

CONSUMERS ENERGY CO
Form 8-K
May 15, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF

THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported)
May 15, 2015

Commission File Number	Registrant; State of Incorporation; Address; and Telephone Number	IRS Employer Identification No.
1-9513	CMS ENERGY CORPORATION	38-2726431

(A Michigan
Corporation)

One Energy Plaza

Jackson,
Michigan 49201

(517) 788-0550

1-5611 CONSUMERS 38-0442310
ENERGY
COMPANY

(A Michigan
Corporation)

One Energy Plaza

Jackson,
Michigan 49201

(517) 788-0550

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01. Regulation FD Disclosure.

During the week of May 17, 2015, CMS Energy Corporation's ("CMS Energy") management will be meeting with investors. On Monday, May 18, at the AGA Financial Forum Conference, CMS Energy's executive vice president and chief financial officer, Tom Webb, will provide a business and financial outlook, scheduled to begin at 1:30 p.m. EDT. A copy of the CMS Energy presentation is furnished as Exhibit 99.1 to this report. To access the presentation webcast, go to the CMS Energy website, www.cmsenergy.com.

In accordance with General Instruction B.2 of Form 8-K, the information in this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933.

Investors and others should note that CMS Energy and Consumers Energy Company post important financial information using the investor relations section of the CMS Energy website, www.cmsenergy.com and Securities and Exchange Commission filings.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

99.1 CMS Energy presentation dated May 18 & 19, 2015

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrants have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized.

CMS ENERGY CORPORATION

Dated: May 15, 2015 By: /s/ Thomas J. Webb
Thomas J. Webb
Executive Vice President and Chief Financial Officer

CONSUMERS ENERGY COMPANY

Dated: May 15, 2015 By: /s/ Thomas J. Webb
Thomas J. Webb
Executive Vice President and Chief Financial Officer

Exhibit Index

99.1 CMS Energy presentation dated May 18 & 19, 2015

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Reserves for expected fundings

16 (11) 4 1

Reserves for loan losses

43

Residual interests valuation

20

Contract cancellation allowances

9

Software development write-off

7

Total other charges

16 162⁽²⁾ 4 4

Total restructuring costs and other charges

\$36 \$213 \$40 \$29

(1) Reflects \$9 million of non-cash facilities exit costs related to fixed asset impairments.

(2) Reflects \$170 million of non-cash other charges, which exclude the \$11 million reversal of reserves for expected fundings and \$3 million of guarantee charges.

(3) Includes charges recorded in the 2008 fourth quarter through year-end 2009.

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The following tables provide further detail on the restructuring costs and other charges incurred in 2009 and cumulative restructuring costs incurred through year-end 2009, including a breakdown of these charges by segment:

2009 and Cumulative Operating Income Impact

<i>(\$ in millions)</i>	North American Full- Service Segment	North American Limited- Service Segment	Inter- national Segment	Luxury Segment	Timeshare Segment	Other Unallocated Corporate	Total
Restructuring Costs-2009:							
Severance	\$	\$	\$ 2	\$	\$ 15	\$ 4	\$ 21
Facilities exit costs					29		29
Development cancellations					1		1
Total restructuring costs- 2009	\$	\$	\$ 2	\$	\$ 45	\$ 4	\$ 51
Restructuring Costs-Cumulative through 2009 ⁽¹⁾							
Severance	\$	\$	\$ 2	\$ 1	\$ 29	\$ 8	\$ 40
Facilities exit costs					34		34
Development cancellations					10	22	32
Total restructuring costs-cumulative through 2009	\$	\$	\$ 2	\$ 1	\$ 73	\$ 30	\$ 106
Other Charges-2009:							
Impairment of investments and other	\$ 15	\$ 42	\$	\$	\$	\$	\$ 57
Reserves for loan losses						43	43
Accounts receivable and guarantee charges			3	1			4
Reversal of charges related to expected fundings		(11)					(11)
Residual interests valuation					20		20
Contract cancellation allowances					3		3
Software development write-off					7		7
Total other charges-2009	\$ 15	\$ 31	\$ 3	\$ 1	\$ 30	\$ 43	\$ 123

⁽¹⁾ Includes charges recorded in the 2008 fourth quarter through year-end 2009.

2009 Non-Operating Impact

<i>(\$ in millions)</i>	Equity in Earnings	Total
Other Charges:		
Impairment of investments ⁽¹⁾	\$ 33	\$ 33
Contract cancellation allowances-Timeshare segment	6	6
Total	\$ 39	\$ 39

- ⁽¹⁾ Includes a \$30 million impairment of a Luxury segment joint venture and \$3 million impairment of an International segment joint venture.

22. VARIABLE INTEREST ENTITIES

In accordance with the guidance for the consolidation of variable interest entities, we analyze our variable interests, including loans, guarantees, and equity investments, to determine if the entity in which we have a variable interest is a variable interest entity. Our analysis includes both quantitative and qualitative reviews. We base our quantitative analysis on the forecasted cash flows of the entity, and our qualitative analysis on our review of the design of the entity, its organizational structure including decision-making ability and financial agreements. We also use our quantitative and qualitative analyses to determine if we must consolidate a variable interest entity as the primary beneficiary.

