

CHOICE HOTELS INTERNATIONAL INC /DE  
Form 4  
September 18, 2014

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL  
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
BAINUM STEWART JR

2. Issuer Name and Ticker or Trading Symbol  
CHOICE HOTELS INTERNATIONAL INC /DE [CHH]

5. Relationship of Reporting Person(s) to Issuer  
(Check all applicable)  
 Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Chairman

(Last) (First) (Middle)  
8171 MAPLE LAWN BLVD, SUITE 375  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
09/17/2014

FULTON, MD 20759

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
|                                 |                                      |  | Code                           | V   | Amount  | (D)  | Price   |
| Common Stock                    | 09/17/2014                           | 09/17/2014   | X                              |   | 666,964   | A  | \$ 51.78  |
| Common Stock                    | 09/17/2014                           | 09/17/2014   | D                              |   | 333,482   | D  | \$ 51.78  |
| Common Stock                    |                                      |  |                                |   | 1,948,342   | I  |   |
| Common Stock                    |                                      |  |                                |   | 126,035   | I  |   |

See Footnote (1)  
See Footnote (2)

|              |           |   |                  |
|--------------|-----------|---|------------------|
| Common Stock | 1,023,065 | I | See Footnote (3) |
| Common Stock | 10,879    | I | See Footnote (4) |
| Common Stock | 447       | I | See Footnote (5) |
| Common Stock | 1,644,000 | I | See Footnote (6) |
| Common Stock | 1,508     | I | See Footnote (7) |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) |         |         | 6. Date Exercisable and Expiration Date (Month/Day/Year) |                  | 7. Title and Underlying Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|---------|---------|--|------------------|---|
|  |  |                                      |  |                                | Code  | V       | (A)     | (D)  | Date Exercisable |   |
| Option                                     | \$ 51.78   | 09/17/2014                           | 09/17/2014   | G                              | V   | 666,964 |         | 09/17/2014   | 10/03/2014       | Common Stock                                      |
| Option                                     | \$ 51.78   | 09/17/2014                           | 09/17/2014   | X                              |   |         | 666,964 | 09/17/2014   | 10/03/2014       | Common Stock                                      |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |          |       |
|--|---------------|-----------|----------|-------|
|  | Director      | 10% Owner | Officer  | Other |
| BAINUM STEWART JR<br>8171 MAPLE LAWN BLVD<br>SUITE 375<br>FULTON, MD 20759 | X             | X         | Chairman |       |

## Signatures

Christine A. Shreve,  
Attorney-in-fact

09/18/2014

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Shares owned by Stewart Bainum Jr. Declaration of Trust ("Stewart Bainum Jr. Trust") in which Mr. Bainum, Jr. is the sole trustee and current beneficiary. Shares remaining after exercise and sales described in Notes 8 and 9 were contributed to the Stewart Bainum Jr. Trust.

(2) The proportionate interest of the Stewart Bainum, Jr. Trust in shares (978,482) owned by Mid Pines Associates, L.P. ("Mid Pines"), an entity in which the Stewart Bainum Jr. Trust has shared voting authority.

(3) The proportionate interest of the Stewart Bainum, Jr. Trust in shares (6,821,574) owned by Realty Investment Company, Inc. ("Realty") a family real estate investment and management company in which Mr. Bainum, Jr. is a non-controlling shareholder and has shared voting authority. Realty owns Choice stock as well as other assets.

(4) Shares in Mr. Bainum, Jr's account pursuant to the terms of the Choice Hotels International, Inc. Non-Qualified Retirement Savings and Investment Plan.

(5) Shares in Mr. Bainum, Jr's account pursuant to the terms of the Choice Hotels International, Inc. Savings and Investment Plan.

(6) Shares in Leeds Creek Holdings, LLC, an entity in which the Stewart Bainum Jr. Trust is the sole owner and managing member.

(7) The proportionate interest of a revocable trust for Mr. Bainum, Jr's adult child in shares (6,821,574) owned by Realty. Beneficial ownership is disclaimed.

(8) The Reporting Person and his siblings, Bruce Bainum, Barbara Bainum and Roberta Bainum ("Siblings") received an option that terminates on November 12, 2014 to acquire, subject to probate court approval, up to a total of 2,667,853 shares of the Issuer at fair market value from the Stewart Bainum Declaration of Trust, a trust whose beneficiary is the estate of their father, Stewart Bainum. The option is exercisable for 60 days after obtaining probate court approval. The exercise price of the option is dependent on knowing the date of exercise. On June 13, 2014, the Siblings entered into an agreement as a result of which the Reporting Person has the right to acquire up to 666,964 of the optioned shares. Probate court approval for the exercise of the 666,964 shares was obtained on August 5, 2014 making the option exercisable through October 3, 2014.

(9) On September 17, 2014, the Reporting Person exercised his option to acquire 666,964 shares. On the same day, the Reporting Person sold 333,482 of the shares acquired to the Issuer in a private transaction approved by the Board of Directors of the Issuer at an exercise price determined at such time, which is based on the previous day's average of the high/low of the stock price.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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