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(Marriott International, Inc. legal department members and Crowell & Moring alumni. Pictured from left: Vice President and Senior Counsel Carnot Evans, Executive Vice President and General Counsel Ed Ryan, Sr. Vice President and Associate General Counsel Mike Martinez, Vice President and Senior Counsel Lisa Greenlees. Not pictured: Vice President and Senior Counsel Dave Bell.)

## Team Marriott

### Five Crowell alumni on agility, growth, and why people still come first

In 1979, a young associate, fresh from University of Pennsylvania Law School, was faced with a decision. Stay with the firm that had hired him, the well-established Jones Day, or join his new colleagues to launch the start-up Crowell & Moring. It's a story those of us at Crowell, past and present, know well. For **Ed Ryan**, the decision came down to one about people, and almost all of his associate class made the leap together.

The choice to become one of Crowell's first associates would inform Ryan's career for decades to come, as putting people first is one of the hallmarks of **Marriott International, Inc.**, where he now serves as executive vice president and general counsel. Perhaps this is also why four other Crowell & Moring alumni have also joined the iconic American company over the years.

Firm alumni **Michael Martinez**, **Lisa Greenlees**, **Carnot Evans**, and **Dave Bell** are all part of the company's 65-person legal department, which this spring was named *National Law Journal's* "Washington In-House Legal Department of the Year."

It's no wonder. With reported revenues of nearly \$13 billion in fiscal year 2013, the Bethesda, MD.-based company is on the move, and the legal department plays an important role in solving its problems and paving the way for all of its future growth.



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A premier leader in the lodging and hospitality industry, Marriott operates and manages hotels and licenses vacation ownership resorts comprising more than 4,000 properties in 79 countries. There are approximately 330,000 employees at headquarters, and at managed and franchised properties.

As the *National Law Journal* reported, the in-house team signed more than one hotel project per day last year, for a record 387 hotels and 67,000 rooms, all while keeping a careful eye on complex compliance requirements across all of its regions.

It's the type of growth that requires a legal department to know what it's made of.

Ryan says he often thinks back to the days of the Split now as he works to put Marriott's core values into practice: put people first, pursue excellence, embrace change, act with integrity, and serve our world.

"It was strange to go to a big firm that was established, and all of a sudden to realize that notwithstanding the façade of the big firm it was all about the people—the attorneys, legal assistants, the administrative staff that actually make up the firm. I quickly learned that it was all about the people inside the firm," Ryan said.

"We very quickly were asked to make a choice between the individuals or the established name, and we said the individuals were important," Ryan said. "That helped me throughout my career."

## The Department

At Marriott, the legal department focuses on empowering its people with a deep knowledge of the business and puts the priority on remaining agile.

"We're not scribes. You've got to know the business to be a lawyer here," Ryan said.

The department's attorneys are based in Bethesda, Hong Kong, Shanghai, Beijing, Delhi, Dubai, Cape Town, Zurich, Frankfurt, London, and Miami. Because Marriott, itself, is in nearly 80 countries, operating businesses in each of them brings its own challenges. For example, the Asia Pacific legal group consists of 16 lawyers in total, all of them working directly in the region.

Alumnus **Mike Martinez** (C&M 2001-2011) is now senior vice president and associate general counsel for dispute resolution and draws from his experience as a trial attorney to handle worldwide litigation and arbitration, with the exception of labor and employment and tax matters.

At Crowell, Martinez worked on a range of cases, including victims of terrorism cases and representing individual government defendants. Prior to joining the firm, he was an Assistant U.S. Attorney for ten years. He handled the "Ruby Ridge" case and argued before the U.S. Supreme Court.

"It's been a great opportunity to come here and work. I worked in the government and then private practice for many years. This is the third leg of the stool. It's been a nice rounding out of what I see as a great career," Martinez said.



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One of the things that attracted Martinez to the department was the variety of the case load and the areas around the world where Marriott has different matters pending. Martinez has overseen matters in China, Korea, Brazil, and Europe, including an arbitration in Paris, since arriving at the company. He manages all litigation handled by outside counsel and ensures Marriott's in-house team is involved in all strategic decisions.

"That's the way it's always been here," Martinez said. "It's part of the corporation's philosophy about how we want to handle our cases. We want to be directly involved in all the key decisions because not only are we defending cases brought against the company, but we are trying to handle the cases in a way that shapes the law favorably for us."