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We have an equity investment in and a loan receivable due from a variable interest entity that develops and markets fractional ownership and residential interests, and we consolidate the entity because we are the primary beneficiary. We concluded that the entity is a variable interest entity because the voting rights are not proportionate to the economic interests. The loan we provided to the entity replaced the original senior loan, and at year-end 2009, had a principal balance of \$88 million and an accrued interest balance of \$3 million. The variable interest entity uses the loan facility to fund its net cash flow. The loan's outstanding principal balance increased by \$20 million compared to year-end 2008. At year-end 2009, the carrying amount of consolidated assets included within our Consolidated Balance Sheet that are collateral for the variable interest entity's obligations totaled \$40 million and comprised \$34 million of real estate held for development, property, equipment, and other assets and \$6 million of cash. Further, at year-end 2009, the carrying amount of the consolidated liabilities and noncontrolling interests included within our Consolidated Balance Sheets for this variable interest entity totaled \$13 million and the noncontrolling interest was reduced to zero. The creditors of this entity do not have general recourse to our credit. We have contracted to purchase the noncontrolling interest in the entity for less than \$1 million. The acquisition will occur in stages, and commenced with our initial acquisition of 3 percent of the noncontrolling interest in the entity that occurred during the 2009 third quarter. The acquisition is expected to be completed in the 2010 third quarter.

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Our Timeshare segment uses several special purpose entities to maintain ownership of real estate in certain jurisdictions in order to facilitate sales within the Asia Pacific Points Club (the Asia Club). In 2009, we established a special purpose entity to maintain ownership of real estate for sale of a Portfolio membership in The Ritz-Carlton Destination Club (RCDC Club). Although we have no equity ownership in the Asia or RCDC Clubs themselves, we absorb the variability in the assets of the Asia or RCDC Clubs to the extent that inventory has not been sold to the ultimate Asia or RCDC Club member. The Asia and RCDC Clubs are variable interest entities because the equity investment at risk is not sufficient to permit the entities to finance their activities without additional support from other parties. We determined that we were the primary beneficiary of these entities based upon the proportion of variability that we absorb compared to Asia or RCDC Club members. At year-end 2009, the carrying amount of inventory associated with the Asia Club was \$53 million, of which \$31 million resulted from the consolidation of these special purpose entities and \$22 million resulted from inventory and deposits in wholly owned subsidiaries that will be transferred to the Asia Club structure in the future in order to facilitate the sale of the real estate interests. At year-end 2008, the carrying amount of inventory associated with the Asia Club was \$78 million, of which \$49 million resulted from the consolidation of these special purpose entities and \$29 million resulted from inventory and deposits in wholly owned subsidiaries that will be transferred to the Asia Club structure in the future in order to facilitate the sale of the real estate interests. At year-end 2009, the carrying amount of inventory associated with the RCDC Club was \$13 million, all of which resulted from the consolidation of the special purpose entity. The creditors of these entities do not have general recourse to our credit.

We have an equity investment in and a loan receivable due from a variable interest entity that develops and markets fractional ownership and residential interests, and we do not consolidate the entity because we are not the primary beneficiary. We concluded that the entity is a variable interest entity because the equity investment at risk is not sufficient to permit the entity to finance its activities without additional support from other parties. We have determined that we are not the primary beneficiary as another party, within a de facto agent group, is most closely associated with the entity. During 2009, we advanced \$12 million in additional loans to fund progress toward completion of the project. We subsequently fully impaired our equity investment and certain loans receivable due from the entity. We will likely fund up to an additional \$28 million, which we believe is our maximum exposure to loss, and do not expect to recover this amount, which has been accrued and is included in current liabilities. See Footnote No. 20, Timeshare Strategy-Impairment Charges, for additional information.

In conjunction with the transaction with CTF described more fully in Footnote No. 8, Acquisitions and Dispositions, of our Annual Report on Form 10-K for the fiscal year ended December 28, 2007, under the caption 2005 Acquisitions, we manage 12 hotels on behalf of four tenant entities 100 percent owned by CTF, which lease the hotels from third-party owners. Due to certain provisions in the management agreements, we account for these contracts as operating leases. The entities have minimal equity and minimal assets comprised of hotel working capital and furniture, fixtures, and equipment. In conjunction with the 2005 transaction, CTF had placed money in a trust account to cover cash flow shortfalls and to meet rent payments. In turn, we released CTF from their guarantees fully in connection with eight of these properties and partially in connection with the other four properties. At year-end 2009, the trust account held approximately \$9 million. The tenant entities are variable interest entities because the holder of the equity investment at risk, CTF, lacks the ability through voting rights to make key decisions about the entities' activities that have a significant effect on the success of the entities. We do not consolidate the entities because we do not bear the majority of the expected losses. We are secondarily liable (after exhaustion of funds from the trust account) for rent payments for eight of the 12 hotels in the event that there are cash flow shortfalls. Future minimum lease payments through the end of the lease term for these eight hotels totaled approximately \$72 million. In addition, we are secondarily liable for rent payments of up to an aggregate cap of \$20 million for the four other hotels in the event that there are cash flow shortfalls. Our maximum exposure to loss is limited to the rent payments and certain other tenant obligations under the lease for which we are secondarily liable.

