CHOICE HOTELS INTERNATIONAL INC /DE
Form 424B5
June 25, 2012

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CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Maximum Aggregate Offering Price	Amount of Registration Fee
5.750% Senior Notes due 2022	$400,000,000	$45,840 (1)
Guarantee of 5.750% Senior Notes due 2022 (2)		
Total	$400,000,000	$45,840 (1)

(1) Calculated pursuant to Rule 457(r) under the Securities Act of 1933, as amended (the Securities Act). The fee payable in connection with the offering pursuant to this prospectus supplement has been paid in accordance with Rule 456(b) under the Securities Act.

(2) Pursuant to Rule 457(n) under the Securities Act, no separate fee for the guarantees is payable.

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Filed Pursuant to Rule 424(b)(5)
Registration Nos. 333-168914 and 333-168914-01 through 333-168914-08

Prospectus Supplement to Prospectus dated August 18, 2010.

$400,000,000

Choice Hotels International, Inc.

5.750% Senior Notes due 2022

The notes will mature on July 1, 2022. We will pay interest on the notes on January 1 and July 1 of each year. The first such payment will be made on January 1, 2013. The notes will be issued in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof. We may redeem the notes in whole or in part at any time at a redemption price of 100% of the principal amount of the notes plus accrued and unpaid interest, if any, plus a make-whole premium. If a change of control triggering event occurs, holders of the notes may require us to repurchase the notes.

The notes will be our unsecured and unsubordinated obligations and will rank equally with our current and future unsecured and unsubordinated indebtedness, including our 5.70% Senior Notes due 2020 (the Existing Notes) and the Existing Credit Facility (as defined herein). The notes will be effectively subordinated to all of our and our subsidiaries secured indebtedness, which we expect will include our proposed New Credit Facility (as defined herein), if consummated, to the extent of the value of the assets securing such indebtedness. The notes will be fully and unconditionally guaranteed by certain of our domestic subsidiaries. Some or all of the guarantees of the notes may terminate in certain circumstances as described on page S-32. The notes will not be listed on any national securities exchange. Currently there is no public market for the notes.

We intend to use the net proceeds of this offering, after deducting underwriting discounts and commissions and other offering expenses payable by us, together with a portion of the proceeds of our proposed New Credit Facility, to pay during 2012 a special cash dividend of approximately $600.0 million in the aggregate to our stockholders. However, whether we will declare a special dividend, and, if so, the timing, amount and nature of any such dividend, will be subject to approval by our board of directors. Any such approval will depend on a variety of factors, including our ability both to complete the sale of the notes offered hereby and to enter into the New Credit Facility on terms acceptable to us; our financial results, cash requirements and financial condition; our ability to pay dividends under applicable state law; and any other factors deemed relevant by our board of directors. If our board of directors does not approve a special cash dividend in the currently anticipated amount of approximately $600.0 million, we may use the proceeds from the sale of the notes to fund a special cash dividend of a smaller amount, or we may elect not to declare any special cash dividend, in which case we expect to use the proceeds for general corporate purposes. This offering is not conditioned on the closing of the New Credit Facility. See Use of Proceeds.

See Risk Factors , beginning on page S-15 of this prospectus supplement to read about important facts you should consider before buying the notes.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Per Note	Total
Initial public offering price (1)	100.000%	$ 400,000,000
Underwriting discount	1.625%	$ 6,500,000
Proceeds, before expenses, to Choice Hotels International, Inc. (1)	98.375%	$ 393,500,000

(1) Plus accrued interest, if any, from June 27, 2012 if settlement occurs after that date.

We expect delivery of the notes will be made on or about June 27, 2012 in book-entry form.

Joint Book-Running Managers

Deutsche Bank Securities **Wells Fargo Securities**

BofA Merrill Lynch **Goldman, Sachs & Co.** **J.P. Morgan**

Co-Manager

SunTrust Robinson Humphrey

Prospectus Supplement dated June 22, 2012.