Vice President and Senior Counsel **Dave Bell** (C&M 2001-2012) worked closely with Martinez at Crowell and continues to do so now in Marriott's Dispute Resolution Group.

Bell's docket at the firm included working with Martinez and others on the headline making *Iqbal v. Ashcroft*, a 9/11 detainee case. In the matter, the firm represented one of the co-defendants (a prison warden in Brooklyn). The case ultimately went to the U.S. Supreme Court and produced a ruling that gets cited in countless motions to dismiss filed around the country.

"Attending the Supreme Court argument and hearing the justices discuss the pleading standard for a complaint that I had spent so much time with has to be one of the highlights of my legal career," Bell said.

When Martinez and Bell arrived at Marriott, they joined two other long-standing members of the Marriott department, in addition to Ryan.

Vice President and Senior Counsel **Lisa Greenlees** (C&M counsel 1992-2001) focuses on Marriott's Latin American and Caribbean franchise new deals and operations matters in the region. She was one of the lead lawyers to negotiate the recent deal signed with Atlantis Paradise Island Resort in the Bahamas. The iconic Atlantis will become part of Marriott's Autograph Collection in October 2014.

Arguably the single most significant tourism stimulus for The Bahamas in this decade, the addition of Atlantis is the latest example of Marriott's aggressive strategy to grow its lifestyle portfolio and inspire many of the world's premier properties to partner with Autograph Collection, which includes more than 60 independent hotels in key locations around the world. Atlantis will operate under a long term franchise agreement and Marriott will provide a \$100 million mezzanine loan to the project.

The Latin American and Caribbean team focuses on a wide variety of issues in the region, ranging from currency in Venezuela, to regional development, to, of course, the upcoming Olympics in Brazil.

"It is interesting and challenging to work on international deals because no deal is the same; each country presents different legal issues, and it's important to maintain cultural awareness when working with groups from various countries. I also get to use my Spanish, which is a challenge in itself," Greenlees said.

Vice President and Senior Counsel **Carnot Evans** (C&M 1995-1999) leads a number of technology, eCommerce and operational matters for the department. He recently helped lead a large-scale IT outsourcing effort, advises on many of Marriott's social media initiatives, and also handles operational issues and transactions related to various hotels. Prior to joining Marriott in 2005, Evans served as attorney for Software AG, Inc. and as an attorney-advisor for the U.S. Securities & Exchange Commission.



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Evans said life in-house is particularly rewarding because he experiences first-hand the benefits of solving a client's problem.

"You get to see business initiatives come to fruition because of your efforts. It's exciting as an attorney to be viewed as a business partner and not just called upon when things go wrong," he said.

One of the unique things that attracted Evans to the company, a factor referenced by all of the alumni with whom we spoke, was that the law department was deeply engaged in the business.

"We definitely have our sleeves rolled up," Ryan said. "We work side by side with our business colleagues."

Ryan, an avid rower and father of two, joined Marriott in 1995 after 18 years of firm life.

"I knew a lawyer who worked here who said he loved his job, and I found that was an unusual thing for a lawyer to say, so I was intrigued. There's a great deal of engagement in the business, and I think that it is incredibly fulfilling for lawyers," he said.

Greenlees said that having the opportunity to learn the nuts and bolts of her client's business has helped her be creative in the advice she is able to provide them.

"The people at Marriott are great. It is a hospitality company after all! The attorneys are top notch and very collegial, and our clients view the lawyers as business partners and problem solvers. Also, even though business results drive the bottom line here, the backdrop is that we should conduct our business in the most ethical manner possible, and treat counterparties with respect in our dealings with them," Greenlees said.

"We rarely think about cases as one-off events," Bell said. "Instead, we constantly look at the broader picture for the company and how the events of one case might impact future cases and, more importantly, how we conduct business."

Martinez agreed. "That's the most interesting part of this job as it's turned out. We make decisions in close cooperation with the business because a lot of what we do involves pre-litigation advice to avoid getting involved in litigation or making decisions knowing we will end up in litigation. It's been really fascinating and quite satisfying to work on the business side of this company with an eye toward litigation."

"Generally, outside law firm lawyers don't get to see that," he added. "This goes back to understanding our business. We're often faced with a decision about 'do we do this or do we do that' and often times it turns on what's best for the business or strategically how it is going to affect the business. You have to look at the complete picture and make decisions based on that."

