

Xerox CEO to stay as Icahn deal deadline expires

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Xerox's chief executive and several board members will keep their posts after an agreement with activist shareholders to replace them expired, the company said late Thursday.

Xerox Chief Executive Jeff Jacobson and six board members were to resign in exchange for ending a lawsuit by activists Carl Icahn and David Deason. The powerful shareholders are contesting a merger with Fujifilm.

Xerox said late Thursday that the agreement, which was announced Tuesday, was moot after a deadline for Icahn and Deason to abort the litigation had expired.

"In the absence of such stipulations, the agreement expired at 8:00 pm ET on May 3, 2018," Xerox said. "As a result, the current board of directors and management team will remain in place."

Icahn and Deason have vigorously opposed a proposed deal in which Xerox would be absorbed by an existing joint venture known as Fuji Xerox, falling under the control of Fujifilm.

The conflict is the latest involving a big company and a high-profile shareholder activist, in this case Icahn, a battle-tested billionaire who has aggressively challenged companies since the 1980s.

A US court last week ordered a temporary block of the takeover, saying

it prioritized the interest of Xerox's CEO over its shareholders.

Xerox filed papers to appeal against the injunction, saying the court had overstepped its authority. They defended the board's oversight and approval of "value-maximizing alternative for the company's shareholders."

Icahn and Deason signaled Friday they planned to continue the fight, blasting the Xerox decision to reinstate Jacobson and the others as the latest sign of the "brazen self-interest" of the Xerox board.

"This inexplicable turn of events occurred for one reason only: the Xerox Board recklessly refused to follow through with the leadership and governance changes we agreed to, demanding unprecedented additional approvals for their own personal self-interest," Icahn and Deason said.

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