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We have summarized our future obligations under operating leases at year-end 2009, below:

<i>(\$ in millions)</i>	Minimum Lease Payments
Fiscal Year	
2010	\$ 160
2011	153
2012	138
2013	125
2014	117
Thereafter	994
Total minimum lease payments where we are the primary obligor	\$ 1,687

Most leases have initial terms of up to 20 years and contain one or more renewal options, generally for five- or 10-year periods. These leases provide for minimum rentals and additional rentals based on our operations of the leased property. The total minimum lease payments above include \$382 million, representing obligations of consolidated subsidiaries that are non-recourse to us.

Minimum lease payments aggregating \$92 million relating to the CTF leases further discussed in Footnote No. 22, Variable Interest Entities, which are not reflected in the \$1,687 million in the preceding table are as follows: \$27 million in 2010; \$25 million in 2011; \$16 million in 2012; \$12 million in 2013; \$8 million in 2014; and \$4 million thereafter.

The composition of rent expense for the last three fiscal years associated with operating leases is detailed in the following table:

<i>(\$ in millions)</i>	2009	2008	2007
Minimum rentals	\$ 262	\$ 283	\$ 272
Additional rentals	63	67	78
	\$ 325	\$ 350	\$ 350

We have summarized our future obligations under capital leases at year-end 2009, in the following table:

<i>(\$ in millions)</i>	Minimum Lease Payments
Fiscal Year	
2010	\$ 1
2011	1
2012	1
2013	1
2014	1
Thereafter	5
Total minimum lease payments	10
Less: Amount representing interest	(4)
Present value of net minimum lease payments	\$ 6

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The accompanying Consolidated Balance Sheets for year-end 2009 and year-end 2008 included \$6 million and \$6 million, respectively, in the Long-term debt caption that represented the present value of net minimum lease payments associated with capital leases.

24. RELATED PARTY TRANSACTIONS

Equity Method Investments

We have equity method investments in entities that own properties for which we provide management and/or franchise services and receive fees. In addition, in some cases we provide loans, preferred equity or guarantees to these entities. Our ownership interest in these equity method investments generally varies from 10 to 49 percent. The amount of our consolidated retained earnings that represents undistributed earnings attributable to our equity investments totaled \$2 million at year-end 2009.

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The following tables present financial data resulting from transactions with these related parties:

Income Statement Data

<i>(\$ in millions)</i>	2009	2008	2007
Base management fees	\$ 44	\$ 49	\$ 56
Franchise fees			1
Incentive management fees	2	11	26
Cost reimbursements	260	340	510
Total revenue	\$ 306	\$ 400	\$ 593
General, administrative, and other	\$ (1)	\$ (1)	\$ (4)
Reimbursed costs	(260)	(340)	(510)
Gains and other income	6	12	25
Interest expense-capitalized	4	4	1
Interest income	8	3	4
Equity in (losses) earnings	(66)	15	3
Timeshare strategy-impairment charges (non-operating)	(138)		
Provision for income taxes		1	

Balance Sheet Data

<i>(\$ in millions)</i>	At Year-End 2009	At Year-End 2008
Current assets-accounts and notes receivable	\$ 10	\$ 23
Deferred development	2	3
Contract acquisition costs	26	28
Equity and cost method investments	208	309
Notes receivable	10	50
Other	1	7
Current liabilities:		
Other	(31)	(9)
Other long-term liabilities	(13)	(15)

Summarized information for the entities in which we have equity method investments is as follows:

Income Statement Data

<i>(\$ in millions)</i>	2009	2008	2007
Sales	\$ 850	\$ 1,342	\$ 1,622
Net (loss) income	\$ (241)	\$ 122	\$ 134

Balance Sheet Summary

<i>(\$ in millions)</i>	At Year-End 2009	At Year-End 2008
Assets (primarily comprised of hotel real estate managed by us)	\$ 3,228	\$ 3,669

Liabilities	\$	2,339	\$	2,532
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25. RELATIONSHIP WITH MAJOR CUSTOMER

As of year-end 2009, Host Hotels & Resorts, Inc. (Host), formerly known as Host Marriott Corporation, owned or leased 146 lodging properties operated by us under long-term agreements as compared to 149 properties as of year-end 2008. We recognized revenues from lodging properties owned or leased by Host (which are included in our North American Full-Service, North American Limited-Service, Luxury, and International segments) for the last three fiscal years as shown in the following table:

<i>(\$ in millions)</i>	2009	2008	2007
Revenues	\$ 2,096	\$ 2,539	\$ 2,580

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Additionally, Host is a partner in certain unconsolidated partnerships that own lodging properties operated by us under long-term agreements. As of year-end 2009, Host was affiliated with five such properties operated by us as compared to 125 such properties operated by us as of year-end 2008. The revenues associated with those properties (which are included in our North American Full-Service, Luxury, and International segments for 2009, 2008 and 2007, as well as our North American Limited-Service segment for 2008 and 2007) that were recognized by the Company for the last three fiscal years are shown in the following table:

<i>(\$ in millions)</i>	2009	2008	2007
Revenues	\$ 104	\$ 411	\$ 350

Table of Contents**SUPPLEMENTARY DATA****QUARTERLY FINANCIAL DATA UNAUDITED**

(\$ in millions, except per share data)

