Green Isle Partners, LTD., S.E.

Plaintiff

-against-

The Ritz Carlton Hotel Company, L.L.C., The Ritz Carlton Hotel Company of Puerto Rico, Inc., Marriott International, Inc., Marriott Distribution Services, Inc., Marriott International Capital Corp., and Avendra L.L.C.,

Defendants.

The case was initially brought in the United States District Court for the District of Delaware, but was transferred to the District Court in Puerto Rico.

The docket number in the Delaware Court was 1:01-cv-00202-JJF

The docket number in Puerto Rico was 3:01-cv-02621-JP

Green Isle Partners sued Marriott in March 2001 charging that it falsified records and engaged in kickback schemes and self-dealing (using Avendra) while running its Ritz-Carlton in Puerto Rico. The claim includes allegations of kick-back schemes, concealing transactions with affiliates,   
false entries in the books and manipulation of accounts.

**MARRIOT'S FORM 10-K**

**[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE**

**ACT OF 1934**

OR

**[\_] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES**

**EXCHANGE ACT OF 1934**

**For the Fiscal Year Ended December 28, 2001 Commission File No. 1-13881**

**CONTINGENT LIABILITIES**

We issue guarantees to lenders and other third parties in connection with financing transactions and other obligations. These guarantees were limited, in the aggregate, to $574 million at December 28, 2001, including guarantees involving major customers. As discussed below (see "Restructuring Costs and Other Charges"), we expect to fund $33 million of guarantee obligations in 2002. In addition, we have made an uncapped physical completion guaranty relating to one hotel property with minimal expected funding. As of December 28, 2001, we had extended approximately $669 million of loan commitments to owners of lodging properties and senior living communities under which we expect to fund approximately $187 million by January 3, 2003, and $334 million in total. Letters of credit outstanding on our behalf at December 28, 2001, totaled $77 million, the majority of which related to our self-insurance programs. At December 28, 2001, we had repurchase obligations of $46 million related to notes receivable from timeshare interval purchasers, which have been sold with limited recourse.

New World Development and another affiliate of Dr. Henry Cheng Kar-Shun have severally indemnified us for guarantees by us of leases with minimum annual payments of approximately $57 million. [LK: They are the CFT/HPI owners]

On March 30, 2001, Green Isle Partners, Ltd., S.E. (Green Isle) filed a 63-page complaint in Federal district court in Delaware against The Ritz-Carlton Hotel Company, L.L.C., The Ritz-Carlton Hotel Company of Puerto Rico, Inc. (Ritz-Carlton Puerto Rico), Marriott International, Inc., Marriott Distribution Services, Inc., Marriott International Capital Corp. and Avendra L.L.C. (Green Isle Partners, Ltd. S.E., v. The Ritz-Carlton Hotel Company, L.L.C., et al, civil action no. 01-202). Ritz-Carlton Puerto Rico manages The Ritz-Carlton San Juan Hotel, Spa and Casino located in San Juan, Puerto Rico, under an operating agreement with Green Isle dated December 15, 1995 (the Operating Agreement).

The claim asserts 11 causes of action: three Racketeer Influenced and Corrupt Organizations Act (RICO) claims, together with claims based on the Robinson-Patman Act, breach of contract, breach of fiduciary duty, aiding and abetting a breach of fiduciary duty, breach of implied duties of good faith and fair dealing, common law fraud and intentional misrepresentation, negligent misrepresentation, and fiduciary accounting. The complaint does not request termination of the Operating Agreement.

The claim includes allegations of: (i) national, non-competitive contracts and attendant **kick-back** schemes; (ii) **concealing transactions with affiliates**;   
(iii) false entries in the books and manipulation of accounts payable and receivable; (iv) excessive compensation schemes and fraudulent expense accounts;   
(v) charges of prohibited overhead costs to the project; (vi) charges of prohibited procurement costs; (vii) inflation of Group Service Expense; (viii) the use of prohibited or falsified revenues; (ix) attempts to oust Green Isle from ownership; (x) creating a financial crisis and then attempting to exploit it by seeking an economically oppressive contract in connection with a loan; (xi) providing incorrect cash flow figures and failing to appropriately reveal and explain revised cash flow figures.