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Prospectus Supplement

Prospectus

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the terms of the notes that we are currently offering. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to the notes that we are currently offering. Generally, the term prospectus refers to both parts combined.

You should read this prospectus supplement along with the accompanying prospectus and the documents incorporated by reference herein and therein. We have not, and the underwriters have not, authorized anyone to provide any information other than that contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you.

You should not assume that the information contained in this prospectus supplement or the accompanying prospectus is accurate as of any date other than the date on the front of these documents. Our business, financial condition, results of operations, cash flows and prospects may have changed since those dates. The notes are being offered and sold only in jurisdictions where offers and sales are permitted.

If the information varies between this prospectus supplement, the accompanying prospectus, or any information incorporated therein by reference, the information in this prospectus supplement supersedes the information in the accompanying prospectus.

In this prospectus supplement, we , us , our, the Company and Choice refer to Choice Hotels International, Inc. and its direct and indirect subsidiaries, as the context requires.

Our logo and other trademarks mentioned in this prospectus supplement or any document incorporated by reference herein are our property. Certain trademarks referred to in this prospectus supplement may be without the ® or ™ symbol, as applicable, but this is not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our right to these trademarks. Other brand names or trademarks appearing in this prospectus supplement or any document incorporated by reference herein are the property of their respective owners.

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FORWARD-LOOKING STATEMENTS

Some of the statements in this prospectus supplement and accompanying prospectus, or the documents incorporated by reference herein and therein, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934. Certain, but not necessarily all, of such forward-looking statements can be identified by the use of forward-looking terminology, such as believes, expects, may, will, should, or anticipates or the negative thereof or other comparable terminology. All statements other than of historical facts are forward-looking statements. Forward-looking statements contained in this document include, among others, those regarding market trends, our financial position, business strategy, the outcome of pending litigation, projected plans and objectives of management for future operations. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results or performance to be materially different from future results, performance or achievements expressed or implied by the forward-looking statements. Such risk factors include, but are not limited to, the following:

- changes to general, domestic and foreign economic conditions;
- operating risks common in the lodging and franchising industries;
- risks associated with acquisitions and development of new brands;
- changes to the desirability of our brands as viewed by hotel operators and customers;
- changes to the terms or termination of our contracts with franchisees;
- deterioration in the financial condition of our franchisees;
- our ability to keep pace with improvements in technology utilized for reservations systems and other operating systems;
- decreases in brand loyalty due to increasing use of internet reservation channels;
- fluctuations in the supply and demand for hotel rooms; and
- our ability to manage effectively our indebtedness.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. For additional information regarding risk factors, see Risk Factors in this prospectus supplement and the accompanying prospectus.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights some of the information contained, or incorporated by reference, in this prospectus supplement to help you understand our business and the principal terms of the notes offered hereby. It does not contain all of the information that may be important to you. You should carefully read this prospectus supplement and the accompanying prospectus in their entirety, including the information incorporated by reference in this prospectus supplement and the accompanying prospectus, to understand fully the considerations that are important to you in making your investment decision. You should pay special attention to the Risk Factors beginning on page S-15 and the section entitled Forward-Looking Statements beginning on page S-2.

Our Company

We are one of the largest hotel franchisors in the world with 6,174 hotels open and 471 hotels under construction, awaiting conversion or approved for development as of March 31, 2012 representing 496,368 rooms open and 38,210 rooms under construction, awaiting conversion or approved for development in 49 states, the District of Columbia and over 40 countries and territories outside the United States. Choice franchises lodging properties under the following proprietary brand names: Comfort Inn®, Comfort Suites®, Quality®, Clarion®, Sleep Inn®, Econo Lodge®, Rodeway Inn®, MainStay Suites®, Suburban Extended Stay Hotel®, Cambria Suites® and Ascend Collection® (collectively, the Choice brands).