	Fiscal Year 2009 ^{(1), (2)}				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Fiscal Year
Revenues ⁽³⁾	\$ 2,495	\$ 2,562	\$ 2,471	\$ 3,380	\$ 10,908
Operating income (loss) as previously reported ^{(3) (5)}	\$ 82	\$ 100	\$ (506)	\$ 212	\$ (112)
Reclassification of (provision for) reversal of provision for loan losses to General, administrative, and other ⁽⁵⁾	(42)	(1)		3	(40)
Operating income (loss) ^{(3) (5)}	\$ 40	\$ 99	\$ (506)	\$ 215	\$ (152)
Income (loss) from continuing operations	\$ (25)	\$ 35	\$ (469)	\$ 106	\$ (353)
Discontinued operations, net of tax					
Net income (loss)	(25)	35	(469)	106	(353)
Net losses attributable to noncontrolling interests, net of tax	2	2	3		7
Net income (loss) attributable to Marriott	\$ (23)	\$ 37	\$ (466)	\$ 106	\$ (346)
Diluted earnings (losses) per share from continuing operations attributable to Marriott shareholders ⁽⁶⁾	\$ (0.06)	\$ 0.10	\$ (1.31)	\$ 0.28	\$ (0.97)
Diluted earnings per share from discontinued operations attributable to Marriott shareholders					
Diluted earnings (losses) per share attributable to Marriott shareholders	\$ (0.06)	\$ 0.10	\$ (1.31)	\$ 0.28	\$ (0.97)

(\$ in millions, except per share data)

	Fiscal Year 2008 ^{(1), (2)}				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Fiscal Year
Revenues ⁽³⁾	\$ 2,947	\$ 3,185	\$ 2,963	\$ 3,784	\$ 12,879
Operating income (loss) as previously reported ^{(3) (5)}	\$ 195	\$ 313	\$ 203	\$ 74	\$ 785
Reclassification of reversal of provision for (provision for) loan losses to General, administrative, and other ⁽⁵⁾	2			(22)	(20)
Operating income (loss) ^{(3) (5)}	\$ 197	\$ 313	\$ 203	\$ 52	\$ 765
Income (loss) from continuing operations	\$ 121	\$ 151	\$ 84	\$ (12)	\$ 344
Discontinued operations, net of tax	(1)	4			3
Net income (loss)	120	155	84	(12)	347
Net losses attributable to noncontrolling interests, net of tax	1	2	10	2	15
Net income (loss) attributable to Marriott	\$ 121	\$ 157	\$ 94	\$ (10)	\$ 362

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Diluted earnings (losses) per share from continuing operations attributable to Marriott shareholders ^{(4) (6)}	\$ 0.32	\$ 0.41	\$ 0.25	\$ (0.03)	\$ 0.97
Diluted earnings per share from discontinued operations attributable to Marriott shareholders		0.01			0.01
Diluted earnings (losses) per share attributable to Marriott shareholders ⁽⁴⁾	\$ 0.32	\$ 0.42	\$ 0.25	\$ (0.03)	\$ 0.98

⁽¹⁾The quarters consisted of 12 weeks, except for the fourth quarters of 2009 and 2008, which consisted of 16 weeks and 17 weeks, respectively.

⁽²⁾The sum of the earnings per share for the four quarters differs from annual earnings per share due to the required method of computing the weighted average shares in interim periods.

⁽³⁾Balances do not reflect the impact of the synthetic fuel business as the impact of that business is now reflected in discontinued operations.

⁽⁴⁾For periods prior to the stock dividends that were declared during 2009, all per share data in this Annual Report on Form 10-K has been retroactively adjusted to reflect the stock dividends. See the Basis of Presentation caption in Footnote No. 1, Summary of Significant Accounting Policies, located in Part I, Item 8, Financial Statements and Supplementary Data, of this Annual Report for additional information regarding the stock dividends as the per share amounts in the 2008 First Quarter, Second Quarter, and Fiscal Year columns reflect revisions to previously reported amounts.

⁽⁵⁾As discussed in Footnote No. 1, Summary of Significant Accounting Policies, located in Part I, Item 8, Financial Statements and Supplementary Data of this Annual Report, we have reclassified the provision for loan losses for all periods presented to the General, administrative, and other expense caption within Operating (loss) income from its own caption below Operating (loss) income in our Consolidated Statements of Income.

⁽⁶⁾See Footnote No. 7, Earnings Per Share, located in Part I, Item 8, Financial Statements and Supplementary Data, of this Annual Report for income from continuing operations attributable to Marriott used to calculate earnings from continuing operations per share attributable to Marriott shareholders.

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Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Disclosure Controls and Procedures

As of the end of the period covered by this annual report, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (the Exchange Act)), and management necessarily applied its judgment in assessing the costs and benefits of such controls and procedures, which, by their nature, can provide only reasonable assurance regarding management's control objectives. You should note that the design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and we cannot assure you that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. Based upon the foregoing evaluation, our Chief Executive Officer and the Chief Financial Officer concluded that our disclosure controls and procedures were effective and operating to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC, and to provide reasonable assurance that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Internal Control Over Financial Reporting

There were no changes in internal control over financial reporting that occurred during the fourth quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

None.

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PART III

Items 10, 11, 12, 13, 14.

As described below, we incorporate certain information appearing in the Proxy Statement we will furnish to our shareholders in connection with the 2010 Annual Meeting of Shareholders by reference in this Annual Report on Form 10-K.