## Life at Crowell

Among Martinez's favorite memories from his days at Crowell were working on government official suits and taking regular lunches with **Shari Lahlou** (D.C. partner), **Kyler Smart** (D.C. counsel), **Justin Murphy** (D.C. counsel), and **Matthew Scarlato** (C&M 2003-2010; now Trial Attorney at U.S. Department of Justice).

"We still get together for lunch at least once a year," Martinez said.

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Ryan described his first years as a Crowell associate as exciting. "I was able to work with really good lawyers.

To be able to work and learn from somebody like Stan Johnson was an incredibly valuable experience. And Brian Elmer. These are great lawyers. I named two but there were many others—people like Roscoe Howard, Brad Kelly, and Jay DeVecchio. We had a great couple of classes in there who bonded really well."

"I appreciate his kind words about working with me," Founding Crowell partner **W. Stanfield Johnson** said. "I guess I should have realized I was making some kind of an impression on him since he called me "Pops" – when I was barely 40."

Johnson added, "We talk a lot about the Split and the formation of the Firm in terms of forging the firm culture and how it bonded the partners who signed up at the time. But it's probably truer that it was a harder decision for the associates who were just coming in. They became a very special group because they signed up under the pressure of the Split and chose our ambitious, but uncertain, venture."

**David Siegel** (D.C. partner) was in the associate class after Ryan and is a fellow alumni of University of Pennsylvania Law.

"I take responsibility for having recruited him," Ryan said. "I certainly knew him, and I'll take credit or blame for recruiting him."

Siegel is now the primary relationship partner overseeing the firm's work for Marriott on matters that have spanned across litigation, tax, arbitration, intellectual property, labor & employment, white collar, and various regulatory issues.

Like so many other alumni, Ryan also remembers Took Crowell fondly. "You can't help but remember Took because he was so out there."

Ryan recalled riding his bike into work one day. With no place to store it, he kept it in his office. When he returned from a meeting, the bike was missing.

"I saw Took riding it through the halls. It shows you that you're a big, powerful Washington lawyer like Took Crowell, but you don't have to act that way," Ryan said.

"You can be enormously successful without having to act the role. Took made himself accessible to everybody," he said. "Probably one of the hardest days I ever had was the day I told him I was going to leave the firm."

Ryan left Crowell & Moring in 1984 to join the Corporate Practice at what is now Hogan Lovells.

"Took said, 'We're always going to be friends with you,' and that was true."

Ryan was one of four guest eulogists at the firm's memorial service for Mr. Crowell in 2010.



*(Marriott Executive Vice President and General Counsel Ed Ryan with Crowell & Moring partner David Siegel.)*



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## The Marriott and Crowell Connection

The firm has a long-time client relationship with Marriott going back to 1989, and today it is working on a range of matters.

For example, Crowell litigators **Jeffrey Poston** (D.C. partner), **Aryeh Portnoy** (D.C. partner), and **April Ross** (D.C. counsel) are defending the company in *Bond vs. Marriott*, a high-profile ERISA action in Maryland federal court. Poston and **George Ruttinger** (D.C. partner) are currently leading the *Fakhri v. Marriott International Hotels, Inc.* matter pending in federal district court in Maryland, which stems from an earlier arbitration dispute regarding a Lebanese hotel property. **Harold Heltzer** (D.C. partner) represents Marriott in a wide range of tax matters. And the firm also represents Marriott in a range of other areas, including intellectual property (D.C. partner Brian Koide), white collar (D.C. partner **Thomas Hanusik**), and pre-litigation dispute counseling (D.C. partner **Robert Rhoad** and Portnoy). New D.C. partner **David Ervin** represents Marriott on advertising matters.

Just a short walk from the Crowell D.C. office is one example of a successful matter the firm handled for Marriott. Portnoy, **Daniel Forman** (D.C. partner), and the rest of the firm team helped Marriott fend off a dispute against the development of the Marriott Marquis at the Washington Convention Center, a signature property right in Marriott's backyard. In the matter, Wardman Investor LLC disputed the public/private partnership between the District and Marriott. Marriott won the case, and the resulting hotel is a premier destination for Penn Quarter.

Crowell also helps Marriott as it grows internationally. In the Middle East and North Africa region, **Walid Hegazy** (Cairo partner) advises on transactional and international dispute matters. In London, **Jane Wessel** (senior counsel), **Claire Stockford** (counsel), and **Meriam Alrashid** (counsel), joined by U.S. colleagues such as **Ashley Riveira** (D.C. counsel), work on arbitration and litigation matters for the client.

