

BAINUM STEWART JR  
Form 4  
June 26, 2006

**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)  
  
10770 COLUMBIA PIKE, SUITE 100  
  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
06/22/2006

SILVER SPRING, MD 20901

(City) (State) (Zip)

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

**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)
Common Stock				(A) or (D)	Price		See Footnote (2)
				Code V	Amount		
Common Stock					126,036	I	See Footnote (2)
Common Stock					116,046	I	See Footnote (3)
Common Stock					7,250	I	See Footnote (4)
Common Stock					1,446,156	I	See

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Stock									Footnote (5)
Common Stock							13,032	I	See Footnote (7)
Common Stock							257,183	I	See Footnote (8)
Common Stock	01/31/2006	01/31/2006	J	16,800	D	\$ 0	70,346	I	See Footnote (9) (14)
Common Stock							7,062	I	See Footnote (6)
Common Stock							226	I	See Footnote (12)
Common Stock	06/22/2006	06/22/2006	M	120,000	A	\$ 6.0565	3,114,614	I	See Footnote (1) (13)
Common Stock	06/22/2006	06/22/2006	S	13,500	D	\$ 54.55	3,101,114	I	See Footnote (1) (13)
Common Stock	01/31/2006	01/31/2006	J	16,800	A	\$ 0	3,117,914	I	See Footnote (1) (14)

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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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 Underlying (Instr. 3)
						Date Exercisable    Expiration Date	Title
				Code V (A) (D)			

Non-Qualified Stock Options	\$ 6.0565 (11)	06/22/2006	06/22/2006	M	120,000	07/01/2001 <sup>(11)</sup>	07/01/2006 <sup>(11)</sup>	Comm
Incentive Stock Options	(10)					(10)	(10)	Comm

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BAINUM STEWART JR 10770 COLUMBIA PIKE SUITE 100 SILVER SPRING, MD 20901	X	X	Chairman	

## Signatures

Christine A. Shreve,  
Attorney-in-fact  
06/26/2006

\*\*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.
- (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.
- (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 exercised 120,000 stock options and subsequently sold 13,500 shares.
- (14) 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 is insufficient, *see* Instruction 6 for procedure.

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