Our domestic operations are conducted solely through direct franchising relationships while our international franchise operations are conducted through a combination of direct franchising and master franchising relationships. With a focus on hotel franchising instead of ownership, we benefit from the economies of scale inherent in the franchising business. The fee and cost structure of our business provides opportunities to improve operating results by increasing the number of franchised hotel rooms and effective royalty rates of our franchise contracts resulting in increased initial fee revenue, ongoing royalty fees and procurement services revenues. In addition to these revenues, we also collect marketing and reservation system fees to provide support activities for the franchise system. Our operating results can also be improved through our company-wide efforts related to improving property level performance. As a lodging franchisor, the Company currently has relatively low capital expenditure requirements.

The principal factors that affect our results are: the number and relative mix of franchised hotel rooms; growth in the number of hotel rooms under franchise; occupancy and room rates achieved by the hotels under franchise; the effective royalty rate achieved; the level of franchise sales and relicensing activity; and our ability to manage costs. The number of rooms at franchised properties and occupancy and room rates at those properties significantly affect our results because our fees are based upon room revenues or the number of rooms at franchised hotels. The key industry standard for measuring hotel-operating performance is revenue per available room (RevPAR), which is calculated by multiplying the percentage of occupied rooms by the average daily room rate realized. Our variable overhead costs associated with franchise system growth have historically been less than incremental royalty fees generated from new franchises. Accordingly, continued growth of our franchise business should enable us to realize benefits from the operating leverage in place and improve operating results.

Our Company articulates its mission as a commitment to our franchisees profitability by providing them with hotel franchises that strive to generate the highest return on investment of any hotel franchise. We have developed an operating system dedicated to our franchisees success that focuses on delivering guests to our franchised hotels and reducing costs for our hotel owners.

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Our direct lodging property real estate exposure currently consists of three company-owned MainStay Suites hotels located in the United States and additional real estate assets located in the United States that the Company has acquired for strategic purposes either directly or through joint ventures to incent and support development of our Cambria Suites brand. In addition, our activities that involve financing and guaranty support to hotel developers create exposure to the real estate markets.

A summary of key statistics as of and for the twelve months ended March 31, 2012 are as follows:

	As of March 31, 2012		For the Twelve Months Ended March 31, 2012		
Brand	**No. of properties**	**No. of rooms**	**Occupancy (annual percentage)**	**Average daily room rate (ADR)**	**Revenue per available room (RevPAR)**
Comfort Inn	1,392	108,777	58.1%	$ 79.77	$ 46.36
Comfort Suites	613	47,506	59.6%	83.81	49.96
Sleep Inn	394	28,564	54.3%	70.20	38.14
Quality	1,054	91,942	50.4%	68.01	34.28
Clarion	188	27,550	47.5%	73.89	35.06
Econo Lodge	797	49,254	47.7%	54.79	26.15
Rodeway Inn	396	22,183	49.4%	52.00	25.68
MainStay Suites	39	3,024	69.5%	66.75	46.37
Suburban	61	7,191	68.0%	40.46	27.50
Ascend Collection	53	4,671	59.8%	113.57	67.95
Cambria Suites	19	2,215	NA	NA	NA
Total/average	**5,006**	**392,877**	**54.1%** [(a)]	**$ 72.08** [(a)]	**$ 38.99** [(a)(b)]
International	**1,168**	**103,491**			
Total	**6,174**	**496,368**			

(a) Amounts exclude results from Cambria Suites properties.
(b) The Company calculates RevPAR based on information as reported to the Company by its franchisees.

Overview of Brands

Our brands offer consumers and developers a wide range of choices from economy hotels to upscale, full service properties. Our brands are as follows:

Upscale

Ascend Collection: Ascend Collection is an innovative membership program that is not positioned as a traditional franchise concept. The Ascend Collection includes individual properties that are historic, boutique and/or unique and desire to retain their independent brand identity but have access to Choice s marketing and distribution channels. Principal competitors include Sterling Hotels, Summit Hotels & Resorts, Small Luxury Hotels and Historic Hotels of America. The Ascend Collection membership was launched in October 2008.