"Crowell gives us great service," Ryan said. "I find that Crowell & Moring lawyers are always engaging. You know they're good to talk to. They know a lot more than just our case. They know a lot of things around our case. I like that. I appreciate curiosity, and I try to be curious. I try to work about the edges, and they're always versatile in that respect. They're down to earth. So, I'm not talking to lawyers who have their nose in the air. They speak to us just peer to peer."

Ryan added, "All the law firms we use—they're all very bright, smart lawyers. They've gone to the right schools and everything else. That's a given. Above that are the lawyers that I feel really comfortable relating to who I know are going to tell me the truth."

Martinez said, "One thing I wish law firms understood more is our sensitivity to billing and charges that get passed on to us. Crowell is really outstanding in that regard. They're very sensitive to what our concerns are and work very closely with us to resolve them. Other firms that we've had issues with are not so sensitive to that, and it's pretty interesting to see it on this side."

"On billing practices, Crowell shows a fair amount of flexibility and that is very appreciated," Ryan said. "We've done several different types of alternative fee arrangements, and I think they've all worked out well. And I believe Crowell staffs matters efficiently."

So, what's the tell-tale sign that a law firm is invested in the success of the department?

"They win," Ryan said. "That's the best thing they can do for the success of the department. That one is easy."



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## The Road Ahead

For Marriott, the road ahead is paved with international growth, attracting millennials, and facing business disruptors and competitors head on.

The company is growing quickly in China, India, and Brazil. Marriott's extensive portfolio of 18 brands, the broadest in the lodging industry, aims to add more than 200 hotels over the next several years, reflecting more than \$15 billion of investment by owners and franchisees.

In April, Marriott expanded in Africa with the acquisition of 116-hotel Protea Hospitality Group based in South Africa, the largest hotel company in sub-Saharan Africa. The deal, which was 2.02 billion rand or approximately US \$200 million, made Marriott the largest hotel company in Africa and nearly doubled its presence in the Middle East and Africa region to more than 160 hotels.

Nearly 25 percent of the company's overall development pipelines is in the luxury and lifestyle category. Such brands include JW Marriott, the Autograph Collection, and, of course, the Ritz-Carlton.

Ryan said the key for his department is agility. "When I started, we said things are changing quickly, and this was pre-Great Recession. As a law department, you have got to be able to adapt to how a company does business, what a company's goals are, and help to achieve those goals while performing your duties as a lawyer. It's a lot harder than it sounds."

"Lawyers by their nature are not often agile," Ryan added. "Being agile means you have to keep questioning 'is this the best way of doing something?' and really be open to doing it."

Agility will no doubt play an important role as the company pursues another goal for the future: attracting millennials.

"We want the public customer to prefer our brand over others and to attract owners because we don't own our hotels and we need owners to provide the capital for the hotels... We can help that by thinking young... not thinking old," Ryan said.

For example, Marriott's lobbies operate differently now than years ago. Space is no longer under-utilized.

"Now the lobbies are engaging, friendly, and a place where people can meet each other," Ryan said. "It's a destination. Part of the driving force for investing in the space is the millennial generation, which doesn't want to stay in the room and work in the room. They'd much rather work in the social setting. So would I for that matter?"

Martinez agreed. "If you have ever been to the San Francisco Airport Marriott, go back again and check out the first floor lobby now. The changes the company has made there and is making to the existing rooms to update them are phenomenal and very welcoming."

Marriott also keeps a close eye on disruptors, which would be those companies that have come up in the last 10-20 years. Some of them are online travel agencies. The law department looks closely at how it deals with those companies. The role of the lawyer is critical in these negotiations. Ryan also is always focused on the challenge of competition.

"We want to do better and be the world's favorite hotel company. But so do they. And it's a race to be the best," he said.

With the right people in place, that's a race in which Marriott is no doubt ready to win.

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*(Members of the Marriott and Crowell & Moring team. Pictured from left: C&M partner Jeffrey Poston, C&M partner David Siegel, Marriott Vice President and Senior Counsel Lisa Greenlees, Marriott Senior Vice President and Associate General Counsel Mike Martinez, Executive Vice President and General Counsel Ed Ryan, Vice President and Senior Counsel Carnot Evans, C&M partner Aryeh Portnoy, and C&M counsel April Nelson Ross.)*