



# TRENDLINE

REPORT

June 2025

Last week, the Supreme Court reaffirmed equal standards under Title VII, reinforcing protections against workplace discrimination. At the same time, the Department of Justice is stepping up enforcement efforts by invoking the False Claims Act to challenge “illegal DEI” initiatives under recent executive orders. Meanwhile, a proposed ban on AI regulation is fueling heated debate across industries.

Plus don't miss this month's key events. Read below to explore the latest legal, policy, and regulatory trends we're tracking across workforce, corporate governance, and technology.

## Workforce



### Reverse Discrimination?

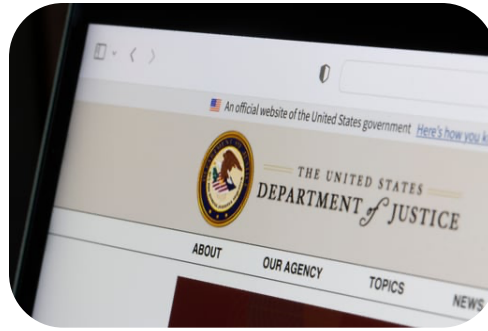
#### No such thing, says the Supreme Court

On June 5, the Supreme Court unanimously ruled this week that there all Title VII plaintiffs are held to the same legal standard.

In *Ames v. Ohio Dept. of Youth Services*, Plaintiff Marlean Ames, a heterosexual white woman sued her former employer for workplace discrimination under Title VII of the Civil Rights Act of 1964. Specifically, she claimed she was denied promotions because she was heterosexual in favor of less-qualified gay colleagues.

The Court struck down a legal standard that imposed a higher burden of proof on majority-group plaintiffs, reaffirming that federal anti-discrimination laws apply equally to all. Writing for the Court, Justice Ketanji Brown Jackson emphasized that courts may not use different standards based on a plaintiff's identity. The decision revives Ames's case and instructs lower courts to apply the correct legal standard.

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## DOJ Targets 'Illegal DEI' with Civil Rights Fraud Initiative: What Federal Contractors Need to Know

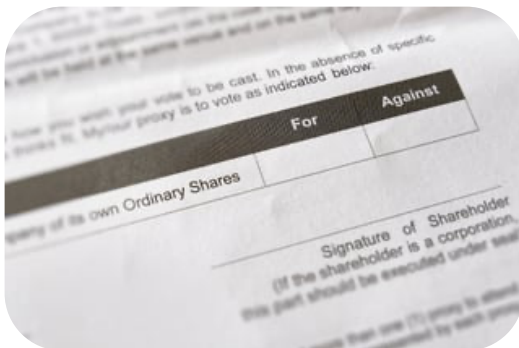
The Department of Justice recently launched the [Civil Rights Fraud Initiative](#), signaling a sharp new focus on using the False Claims Act to hold federal contractors and fund recipients accountable for civil rights violations—including “illegal DEI” programs.

Co-led by the Civil and Civil Rights Divisions, the initiative encourages whistleblowers to report discriminatory practices and pursue *qui tam* lawsuits, with the potential for financial rewards.

While this new focus does not change existing civil rights laws, it raises the stakes for noncompliance. DOJ will coordinate with other agencies and local authorities, reinforcing the need for strong civil rights compliance programs.

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## Corporate Governance



### Shareholder Activism Trends

A growing concern for many business leaders is the rise of shareholder activism, driven by a small yet influential group of investors advocating for sweeping changes. Although not a new phenomenon, the scope and strategy of activist campaigns are evolving—bolstered by regulatory shifts and broader reach. Notably, while activists are becoming more

aggressive, most shareholders continue to support diversity, equity, and inclusion (DEI), rejecting proposals aimed at dismantling these initiatives. Trendline is closely monitoring these developments—here’s a quick look at the [2025 vote results](#) so far this proxy season.

## ICYMI

### SEC Staff Guidance on Shareholder Proposals & Schedule 13G Eligibility

On February 12, 2025, the SEC's Division of Corporation Finance issued Staff Legal Bulletin No. 14M (SLB 14M), introducing important changes to how companies handle shareholder proposals under Rule 14a-8. SLB 14M rescinds the prior administration's SLB 14L and reinstates key elements from earlier guidance (SLBs 14I, 14J, and 14K), signaling a return to a more traditional approach. This shift is expected to improve issuers' chances of excluding certain shareholder proposals from their proxy statements.

Read analysis from Reuter's [here](#).

## AI & Technology



### The Big Beautiful Bill's Proposed Ban on AI Regulation

A provision in the House-passed reconciliation bill would block states from passing or enforcing AI regulations for 10 years.

Supporters argue it would reduce compliance burdens for businesses and pave the way for a unified federal approach. But critics warn the move would stall progress to address bias, transparency, and other real-world AI impacts, as no federal framework is in place.

Last year, 45 states introduced AI bills, and 31—plus Puerto Rico and the Virgin Islands—passed legislation. Opponents say freezing that momentum risks delaying oversight when it's needed most.

## Upcoming events

**June 17, 2025**

### **Business Roundtable CEO Workforce Forum**

Business Roundtable is hosting an invite-only event on **Tuesday, June 17 from 8:00 a.m. to 1:00 p.m.** that will bring together leading CEOs and workforce experts to explore how large employers are creating new career pathways—including efforts to support workers in the skilled trades and manufacturing sectors. The Forum will highlight innovative strategies for expanding economic opportunity and addressing critical workforce needs.

[Learn More](#)

**June 26, 2025**

### **The Trendline Briefing: Navigating the DOJ Civil Rights Fraud Initiative**

Join Trendline Strategies on **Thursday, June 26, from 2:00 to 3:00 p.m. ET** for an important virtual briefing on the U.S. Department of Justice's newly launched Civil Rights Fraud Initiative. This timely discussion will explore the initiative's potential implications for private sector diversity, equity, and inclusion efforts. Legal experts will provide critical insights into how federal action may shape risk management and strategic decision-making for companies.

[Register](#)