Cambria Suites: Cambria Suites is a new construction select service hotel chain with an upscale image and distinctive styling. Cambria offers well-appointed suites that emulate the best of a modern home. Principal competitor brands include Courtyard by Marriott and Hilton Garden Inn. The Cambria Suites brand was launched in January 2005 and the first properties opened during 2007.

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Upper midscale

Comfort Inn: Comfort Inn hotels are primarily upper mid-scale limited service hotels that offer rooms and modest food and beverage facilities such as breakfast buffets. Principal competitor brands include Holiday Inn Express, Fairfield Inn and LaQuinta.

Comfort Suites: Comfort Suites is an extension of the highly regarded Comfort Inn brand. Comfort Suites hotels have a focus on serving the business traveler. Hotels are 100% smoke free and rooms are oversized with separate areas for working and sleeping. The brand competes with Hampton, Holiday Inn Express, Fairfield Inn and Country Inn & Suites.

Clarion: Clarion helps people get together by providing the amenities and food and beverage services essential to serving the midscale business and leisure gatherings market. Principal competitor brands include Four Points by Sheraton and Radisson.

Midscale

Sleep Inn: Sleep Inn is a new construction brand that operates in the moderate tier of the mid-scale lodging category. Sleep Inn s principal competitors include Microtel and La Quinta.

Quality: Quality helps both guests and owners get your money s worth in the mid-scale category. Principal competitor brands include Best Western and Ramada.

Extended Stay

MainStay Suites: MainStay Suites hotels compete in the mid-scale extended stay category. Complete with a residential feel and value-added amenities, the MainStay Suites brand is designed as a more practical lodging option for guests whose stays are longer than a few nights. MainStay Suites principal competitors include TownePlace Suites and Candlewood Suites.

Suburban Extended Stay Hotel: Suburban Extended Stay Hotel suites are built with today s value-conscious extended stay guest in mind. Principal competitors include Extended Stay America, InTown Suites, Studio 6 and Value Place.

Economy

Econo Lodge: Econo Lodge is the premier brand in the economy hotel category that is an easy stop on the road for value-oriented travelers. The brand competes primarily with Days Inn, Super 8 and Red Roof Inn.

Rodeway Inn: Rodeway Inn is a brand also operating in the economy hotel category that offers sensible lodging for travelers on a budget. Principal competitor brands include Travelodge and Motel 6.

Franchising Business Strategy

Choice operates primarily as a hotel franchisor offering 11 brands. This family of well-known and diversified new construction and conversion brands competes at various hotel consumer and developer price points.

Our family of well-known and diversified brand offerings positions us well within the lodging industry. Our Cambria Suites, Comfort Inn, Comfort Suites, Sleep Inn, Suburban Extended Stay Hotel and MainStay Suites are primarily new build brands which offer hotel developers an array of choices at

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various price points for transient and extended stay business during periods of supply growth. Our Ascend Collection, Clarion, Quality, Econo Lodge and Rodeway Inn brands offer conversion opportunities during both industry contraction and growth cycles to independent operators and non-Choice affiliated hotels who desire to affiliate with our brands and take advantage of our system and the services we offer.

Strategy. Our mission is a commitment to franchisee profitability by providing our franchisees with hotel franchises that strive to generate the highest return on investment of any hotel franchise. Our business strategy is to create franchise system growth by leveraging Choice s large and well-known hotel brands, franchise sales capabilities, effective marketing and reservation delivery efforts, training and education programs, and RevPAR enhancing services and technologies. We believe our brands growth will be driven by our ability to create a compelling return on investment for franchisees. Our strategic objective is to improve our franchisee s profitability by providing services which increase business delivery, reduce hotel operating and development costs, and/or improve guest satisfaction. Specific elements of our strategy include: building strong brands, delivering exceptional services, reaching more consumers and leveraging our size, scale and distribution to reduce costs for hotel owners.