- ITEM 10. We incorporate this information by reference to Our Board of Directors, Section 16(a) Beneficial Ownership Reporting Compliance, Audit Committee, Transactions with Related Persons, and Selection of Director Nominees sections of our Proxy Statement. We have included information regarding our executive officers and our Code of Ethics below.
- ITEM 11. We incorporate this information by reference to the Executive and Director Compensation and Compensation Committee Interlocks and Insider Participation sections of our Proxy Statement.
- ITEM 12. We incorporate this information by reference to the Securities Authorized for Issuance Under Equity Compensation Plans and the Stock Ownership sections of our Proxy Statement.
- ITEM 13. We incorporate this information by reference to the Transactions with Related Persons, and Director Independence sections of our Proxy Statement.
- ITEM 14. We incorporate this information by reference to the Independent Registered Public Accounting Firm Fee Disclosure and the Pre-Approval of Independent Auditor Fees and Services Policy sections of our Proxy Statement.

Table of Contents**EXECUTIVE OFFICERS OF THE REGISTRANT**

Set forth below is certain information with respect to our executive officers. The information set forth below is as of February 1, 2010.

Name and Title	Age	Business Experience
J.W. Marriott, Jr. Chairman of the Board and Chief Executive Officer	77	J.W. Marriott, Jr. has been Chief Executive Officer of Marriott International, Inc. (the Company) and its predecessors since 1972, and Chairman of the Board since 1985. He joined Marriott Corporation (now known as Host Hotels & Resorts, Inc.) in 1956, became President and a Director in 1964. Mr. Marriott serves on the Board of The J. Willard & Alice S. Marriott Foundation. He is a member of the National Business Council and the Executive Committee of the World Travel & Tourism Council. He also serves as the Chairman of the Mayo Clinic Capital Campaign. Mr. Marriott has served as a Director of the Company since March 1998. He is the father of John W. Marriott III, the non-employee Vice Chairman of the Company's Board of Directors.
Carl T. Berquist Executive Vice President and Chief Financial Officer	58	Carl T. Berquist is Executive Vice President and Chief Financial Officer of Marriott International, Inc., with responsibility for global finance, including financial reporting, project finance, global treasury, corporate tax, internal audit, and investor relations. His previous role was Executive Vice President of Financial Information and Enterprise Risk Management. Prior to joining Marriott in December 2002, Mr. Berquist was a Partner at Arthur Andersen LLP. During his 28-year career with Arthur Andersen, Mr. Berquist held numerous leadership positions covering the management of the business as well as market facing operational roles. Mr. Berquist is a Trustee of the Business School of Penn State University.
Anthony G. Capuano Executive Vice President Global Development	44	Anthony G. Capuano began his Marriott International career in 1995 as a part of the Market Planning and Feasibility team. Between 1997 and 2005, he led Marriott's Full-Service Development efforts in the Western U.S. and Canada. In 2005, he assumed responsibility for Full-Service Development in North America. In 2008, his responsibilities expanded to include the Caribbean and Latin America. In early 2009, Mr. Capuano assumed responsibility for Global Development. Mr. Capuano began his professional career in Laventhol and Horwath's Leisure Time Advisory Group. He then joined Kenneth Leventhal and Company's hospitality consulting group in Los Angeles, CA. Mr. Capuano is an active member of the Cornell Society of Hotelmen.
Simon F. Cooper President The Ritz-Carlton Hotel Company, L.L.C.	64	Simon F. Cooper joined Marriott International in 1998 as President of Marriott Lodging Canada and Senior Vice President of Marriott Lodging International. In 2000, the Company added the New England Region to his Canadian responsibilities. Prior to joining Marriott, Mr. Cooper was President and Chief Operating Officer of Delta Hotels and Resorts. He is a Fellow of the Board of Trustees for the Educational Institute of the American Hotel and Motel Association. Mr. Cooper was appointed to his current position as President and Chief Operating Officer, The Ritz-Carlton Hotel Company, in February 2001.

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Name and Title	Age	Business Experience
Edwin D. Fuller President and Managing Director International Lodging	64	Edwin D. Fuller joined Marriott in 1972 and held numerous positions of increasing marketing, sales and operational responsibility, including Director of National and International Sales and Reservations, before being appointed Vice President of Marketing in 1979. Early in his career, Mr. Fuller established Marriott International's original international reservations network and its sales and marketing organization in Europe and the Middle East. He became Regional Vice President of the Midwest Region in 1985 and Regional Vice President of the Western Region in 1988. In 1991, he assumed leadership of Marriott's international lodging operations as Senior Vice President and Managing Director of International Lodging. He was named Executive Vice President and Managing Director of International Lodging in 1994 and was promoted to his current position in 1997. Mr. Fuller currently serves on the advisory boards of Boston University's hotel and business schools where he is Chairman of the Hospitality Board and he was recently appointed to the university's Board of Overseers. He also serves as Chairman of the Advisory Board for the University of California Irvine, Mirage School of Business, is a Trustee of the International Business Leaders Forum, chairs the Governing Council of the International Tourism Partnership, and serves on the Safe Kids Worldwide Board.
Robert J. McCarthy Group President, The Americas and Global Lodging Services	56	Robert J. McCarthy joined Marriott in 1975 and currently has overall responsibility for the financial management and leadership of 2,900 hotels in the Americas spanning multiple lodging segments and brands and a workforce of 120,000 associates. Mr. McCarthy's role in Global Lodging Services includes oversight for support services to Marriott's continental organizations around the globe including all areas of sales and marketing and operations. Mr. McCarthy's duties also encompass brand management and brand strategy for Marriott's lodging portfolio including consumer research. Prior to his current position, he served as President, North American Lodging Operations with additional responsibility for sales and marketing and brand management. Mr. McCarthy is also Chairman of the Board of Managers of Avendra, LLC, a procurement company serving the hospitality industry, and a member of the Dean's Advisory Board at both the Villanova University School of Business and the Cornell University School of Hotel Administration.
Amy McPherson President and Managing Director Europe Division	48	Amy C. McPherson is President and Managing Director of Europe, a newly formed Division within Marriott that encompasses Continental Europe, the United Kingdom, and Ireland. Ms. McPherson joined Marriott in 1986 and most recently served as Executive Vice President of Global Sales and Marketing responsible for the Company's global and field sales, marketing, Marriott Rewards program, revenue management and e-commerce. Other key positions held by Ms. McPherson include Senior Vice President of Business Transformation and Integration, and Vice President of Finance and Business Development. Prior to joining Marriott, she worked for Air Products & Chemicals in Allentown, PA. Ms. McPherson also serves as Vice Chair of the Executive Advisory Counsel of the School of Business at James Madison University.

