year has represented some of the biggest activist funds, including Elliott Investment Management in its quest to drive energy giant BP to achieve \$20 billion in annual free cash flow by 2027, according to Bloomberg data and reporting.

Meagan Reda, an Olshan partner, said uncertainty and turbulence have characterized the year so far. As a result, shareholder activists are looking for as much transparency as possible from companies, she said.

Going into 2025, she expected more deal-focused demands in light of lower interest rates and the Trump administration's deregulatory push. Instead, market volatility put a lid on those discussions, and activists shifted their focus to operational changes, capital allocation strategies, and governance issues, she said.

"This level of uncertainty kind of fuels settlements from both sides" as both companies and their shareholders try to manage risk, she said.

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