Economics of Franchising Business. We believe that the fee and cost structure of our business provides opportunities for us to improve operating results by increasing the number of franchised hotel rooms, improving RevPAR performance and increasing the effective royalty rates of our franchise contracts. As a hotel franchisor, we derive our revenue primarily from various franchise fees. Our franchise fees consist primarily of an initial fee and ongoing royalty, marketing and reservation system fees that are typically based on a percentage of the franchised hotel s gross room revenues. The initial fee and on-going royalty portion of the franchise fees are intended to cover our operating expenses, such as expenses incurred in business development, quality assurance, administrative support, certain franchise services and to provide us with operating profits. The marketing and reservation system fees are used for the expenses associated with marketing, media, advertising, providing a central reservation system, property management systems, e-commerce initiatives and certain franchise services.

Building Strong Brands. Each of our brands has particular attributes and strengths, including awareness with both consumers and developers. Our strategy is to utilize the strengths of each brand for room growth, RevPAR gains and royalty rate improvement that create revenue growth. We believe brand consistency, brand quality and guest satisfaction are critical in improving brand performance and building strong brands.

We have multiple brands that are positioned to meet the needs of many types of guests. These brands can be developed at various price points and are suitable for both new construction properties and existing hotels. This flexibility ensures that we have brands suitable for creating room growth in various types of markets, with various types of customers, and during both industry contraction and growth cycles. During times of lower industry supply growth and tighter capital markets, we can target conversions of existing non-Choice affiliated hotels seeking the awareness and proven performance provided by our brands. During periods of strong industry supply growth, we expect a greater portion of our room growth to come from our new construction brands. We believe that a large number of markets can still support our hotel brands, and that the growth potential for our brands, as well as new brands we may yet introduce, remains strong.

We believe each of our brands appeals to targeted hotel owners and guests because of unique brand standards, reservation delivery, service levels and pricing.

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Delivering Exceptional Services. We provide a combination of services and technology based offerings to help our franchisees improve performance. We have field services staff members located nationwide that help franchisees improve RevPAR performance and guest satisfaction. In addition, we provide our franchisees with education and training programs as well as technology products designed to improve property level performance. These services and products promote revenue gains for franchisees and improve guest satisfaction which translate into both higher royalties for the Company and improved returns for owners, leading to further room growth by making our brands even more attractive to prospective franchisees. We develop our services based on customer needs and focus on activities that generate high return on investment for our franchisees.

Reaching More Consumers. We believe hotel owners value the large volume of guests we deliver through a mix of activities including brand marketing, reservation systems, key account sales, and the Company s loyalty program, Choice Privileges®. Our strategy is to maximize the effectiveness of these activities in delivering both leisure and business travelers to Choice-branded hotels.

Our central reservations system is a critical technology used to deliver guests to our franchisees through multiple channels, including our call centers, proprietary websites, and global distribution systems (e.g., SABRE, Amadeus, and internet distribution sites). We believe our well-known brands, combined with our relationships with many internet distribution web sites, benefits our franchisees by facilitating increased rate and reservations delivery, and reducing costs and operational complexity.

Leveraging Size, Scale and Distribution. We continually focus on identifying methods for utilizing the significant number of hotels in our system to reduce costs and increase returns for our franchisees. For example, we create relationships with qualified vendors to: (i) make low-cost products available to our franchisees; (ii) streamline the purchasing process; and (iii) maintain brand standards and consistency. We plan to expand this business and identify new methods for decreasing hotel-operating costs by increasing penetration within our existing franchise system and enhancing our existing vendor relationships and/or creating new vendor relationships. We believe our efforts to leverage the Company s size, scale and distribution benefit the Company by enhancing brand quality and consistency, improving our franchisees returns and satisfaction, and creating procurement services revenues.