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Name and Title	Age	Business Experience
David A. Rodriguez Executive Vice President Global Human Resources	51	David A. Rodriguez joined Marriott International and assumed the role of Senior Vice President-Staffing & Development in 1998. In 2003, he was appointed Executive Vice President-Human Resources for Marriott Lodging and in 2006 he assumed the role of Executive Vice President-Global Human Resources for Marriott International. Prior to joining Marriott International, he held several senior roles in human resources at Citicorp (now Citigroup) from 1989-1998.
Edward A. Ryan Executive Vice President and General Counsel	56	Edward A. Ryan was named Executive Vice President and General Counsel in November 2006. He joined Marriott in 1996 as Assistant General Counsel, was promoted to Senior Vice President and Associate General Counsel in 1999, when he had responsibility for all new management agreements and real estate development worldwide for full-service and limited-service hotels; in 2005 he also assumed responsibility for all corporate transactions and corporate governance. Prior to joining Marriott, Mr. Ryan was a Partner at the law firm of Hogan & Hartson in Washington, D.C.
William J. Shaw Director, Vice Chairman	64	William J. Shaw became Vice Chairman of Marriott International, Inc. in May 2009. He previously served as President and Chief Operating Officer of the Company from 1997 until May 2009 (including service in the same capacity with the former Marriott International until March 1998). He joined Marriott Corporation in 1974, was elected Corporate Controller in 1979 and a Corporate Vice President in 1982. In 1986, Mr. Shaw was elected Senior Vice President-Finance and Treasurer of Marriott Corporation. He was appointed Chief Financial Officer and Executive Vice President of Marriott Corporation in 1988. In 1992, he was named President of the Marriott Service Group. He also serves on the Board of Directors of Washington Mutual Investors Fund, the Board of Directors of the United Negro College Fund, the Board of Trustees of the University of Notre Dame and on the NCAA Leadership Advisory Board. Mr. Shaw has served as a Director of the Company since March 1997.
Arne M. Sorenson President and Chief Operating Officer	51	Arne M. Sorenson joined Marriott in 1996 as Senior Vice President of Business Development. He was appointed Executive Vice President and Chief Financial Officer in 1998 and assumed the additional title of President, Continental European Lodging, in January 2003. In May 2009, Mr. Sorenson was named President and Chief Operating Officer of the Company. Prior to joining Marriott, he was a Partner in the law firm of Latham & Watkins in Washington, D.C., where he played a key role in 1992 and 1993 in the distribution of Old MI by Marriott Corporation. Mr. Sorenson serves on the Board of Regents of Luther College in Decorah, Iowa. He also serves on the Board of Directors of Wal-Mart Stores, Inc.
Stephen P. Weisz President Marriott Vacation Club	59	Stephen P. Weisz joined Marriott Corporation in 1972 and was named Regional Vice President of the Mid-Atlantic Region in 1991. Mr. Weisz had previously served as Senior Vice President of Rooms Operations before being appointed Vice President of the Revenue Management Group. Mr. Weisz became Senior Vice President of Sales and Marketing for Marriott Hotels, Resorts & Suites in 1992 and Executive Vice President-Lodging Brands in 1994. Mr. Weisz was appointed to his current position in 1996. He serves as a Director of Mindshare Technologies, Inc.

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Code of Ethics

The Company has long maintained and enforced an Ethical Conduct Policy that applies to *all* Marriott associates, including our Chief Executive Officer, Chief Financial Officer, and Principal Accounting Officer, and to each member of our Board of Directors. We have posted our Code of Ethics (Ethical Conduct Policy) in the Corporate Governance & Social Responsibility section of our Investor Relations website, www.Marriott.com/investor. Any future changes or amendments to our Ethical Conduct Policy and any waiver of our Ethical Conduct Policy that applies to our Chief Executive Officer, Chief Financial Officer, Principal Accounting Officer, or member of the Board of Directors, will be posted to www.Marriott.com/investor.

Table of Contents**PART IV****Item 15. Exhibits and Financial Statement Schedules.**

LIST OF DOCUMENTS FILED AS PART OF THIS REPORT

(1) FINANCIAL STATEMENTS

The response to this portion of Item 15 is submitted under Item 8 of this Report on Form 10-K.

