

CHOICE HOTELS INTERNATIONAL INC /DE
 Form 5
 February 08, 2007

FORM 5

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).
 Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL 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

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

(Last) (First) (Middle)

8171 MAPLE LAWN
 BLVD, SUITE 375

(Street)

FULTON, MD 20759

(City) (State) (Zip)

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

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
 12/31/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
 Chairman

6. Individual or Joint/Group Reporting

(check applicable line)

Form Filed by One Reporting Person
 Form Filed by More than One Reporting Person

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 at end of Issuer's Fiscal Year (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|------------|--------|--|--|---|
| | | | | Amount | (A) or (D) | Price | | | |
| Common Stock | Â | Â | Â | Â | Â | Â | 126,036 | I | See Footnote (2) |
| Common Stock | 09/09/2006 | 09/09/2006 | J | 116,046 | D | \$ 0 0 | | I | See Footnote (3) |
| Common Stock | 09/09/2006 | 09/09/2006 | J | 116,046 | A | \$ 0 | 123,298 | I | See Footnote |

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| | | | | | | | | | (3) (4) |
|--------------|------------|------------|---|--------|---|------|-----------|---|-----------------------|
| Common Stock | Â | Â | Â | Â | Â | Â | 1,446,156 | I | See Footnote (5) |
| Common Stock | Â | Â | Â | Â | Â | Â | 13,032 | I | See Footnote (7) |
| Common Stock | Â | Â | Â | Â | Â | Â | 257,183 | I | See Footnote (8) |
| Common Stock | 08/31/2006 | 08/31/2006 | J | 70,346 | D | \$ 0 | 0 | I | See Footnote (9) (13) |
| Common Stock | Â | Â | Â | Â | Â | Â | 7,145 | I | See Footnote (6) |
| Common Stock | Â | Â | Â | Â | Â | Â | 296 | I | See Footnote (12) |
| Common Stock | 08/31/2006 | 08/31/2006 | J | 70,346 | A | \$ 0 | 3,188,260 | I | See Footnote (1) (13) |

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 Amount of Underlying Securities (Instr. 3 and 4) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| | | | | | (A) (D) | Date Exercisable | Title | |
| | | | | | | Expiration Date | | |
| Non-Qualified Stock Options | Â | Â | Â | Â | Â | Â (11) | Common | Â |
| | Â | Â | Â | (10) | Â | Â (10) | Common | Â |

Incentive
Stock Options

Reporting Owners

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

Signatures

Christine A. Shreve,
Attorney-in-fact

02/07/2007

__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.
 - (2) The proportionate interest of the Stewart Bainum, Jr. Trust in shares (1,200,000) owned by Mid Pines Associates, L.P. ("Mid Pines")
 - (3) The proportionate interest of the Stewart Bainum, Jr. Grantor Retained Annuity Trust dated September 10, 1996 ("GRAT"), the sole trustee of which is Mr. Bainum Jr., in shares (1,200,000) owned by Mid Pines. All shares were transferred to a trust for the benefit of Mr. Bainum's sons.
 - (4) The proportionate interest of various trusts, the beneficiaries of which are Mr. Bainum, Jr.'s two minor children in shares (1,200,000) owned by Mid Pines.
 - (5) The proportionate interest of the Stewart Bainum, Jr. Trust in shares (7,135,738) owned by Realty Investment Company, Inc. a real estate investment and management company in which Mr. Bainum, Jr. is a non-controlling shareholder.
 - (6) Shares in Mr. Bainum, Jr.'s account pursuant to the terms of the Choice Hotels International, Inc. Non-Qualified Retirement Savings and Investment Plan.
 - (7) Shares owned by various trusts, the beneficiaries of which are Mr. Bainum, Jr.'s two minor children.
 - (8) The proportionate interest of Mr. Bainum, Jr.'s two minor children in shares (7,135,738) owned by Realty Investment Company, Inc., a real estate investment and management company in which Mr. Bainum, Jr. is a non-controlling shareholder. Also includes 250,100 shares indirectly held through Realty by certain trusts for the benefit of Mr. Bainum, Jr.'s two minor children.
 - (9) Shares owned by the Stewart Bainum Jr. Grantor Retained Annuity Trust dated September 10, 1996 ("GRAT") in which Mr. Bainum, Jr. is the sole trustee. The GRAT was terminated.
 - (10) Incentive Stock Option Plan shares held by Mr. Bainum, Jr.
 - (11) Non-Qualified Stock Option Plan shares held by Mr. Bainum, Jr.
 - (12) Shares in Mr. Bainum, Jr.'s account pursuant to the terms of the Choice Hotels International, Inc. Savings and Investment Plan.
 - (13) Mr. Bainum transferred shares from his GRAT to the Stewart Bainum Jr. Declaration of Trust.

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.