Domestic Franchise Operations

Our standard domestic franchise agreements grant franchisees the non-exclusive right to use certain of our trademarks and receive other benefits of our franchise system to facilitate the operation of their franchised hotel at a specified location. The majority of our standard domestic franchise agreements are 20 years in duration (excluding contracts for MainStay Suites, Suburban Extended Stay Hotel branded hotels and, beginning in 2008, Comfort Inn branded hotels, which run for 10 years), with certain rights for each of the franchisor and franchisee to terminate their franchise agreement, such as upon designated anniversaries of the agreement, before the 20th (or 10th, as applicable) year.

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Our franchisees operate domestically under each of the eleven Choice brands. The following table presents key statistics related to our domestic franchise system.

	As of and for the Year Ended December 31,					As of and for the Quarter Ended March 31,	
	2007	2008	2009	2010	2011	2011	2012
Number of properties, end of period	4,445	4,716	4,906	4,993	5,001	4,970	5,006
Number of rooms, end of period	354,139	373,884	388,594	393,535	392,826	390,407	392,877
Royalty fees ($000)	$ 212,519	$ 220,411	$ 196,406	$ 206,049	$ 220,047	$ 38,652	$ 42,279
Average royalty rate[(a)]	4.14%	4.20%	4.25%	4.29%	4.32%	4.35%	4.34%
Average occupancy percentage[(a)]	57.9%	55.3%	49.4%	51.3%	53.5%	42.0%	44.5%
Average daily room rate (ADR)[(a)]	$ 72.07	$ 74.11	$ 71.24	$ 70.50	$ 71.83	$ 65.69	$ 67.32
Revenue per available room (RevPAR)[(a)(b)]	$ 41.75	$ 40.98	$ 35.18	$ 36.18	$ 38.44	$ 27.58	$ 29.95

(a) Amounts exclude results from Cambria Suites properties open during all periods presented and Ascend Collection properties open during 2008.

(b) The Company calculates RevPAR based on information as reported to the Company by its franchisees.

International Franchise Operations

The Company conducts its international franchise operations through a combination of direct franchising and master franchising relationships. Master franchising relationships are governed by master franchising agreements which generally provide the master franchisee with the right to use our brands in a specific geographic region, usually for a fee.

Our business philosophy has been to conduct direct franchising in those international markets where both franchising is an accepted business model and we believe our brands can achieve significant distribution. We typically elect to enter into master franchise agreements in those markets where direct franchising is currently not a prevalent or viable business model. When entering into master franchising relationships, we strive to select partners that have professional hotel and asset management capabilities together with the financial capacity to invest in building the Choice brands in their respective markets. Master franchising relationships typically provide lower revenues to the Company as the master franchisees are responsible for managing certain necessary services (such as training, quality assurance, reservations and marketing) to support the franchised hotels in the master franchise area and therefore retain a larger percentage of the hotel franchise fees to cover their expenses. In certain circumstances, the Company has and may continue to make equity investments in our master franchisees.

In some territories outside the United States hotel franchising is less prevalent, and many markets are served primarily by independent operators. We believe that chain and franchisor affiliation will increase in certain international markets as local economies grow and hotel owners seek the economies of centralized reservations systems and marketing programs. We believe that international franchise operations will provide a significant long-term growth opportunity for the Company and as a

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result have initiated a multi-year investment in information technology and marketing which is expected to enhance the value proposition for prospective international franchisees.

As a result of our use of master franchising relationships and international market conditions, total revenues from international franchising operations comprised 9% and 8% of our total revenues in 2011 and 2010, respectively, while representing approximately 19% of our franchise system hotels open at both December 31, 2011 and 2010.

As of March 31, 2012, we had 1,168 franchise hotels open and operating in over 30 countries and territories outside of the United States. The following chart summarizes our franchise system outside of the United States.