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The complaint seeks as damages the $140 million, which Green Isle claims to have invested in the hotel (which includes $85 million in third-party debt), which the plaintiffs seek to treble to $420 million under RICO and the Robinson-Patman Act.

On November 11, 2001, the court granted defendants' motion to transfer and subsequently did transfer the matter to the United States District Court for the district of Puerto Rico. On May 25, 2001, defendants moved to dismiss the complaint or, alternatively, to stay or transfer. On June 25, 2001, Green Isle filed its Chapter 11 Bankruptcy Petition in the Southern District of Florida.

Although we believe that the lawsuit described above is without merit, and we intend to vigorously defend against the claims being made against us, we cannot assure you as to the outcome of this lawsuit nor can we currently estimate the range of any potential loss to the Company.

<https://investor.shareholder.com/mar/secfiling.cfm?filingID=928385-02-921>

<http://www.getfilings.com/o0000928385-02-002533.html>

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarter Ended June 14, 2002 Commission File No. 1-13881

MARRIOTT INTERNATIONAL, INC.

On March 30, 2001, Green Isle Partners, Ltd., S.E. (Green Isle) filed a

63-page complaint in Federal District Court in Delaware against The

Ritz-Carlton Hotel Company, L.L.C., The Ritz-Carlton Hotel Company of

Puerto Rico, Inc. (Ritz-Carlton Puerto Rico), Marriott International, Inc.,

Marriott Distribution Services, Inc., Marriott International Capital Corp.

and Avendra L.L.C. (Green Isle Partners, Ltd. S.E., v. The Ritz-Carlton

Hotel Company, L.L.C., et al, civil action no. 01-202). Ritz-Carlton Puerto

Rico manages The Ritz-Carlton San Juan Hotel, Spa and Casino located in San

Juan, Puerto Rico under an operating agreement with Green Isle dated

December 15, 1995 (the Operating Agreement).

The claim asserts 11 causes of action: three Racketeer Influenced and

Corrupt Organizations Act (RICO) claims, together with claims based on the

Robinson-Patman Act, breach of contract, breach of fiduciary duty, aiding

and abetting a breach of fiduciary duty, breach of implied duties of good

faith and fair dealing, common law fraud and intentional misrepresentation,

negligent misrepresentation, and fiduciary accounting. The complaint does

not request termination of the Operating Agreement.

The claim includes allegations of: (i) national, non-competitive contracts

and attendant kick-back schemes; (ii) concealing transactions with

affiliates; (iii) false entries in the books and manipulation of accounts

payable and receivable; (iv) excessive compensation schemes and fraudulent

expense accounts; (v) charges of prohibited overhead costs to the project;

(vi) charges of prohibited procurement costs; (vii) inflation of Group

Service Expense; (viii) the use of prohibited or falsified revenues; (ix)

attempts to oust Green Isle from ownership; (x) creating a financial crisis

and then attempting to exploit it by seeking an economically oppressive

contract in connection with a loan; (xi) providing incorrect cash flow

figures and failing appropriately to reveal and explain revised cash flow

figures.

The complaint seeks as damages the $140 million which Green Isle claims to

have invested in the hotel (which includes $85 million in third party

debt), which the plaintiffs seek to treble to $420 million under RICO and

the Robinson-Patman Act.

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On May 25, 2001, defendants moved to dismiss the complaint or,

alternatively, to stay or transfer. Briefing of the motion is complete but

oral argument has not yet been scheduled. On June 25, 2001, Green Isle

filed its Chapter 11 Bankruptcy Petition in the Southern District of

Florida. On November 11, 2001, the Court granted defendants' motion to

transfer and subsequently did transfer the matter to the United States

District Court for the district of Puerto Rico. In that proceeding, Green

Isle's motion to reject the Ritz-Carlton operating agreement was dismissed

without prejudice.

We believe that the Green Isle and CTF lawsuits are without merit and we

intend to vigorously defend against the claims being made against us.

However, we cannot assure you as to the outcome of either lawsuit nor can

we currently estimate the range of any potential loss to the Company.