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Hospitality MVP: Gibson Dunn's Stephen Glover

By **Matthew Perlman**

Law360, New York (December 13, 2016, 1:55 PM EST) -- Gibson Dunn partner Stephen Glover earned a spot on Law360's list of Hospitality MVPs after counseling hotel giant Marriott through its turbulent, $13.6 billion purchase of Starwood Hotels this year, a large and complicated deal that involved multiple suitors and significant regulatory hurdles.

Stephen Glover
Gibson Dunn

Glover's work for Marriott International Inc. over the years has included its $210 million purchase of Gaylord Entertainment Co.'s hotel brand and management rights in 2012, as well as the 2011 spinoff of Marriott's time-share business into Marriott Vacations Worldwide Corp. But the purchase of Starwood Hotels & Resorts Worldwide Inc., which was first announced late last year, was a different sort of transaction from the start.

"The fact that this was a transformational transaction for them, at least potentially, really got the Marriott team very excited, and for us, it was exciting as well," Glover told Law360. "Anytime an M&A lawyer gets a chance to work on a big deal that's likely to make a splash, you definitely get more excited than you ordinarily would."

When the deal was unveiled in November 2015, Marriott and Starwood had reached an agreement worth about $12.2 billion in cash and stock, ending weeks of speculation about which potential strategic buyer would come out on top. Hyatt Hotels Corp., the U.K.'s InterContinental Hotels Group PLC and China's HNA Group were all also reported to be in the running. That competitive process, Glover said, led the team to believe they were basically out of the woods when it came to competing offers.

"Starwood conducted a robust process," Glover said. "It lasted a long time, and Marriott was the last man standing. We felt it unlikely that anyone else was going to surface and try to take the deal away."

But in March, a consortium of investors led by China's Anbang Insurance Group did just that, lobbing a $12.8 billion all-cash buyout offer for Starwood that nearly derailed the deal. After both sides had increased their offers, the Anbang group came back with a $14 billion bid, topping the $13.6 billion offer Marriott had on the table and creating some serious uncertainty over what would happen next, Glover said.

“You're looking at this potentially transformational transaction that's very exciting from an industry perspective, very exciting from a strategic perspective, but we were all thinking that there's a very good chance that this is going to go away, and we're not going to have that opportunity,” he said.

Days later, the Anbang group abruptly pulled the plug on its offer, citing “various market considerations,” and the Marriott deal was back in play. Shareholders from the companies approved the tie-up in April.

Significant antitrust hurdles to closing the deal remained, however, since it required clearances from 13 jurisdictions covering 44 countries, Glover said.

“Virtually every regulatory authority was interested in whether the transaction might reduce competition among hotels in their country,” he said. “So, they generally gave the deal pretty close scrutiny.”

In the end, regulators did not impose any antitrust remedies or other restrictions on Marriott’s purchase, and the transaction closed in September. By then, things were almost anticlimactic, Glover said, since the major issues had all been resolved.

“The more exciting moments were when we learned that Anbang was going to withdraw its offer, and then when we started to get antitrust clearances from different jurisdictions,” Glover said. “As those came in, every one of those felt like a touchdown, and closer to a win.”

Glover led a 10-person mergers and acquisitions team on the deal, but he said between 50 and 100 Gibson Dunn attorneys worked on various aspects of it at some point or another. He also noted that the in-house team at Marriott is particularly effective, which made things run more smoothly than they may have.

“The Marriott team, both on the business side and the legal side, is really first rate,” Glover said. “That made what was a pretty tumultuous process much easier than it could have been with a different client, or a different culture.”

--Additional reporting by Natalie Rodriguez, Chelsea Naso and Braden Campbell. Editing by Edrienne Su.