(2) FINANCIAL STATEMENT SCHEDULES

Information relating to schedules for which provision is made in the applicable accounting regulations of the SEC is included in the notes to the financial statements and is incorporated herein by reference.

(3) EXHIBITS

Any shareholder who wants a copy of the following Exhibits may obtain one from us upon request at a charge that reflects the reproduction cost of such Exhibits. Requests should be made to the Secretary, Marriott International, Inc., 10400 Fernwood Road, Department 52/862, Bethesda, MD 20817.

Incorporation by Reference

(where a report is indicated below, that document has been previously filed with the SEC and the applicable exhibit is incorporated by reference thereto)

Exhibit No.	Description	
3.1	Restated Certificate of Incorporation of the Company.	Exhibit No. 3.(i) to our Form 8-K filed August 22, 2006 (File No. 001-13881).
3.2	Amended and Restated Bylaws.	Exhibit No. 3(i) to our Form 8-K filed November 12, 2008 (File No. 001-13881).
4.1	Form of Common Stock Certificate.	Exhibit No. 4.5 to our Form S-3ASR filed December 8, 2005 (File No. 333-130212).
4.2	Indenture dated November 16, 1998, with JPMorgan Chase Bank, N.A., as Trustee, formerly known as The Chase Manhattan Bank.	Exhibit No. 4.1 to our Form 10-K for the fiscal year ended January 1, 1999 (File No. 001-13881).
4.3	Form of 4.625% Series F Note due 2012.	Exhibit No. 4.2 to our Form 8-K filed June 14, 2005 (File No. 001-13881).
4.4	Form of 5.810% Series G Note due 2015.	Exhibit No. 4.1 to our Form 10-Q for the fiscal quarter ended June 16, 2006 (File No. 001-13881).
4.5	Form of 6.200% Series H Note due 2016.	Exhibit No. 4.2 to our Form 8-K filed June 14, 2006 (File No. 001-13881).
4.6	Form of 6.375% Series I Note due 2017.	Exhibit No. 4.2 to our Form 8-K filed June 25, 2007 (File No. 001-13881).

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| 4.7 | Form of 5.625% Series J Note due 2013. | Exhibit No. 4.2 to our Form 8-K filed October 19, 2007 (File No. 001-13881). |
| 10.1 | U.S. \$2.5 billion Amended and Restated Credit Agreement dated as of May 14, 2007, with Citibank, N.A., as Administrative Agent and certain banks. | Exhibit No. 10 to our Form 8-K filed May 16, 2007 (File No. 001-13881). |

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		Incorporation by Reference
		(where a report is indicated below, that document has been previously filed with the SEC and the applicable exhibit is incorporated by reference thereto)
Exhibit No.	Description	
*10.2	Marriott International, Inc. Stock and Cash Incentive Plan, As Amended Effective May 1, 2009.	Exhibit No. 10.1 to our Form 10-Q filed July 17, 2009 (File No. 001-13881).
*10.3	Marriott International, Inc. Executive Deferred Compensation Plan, Amended and Restated as of January 1, 2009.	Exhibit No. 99 to our Form 8-K filed August 6, 2009 (File No. 001-13881).
*10.4	Form of Employee Non-Qualified Stock Option Agreement for the Marriott International, Inc. Stock and Cash Incentive Plan.	Exhibit No. 10.4 to our Form 10-K filed February 15, 2008 (File No. 001-13881).
*10.5	Form of Employee Non-Qualified Stock Option Agreement for the Marriott International, Inc. Stock and Cash Incentive Plan (Off-Cycle Grants).	Exhibit No. 10.5 to our Form 10-K filed February 12, 2009 (File No. 001-13881).
*10.6	Form of Employee Non-Qualified Stock Option Agreement for the Marriott International, Inc. Stock and Cash Incentive Plan (Annual Grants).	Exhibit No. 10.6 to our Form 10-K filed February 12, 2009 (File No. 001-13881).
*10.7	Form of Executive Restricted Stock Unit Agreement for the Marriott International, Inc. Stock and Cash Incentive Plan.	Exhibit No. 10.5 to our Form 10-K filed February 15, 2008 (File No. 001-13881).
*10.8	Form of Executive Restricted Stock Unit Agreement for the Marriott International, Inc. Stock and Cash Incentive Plan, As Amended as of May 1, 2009.	Exhibit No. 10.2 to our Form 10-Q filed July 17, 2009 (File No. 001-13881).
*10.9	Form of MI Shares Agreement for the Marriott International, Inc. Stock and Cash Incentive Plan.	Exhibit No. 10.6 to our Form 10-K filed February 15, 2008 (File No. 001-13881).
*10.10	Form of MI Shares Agreement for the Marriott International, Inc. Stock and Cash Incentive Plan (Off-Cycle Grants).	Exhibit No. 10.9 to our Form 10-K filed February 12, 2009 (File No. 001-13881).
*10.11	Form of MI Shares Agreement for the Marriott International, Inc. Stock and Cash Incentive Plan (Annual Grants).	Exhibit No. 10.10 to our Form 10-K filed February 12, 2009 (File No. 001-13881).
*10.12	Form of MI Shares Agreement for the Marriott International, Inc. Stock and Cash Incentive Plan (Annual Grants), As Amended as of May 1, 2009.	Exhibit No. 10.3 to our Form 10-Q filed July 17, 2009 (File No. 001-13881).
*10.13	Form of Stock Appreciation Right Agreement for the Marriott International, Inc. Stock and Cash Incentive Plan.	Exhibit No. 10.7 to our Form 10-K filed February 15, 2008 (File No. 001-13881).
*10.14	Form of Stock Appreciation Right Agreement for the Marriott International, Inc. Stock and Cash Incentive Plan (Off-Cycle Grants).	Exhibit No. 10.12 to our Form 10-K filed February 12, 2009 (File No. 001-13881).

