

Pepper David A  
Form 4  
August 28, 2012

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2015  
Estimated average burden hours per response... 0.5

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 \*  
Pepper David A

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)

(Last) (First) (Middle)  
10750 COLUMBIA PIKE  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
08/24/2012

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
Senior Vice President

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  |                                | (A) or (D) Price  |   |  |                                   |
| Common Stock                    |                                      |  |                                |   | 51,401.74   | D  |                                   |
| Common Stock                    |                                      |  |                                |   | 784   | I  | 401(k) Plan                       |

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.**

SEC 1474 (9-02)

Edgar Filing: Pepper David A - Form 4

**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) |        | 6. Date Exercisable and Expiration Date (Month/Day/Year) |                  | 7. Title and Amount of Underlying Security (Instr. 3 and 4) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|--|--------|--|------------------|---|----------------------------|
|  |  |                                      |  |                                | V  | (A)    | (D)  | Date Exercisable |   |                            |
| Employee Stock Option                      | \$ 29.92   | 08/24/2012                           |  | D <sup>(1)</sup>               |  | 4,250  | <u>(2)</u>   | 02/14/2015       | Common Stock  | 4,250                      |
| Employee Stock Option                      | \$ 22.71   | 08/24/2012                           |  | A <sup>(1)</sup>               | 5,598  |        | <u>(2)</u>   | 02/14/2015       | Common Stock  | 5,598                      |
| Employee Stock Option                      | \$ 29.92   | 08/24/2012                           |  | D <sup>(1)</sup>               |  | 12,750 | <u>(2)</u>   | 02/14/2015       | Common Stock  | 12,750                     |
| Employee Stock Option                      | \$ 22.71   | 08/24/2012                           |  | A <sup>(1)</sup>               | 16,795   |        | <u>(2)</u>   | 02/14/2015       | Common Stock  | 16,795                     |
| Employee Stock Option                      | \$ 48.75   | 08/24/2012                           |  | D <sup>(1)</sup>               |  | 3,384  | <u>(3)</u>   | 02/12/2013       | Common Stock  | 3,384                      |
| Employee Stock Option                      | \$ 37.01   | 08/24/2012                           |  | A <sup>(1)</sup>               | 4,457  |        | <u>(3)</u>   | 02/12/2013       | Common Stock  | 4,457                      |
| Employee Stock Option                      | \$ 48.75   | 08/24/2012                           |  | D <sup>(1)</sup>               |  | 10,155 | <u>(3)</u>   | 02/12/2013       | Common Stock  | 10,155                     |
| Employee Stock Option                      | \$ 37.01   | 08/24/2012                           |  | A <sup>(1)</sup>               | 13,377   |        | <u>(3)</u>   | 02/12/2013       | Common Stock  | 13,377                     |
| Employee Stock Option                      | \$ 41.03   | 08/24/2012                           |  | D <sup>(1)</sup>               |  | 3,825  | <u>(4)</u>   | 02/11/2014       | Common Stock  | 3,825                      |
| Employee Stock Option                      | \$ 31.15   | 08/24/2012                           |  | A <sup>(1)</sup>               | 5,038  |        | <u>(4)</u>   | 02/11/2014       | Common Stock  | 5,038                      |
| Employee Stock Option                      | \$ 41.03   | 08/24/2012                           |  | D <sup>(1)</sup>               |  | 11,475 | <u>(4)</u>   | 02/11/2014       | Common Stock  | 11,475                     |

