

## Hospitality MVP: Latham & Watkins' Gary E. Axelrod

By Kurt Orzek

*Law360, Los Angeles (November 10, 2015, 8:15 PM ET)* -- Latham & Watkins LLP's Gary E. Axelrod guided key client Starwood Hotels & Resorts Worldwide Inc. through its \$400 million sale of The Phoenician luxury resort to Host Hotels & Resorts Inc., and advised Starwood in the spinoff of its vacation ownership business, earning him a spot on Law360's 2015 list of hospitality MVPs.

Axelrod works from Latham's Chicago base as co-chair of the firm's hospitality, gambling and leisure group, and helped the firm wrangle some of the biggest ticket deals in the industry in the past year. As a result, Latham says it is slated to land more mergers and acquisitions, by deal count, in the hospitality and gambling industries than any other firm in 2015.

With the Phoenician transaction, which included the complex sale of real estate investment trust shares in a private REIT owned indirectly by Starwood, Axelrod guided Starwood as it continued its strategy of selling off assets to focus on hotel management.

The attorney says that the Starwood deal — as well as his representation of Kimpton Hotels & Restaurants Group LLC in its \$430 million sale to InterContinental Hotels Group — took on extra significance for him because of his long relationship with those companies.

"The Starwood and Kimpton transactions are particularly meaningful to me," Axelrod said. "I have been representing those companies since I was a young lawyer, and having the opportunity to work with them through such complicated and headline-generating deals is beyond rewarding."

Axelrod focuses on complex business transactions in the real estate, hospitality, gambling and leisure industries. His clients include real estate private equity sponsors and funds, real estate investment trusts, institutional investors, operating companies and entrepreneurial developers.

The hospitality pro previously made Law360's list of hospitality MVPs in 2013, after he juggled \$3 billion worth of deals, and Latham also notched a spot on Law360's Hospitality Practice Groups of the Year in 2013. According to Latham, last year it had more mergers and acquisitions in the hospitality and gambling industries and more U.S. hospitality and gambling private equity deals than any other firm.



Gary Axelrod  
Latham & Watkins

Axelrod — who serves on Law360’s Real Estate Editorial Advisory Board — points to IHG’s purchase of Kimpton, the world’s largest independent boutique hotel operator, as one of the most significant deals that he handled from Oct. 1, 2014, to Oct. 1 of this year. He believes that the transaction marked 2015 as the year of M&A in the hospitality industry.

“Up to that point, the industry seemed ripe for consolidation, and, in prior years, most of the investments in hospitality platforms were private equity driven,” the Latham partner said. “IHG’s acquisition of Kimpton was the largest strategic acquisition of recent vintage, and since then rumors of additional strategic M&A transactions have been rampant.”

Also over the past year, Axelrod advised Chicago-based private equity firm Walton Street Capital on its formation of a joint venture to acquire the Hyatt Regency La Jolla, part of a complicated mixed-use project.

He also guided MCR Development LLC, one of the biggest hotel owner-operators in the U.S., in its \$206 million purchase of a portfolio of 18 Marriott International Inc.- and Hilton Worldwide Inc.-branded properties.

Axelrod says that although 2015 saw many portfolio sales involving large numbers of select service hotels, such as the MCR transaction, there were still plenty of single-asset transactions involving high-profile hotels, such as the Walton Street deal.

Axelrod noted that he and a team of Latham attorneys are continuing to represent Starwood in its plan — announced in February of this year — to spin off Starwood Vacation Ownership into a separate publicly traded company called Vistana Signature Experiences.

Late last month, Florida-based Interval Leisure Group said that its wholly owned subsidiary had agreed to buy and merge with Starwood’s vacation time share business in a deal valued at about \$1.5 billion, as Starwood continues its push to shed \$3 billion of hotel properties by the end of 2016.

“All of these transactions require a unique relationship between the lawyer and client, and involve many late nights working together to solve problems and keep the deal on track,” Axelrod said. “My greatest career achievement is that I have managed to reach a point where those same clients not only seek my advice, they actually follow it ... most of the time.”

--Additional reporting by Natalie Rodriguez, Maya Rajamani, Natalie Rodriguez, Matthew Perlman and Linda Chiem. Editing by Stephen Berg.

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