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		Incorporation by Reference
		(where a report is indicated below, that document has been previously filed with the SEC and the applicable exhibit is incorporated by reference thereto)
Exhibit No.	Description	
*10.15	Form of Stock Appreciation Right Agreement for the Marriott International, Inc. Stock and Cash Incentive Plan (Annual Grants).	Exhibit No. 10.13 to our Form 10-K filed February 12, 2009 (File No. 001-13881).
*10.16	Form of Stock Appreciation Right Agreement for the Marriott International, Inc. Stock and Cash Incentive Plan (For Non-Employee Directors).	Exhibit No. 10.8 to our Form 10-K filed February 15, 2008 (File No. 001-13881).
*10.17	Summary of Marriott International, Inc. Director Compensation.	Exhibit No. 10.9 to our Form 10-K filed February 15, 2008 (File No. 001-13881).
*10.18	Marriott International, Inc. Executive Officer Incentive Plan and Executive Officer Individual Performance Plan.	Exhibit No. 10.10 to our Form 10-K filed February 15, 2008 (File No. 001-13881).
12	Statement of Computation of Ratio of Earnings to Fixed Charges.	<i>Filed with this report.</i>
21	Subsidiaries of Marriott International, Inc.	<i>Filed with this report.</i>
23	Consent of Ernst & Young LLP.	<i>Filed with this report.</i>
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a).	<i>Filed with this report.</i>
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a).	<i>Filed with this report.</i>
32	Section 1350 Certifications.	<i>Furnished with this report.</i>
101.INS	XBRL Instance Document.	<i>Submitted electronically with this report.</i>
101.SCH	XBRL Taxonomy Extension Schema Document.	<i>Submitted electronically with this report.</i>
101.CAL	XBRL Taxonomy Calculation Linkbase Document.	<i>Submitted electronically with this report.</i>
101.DEF	XBRL Taxonomy Extension Definition Linkbase.	<i>Submitted electronically with this report.</i>
101.LAB	XBRL Taxonomy Label Linkbase Document.	<i>Submitted electronically with this report.</i>
101.PRE	XBRL Taxonomy Presentation Linkbase Document.	<i>Submitted electronically with this report.</i>

* Denotes management contract or compensatory plan.

Attached as Exhibit 101 to this report are the following documents formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Statements of Income for the fifty-two weeks ended January 1, 2010, fifty-three weeks ended January 2, 2009, and fifty-two weeks ended December 28, 2007; (ii) the Consolidated Balance Sheets at January 1, 2010, and January 2, 2009; (iii) the Consolidated Statements of Cash Flows for the fifty-two weeks ended January 1, 2010, fifty-three weeks ended January 2, 2009, and fifty-two weeks ended December 28, 2007; (iv) the Consolidated Statements of Comprehensive Income for the fifty-two weeks ended January 1, 2010, fifty-three weeks ended January 2, 2009, and fifty-two weeks ended December 28, 2007; and (v) the Consolidated Statements of Shareholders' Equity for the fifty-two weeks ended January 1, 2010, fifty-three weeks ended January 2, 2009, and fifty-two weeks ended December 28, 2007. Users of this data are advised pursuant to Rule 406T of Regulation S-T that this interactive data file is deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, we have duly caused this Form 10-K to be signed on our behalf by the undersigned, thereunto duly authorized, on this 12th day of February 2010.

MARRIOTT INTERNATIONAL, INC.

By: /s/ J.W. Marriott, Jr.
 J.W. Marriott, Jr.
 Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Form 10-K has been signed by the following persons on our behalf in the capacities indicated and on the date indicated above.

PRINCIPAL EXECUTIVE OFFICER:

/s/ J.W. Marriott, Jr.	Chairman of the Board, Chief Executive Officer and Director
J.W. Marriott, Jr.	

PRINCIPAL FINANCIAL OFFICER and PRINCIPAL ACCOUNTING OFFICER:

/s/ Carl T. Berquist	Executive Vice President, Chief Financial Officer and Principal Accounting Officer
Carl T. Berquist	

DIRECTORS:

/s/ John W. Marriott III	/s/ Harry J. Pearce
John W. Marriott III, Vice Chairman of the Board	Harry J. Pearce, Director
/s/ Mary K. Bush	/s/ Steven S Reinemund
Mary K. Bush, Director	Steven S Reinemund, Director
/s/ Lawrence W. Kellner	/s/ W. Mitt Romney
Lawrence W. Kellner, Director	W. Mitt Romney, Director
/s/ Debra L. Lee	/s/ William J. Shaw
Debra L. Lee, Director	William J. Shaw, Director
/s/ George Muñoz	/s/ Lawrence M. Small
George Muñoz, Director	Lawrence M. Small, Director