	As of and for the Year Ended December 31,					As of and for the Quarter Ended March 31,	
	2007	2008	2009	2010	2011	2011	2012
Number of properties, end of period	1,125	1,111	1,115	1,149	1,177	1,158	1,168
Number of rooms, end of period	97,888	98,642	98,816	101,610	104,379	102,326	103,491
Royalty fees ($000)	$ 22,234	$ 25,599	$ 20,984	$ 23,765	$ 26,989	$ 5,108	$ 5,546

Note: Reporting of operating statistics (e.g. average occupancy percentage and average daily room rate) of international franchisees is not required by all master franchise contracts, thus these statistics and RevPAR are not presented for international franchisees.

Principal Executive Office and Internet Address

The address of our principal executive office is 10750 Columbia Pike, Silver Spring, Maryland 20901 and our telephone number is (301) 592-5000. Our internet website is http://www.choicehotels.com. Information on our website is not a part of, or incorporated by reference into, this prospectus supplement or the accompanying prospectus.

Recent Developments

New Senior Secured Credit Facility

We are in the process of negotiating and arranging a senior secured credit facility (the New Credit Facility), which we expect to close within approximately 30 days after the closing of the offering of the notes offered hereby. The New Credit Facility is expected to consist of a $200.0 million revolving credit tranche (the Revolving Credit Tranche) and a $150.0 million term loan tranche (the Term Loan Tranche), with a four year term and, subject to certain conditions, a one-year extension, and be prepayable at any time without penalty. See Description of Certain Indebtedness New Senior Secured Credit Facility for additional information regarding the expected terms of the New Credit Facility. However, we have not received any binding commitment for and we cannot assure you as to the final terms of the New Credit Facility, or that we will enter into the New Credit Facility at all. As discussed below, our ability to both complete the sale of the notes and to enter into the New Credit Facility on terms acceptable to us may impact our willingness and ability to declare a special cash dividend, and, even if we do declare a special cash dividend, may impact the timing, amount and nature of any such special cash dividend. This offering is not conditioned on the closing of the New Credit Facility. Affiliates of certain of the underwriters are expected to be arrangers, agents and/or lenders under the New Credit Facility.

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Existing Credit Facility

If we enter into the New Credit Facility, in connection with the closing of such New Credit Facility, we expect to use a portion of our existing cash and cash equivalents to repay all outstanding balances under our existing $300.0 million senior unsecured revolving credit facility (the Existing Credit Facility) and to terminate the Existing Credit Facility. The maturity date for the Existing Credit Facility is February 24, 2016. As of March 31, 2012, we had approximately $5.9 million outstanding under our Existing Credit Facility. If for any reason we do not enter into the New Credit Facility, we may elect not to terminate the Existing Credit Facility. If we do not terminate the Existing Credit Facility, our contractual ability to declare a special cash dividend may be restricted, which may impact the timing, amount and nature of any such special dividend that our board of directors may consider.

Special Cash Dividend

We currently expect to use substantially all of the proceeds from the sale of the notes offered hereby, plus substantially all of the proceeds of the Term Loan Tranche and approximately $50.0 million of the proceeds of the Revolving Credit Tranche, to pay during 2012 a special cash dividend of approximately $600.0 million in the aggregate to our stockholders. However, whether we will declare a special dividend, and, if so, the timing, amount and nature of any such dividend, will be subject to approval by our board of directors. Any such approval will depend on a variety of factors, including our ability both to complete the sale of the notes offered hereby and to enter into the New Credit Facility on terms acceptable to us; our financial results, cash requirements and financial condition; our ability to pay dividends under applicable state law; and any other factors deemed relevant by our board of directors. If for any reason, including our inability or unwillingness to enter into the New Credit Facility and/or to terminate the Existing Credit Facility, our board of directors does not approve a special cash dividend in the currently anticipated amount of approximately $600.0 million, we may use the proceeds from the sale of the notes offered hereby to fund a special cash dividend of a smaller amount, or we may elect not to declare any special cash dividend, in which case we expect to use the proceeds from the sale of the notes offered hereby for general corporate purposes.