Edgar Filing: Pepper David A - Form 4

|                       |          |            |                        |        |            |            |              |        |
|-----------------------|----------|------------|------------------------|--------|------------|------------|--------------|--------|
| Employee Stock Option | \$ 31.15 | 08/24/2012 | <u>A<sup>(1)</sup></u> | 15,116 | <u>(4)</u> | 02/11/2014 | Common Stock | 15,116 |
| Employee Stock Option | \$ 33.08 | 08/24/2012 | <u>D<sup>(1)</sup></u> | 3,936  | <u>(5)</u> | 02/10/2015 | Common Stock | 3,936  |
| Employee Stock Option | \$ 25.11 | 08/24/2012 | <u>A<sup>(1)</sup></u> | 5,184  | <u>(5)</u> | 02/10/2015 | Common Stock | 5,184  |
| Employee Stock Option | \$ 33.08 | 08/24/2012 | <u>D<sup>(1)</sup></u> | 19,400 | <u>(5)</u> | 02/10/2015 | Common Stock | 19,400 |
| Employee Stock Option | \$ 25.11 | 08/24/2012 | <u>A<sup>(1)</sup></u> | 25,555 | <u>(5)</u> | 02/10/2015 | Common Stock | 25,555 |
| Employee Stock Option | \$ 26.88 | 08/24/2012 | <u>D<sup>(1)</sup></u> | 2,880  | <u>(6)</u> | 02/08/2016 | Common Stock | 2,880  |
| Employee Stock Option | \$ 20.41 | 08/24/2012 | <u>A<sup>(1)</sup></u> | 3,793  | <u>(6)</u> | 02/08/2016 | Common Stock | 3,793  |
| Employee Stock Option | \$ 26.88 | 08/24/2012 | <u>D<sup>(1)</sup></u> | 43,183 | <u>(6)</u> | 02/08/2016 | Common Stock | 43,183 |
| Employee Stock Option | \$ 20.41 | 08/24/2012 | <u>A<sup>(1)</sup></u> | 56,884 | <u>(6)</u> | 02/08/2016 | Common Stock | 56,884 |
| Employee Stock Option | \$ 32.6  | 08/24/2012 | <u>D<sup>(1)</sup></u> | 2,252  | <u>(7)</u> | 02/14/2017 | Common Stock | 2,252  |
| Employee Stock Option | \$ 24.75 | 08/24/2012 | <u>A<sup>(1)</sup></u> | 2,966  | <u>(7)</u> | 02/14/2017 | Common Stock | 2,966  |
| Employee Stock Option | \$ 32.6  | 08/24/2012 | <u>D<sup>(1)</sup></u> | 3,982  | <u>(7)</u> | 02/14/2017 | Common Stock | 3,982  |
| Employee Stock Option | \$ 24.75 | 08/24/2012 | <u>A<sup>(1)</sup></u> | 5,245  | <u>(7)</u> | 02/14/2017 | Common Stock | 5,245  |
| Employee Stock Option | \$ 32.6  | 08/24/2012 | <u>D<sup>(1)</sup></u> | 18,701 | <u>(7)</u> | 02/14/2017 | Common Stock | 18,701 |
| Employee Stock        | \$ 24.75 | 08/24/2012 | <u>A<sup>(1)</sup></u> | 24,634 | <u>(7)</u> | 02/14/2017 | Common Stock | 24,634 |

Edgar Filing: Pepper David A - Form 4

|                       |          |            |                  |        |     |            |              |        |  |
|-----------------------|----------|------------|------------------|--------|-----|------------|--------------|--------|--|
| Option                |          |            |                  |        |     |            |              |        |  |
| Employee Stock Option | \$ 35.6  | 08/24/2012 | D <sup>(1)</sup> | 2,661  | (8) | 02/19/2019 | Common Stock | 2,661  |  |
| Employee Stock Option | \$ 27.03 | 08/24/2012 | A <sup>(1)</sup> | 3,505  | (8) | 02/19/2019 | Common Stock | 3,505  |  |
| Employee Stock Option | \$ 35.6  | 08/24/2012 | D <sup>(1)</sup> | 7,962  | (8) | 02/19/2019 | Common Stock | 7,962  |  |
| Employee Stock Option | \$ 27.03 | 08/24/2012 | A <sup>(1)</sup> | 10,488 | (8) | 02/19/2019 | Common Stock | 10,488 |  |

## Reporting Owners

| Reporting Owner Name / Address                                   | Relationships |           |                       |       |
|--|---------------|-----------|-----------------------|-------|
|  | Director      | 10% Owner | Officer               | Other |
| Pepper David A<br>10750 COLUMBIA PIKE<br>SILVER SPRING, MD 20901 |               |           | Senior Vice President |       |

## Signatures

Bret L. Limage, attorney  
in fact  
08/28/2012  
Date

\*\*Signature of Reporting Person

## 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) The transactions reported represent adjustments to outstanding stock options as a result of the issuer's payment of a special cash dividend of \$10.41 per share.
  - (2) Options vest in five equal installments beginning on the first anniversary of the grant date, which was February 14, 2005.
  - (3) Options vest in four equal installments beginning on the first anniversary of the grant date, which was February 12, 2006.
  - (4) Options vest in four equal installments beginning on the first anniversary of the grant date, which was February 11, 2007.
  - (5) Options vest in four equal installments beginning on the first anniversary of the grant date, which was February 10, 2008.
  - (6) Options vest in four equal installments beginning on the first anniversary of the grant date, which was February 8, 2009.
  - (7) Options vest in four equal installments beginning on the first anniversary of the grant date, which was February 14, 2010.
  - (8) Options vest in four equal installments beginning on the first anniversary of the grant date, which was February 19, 2012.

Note: File three copies of this Form, one of which must be manually signed. If space 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.