Intercompany Cost Sharing

Under our existing intercompany cost sharing agreements, we are required periodically to review the cost sharing methodology that we use to allocate certain expenses related to Choice brands whose international rights are owned by our foreign subsidiaries, and to update and adjust such methodology in accordance with applicable tax regulations. As part of that periodic review, we and our tax consultants are currently considering possible changes to the cost sharing methodology that, based on structural changes and developments in our international operations, we expect will result in an increased allocation of these expenses to our domestic operations, with a correlative increase in intercompany management revenues to our foreign operations. While such expected change in the allocation of costs would have no material impact on our consolidated results, it could have the effect of allocating significant incremental payments to our foreign, non-guarantor subsidiaries. However, until the ongoing review is complete, there can be no assurance as to what, if any, change might be made to our current cost allocations or when any such change might occur or be effective.

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Summary of the Offering

The summary below describes the principal terms of the notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The Description of Notes and Guarantees section of this prospectus supplement contains a more detailed description of the terms and conditions of the notes.

Issuer	Choice Hotels International, Inc.
Securities Offered	$400.0 million aggregate principal amount of 5.750% senior notes due 2022.
Maturity Date	July 1, 2022.
Interest Payment Dates	Interest on the notes will be payable on January 1 and July 1 of each year, beginning on January 1, 2013. Interest will accrue from June 27, 2012.
Guarantees	Each of our domestic subsidiaries that provides a guarantee of the Existing Credit Facility and the Existing Notes (or any replacement or refinancing thereof, including the New Credit Facility) will unconditionally guarantee the notes on an unsecured basis. Any subsidiary that provides, or will provide, a guarantee of the notes will be released from such guarantee if such subsidiary no longer guarantees the Existing Credit Facility and the Existing Notes (or any replacement or refinancing thereof, including the New Credit Facility), or satisfaction and discharge of the notes has occurred pursuant to the indenture governing the notes (the Indenture).
	Our subsidiaries that do not guarantee the notes account for approximately $44.6 million or 7% of our revenue (excluding inter-company revenues) for the twelve months ended March 31, 2012. In addition, such non-guarantor subsidiaries represented approximately 24% of our consolidated assets (excluding inter-company assets) and had outstanding liabilities of $7.6 million (excluding inter-company liabilities), respectively, as of March 31, 2012.
Ranking	The notes will be our senior unsecured obligations and will: rank senior in right of payment to our future debt that is expressly subordinated in right of payment to the notes; rank equal in right of payment to all of our existing and future debt and other obligations that are not, by their terms, expressly subordinated in right of payment to the notes, including the Existing Notes and the Existing Credit Facility; be effectively subordinated to all of our existing and future secured debt, which we expect will include the New Credit Facility, if consummated, to the extent of the value of the

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collateral securing such debt, and be structurally subordinated to all obligations of each of our subsidiaries that do not guarantee the notes (including any guarantors that are released from the guarantees pursuant to the terms of the Indenture); and

be effectively senior to any series of our existing and future senior unsecured notes that are not guaranteed by our subsidiaries to the extent of the assets of our subsidiaries that guarantee the notes offered hereby.

Similarly, the guarantees of the notes offered hereby will be senior unsecured obligations of the guarantors and will:

rank senior in right of payment to all of the applicable guarantor s existing and future debt that is expressly subordinated in right of payment to the guarantee;

rank equal in right of payment to all of the applicable guarantor s existing and future debt and other obligations that are not, by their terms, expressly subordinated in right of payment to the notes, including the Existing Notes and the Existing Credit Facility;

be effectively subordinated to all of the applicable guarantor s existing and future secured debt to the extent of the value of the collateral securing such debt, which we expect will include the New Credit Facility, if consummated; and

be structurally subordinated to all obligations of any subsidiary of a guarantor if that subsidiary is not also a guarantor of the notes offered hereby.

As of March 31, 2012, after giving effect to this offering, the closing of the New Credit Facility, terminating the Existing Credit Facility and borrowing the expected amounts under the Term Loan Tranche and Revolving Credit Tranche of the New Credit Facility as described in Use of Proceeds, we would have had outstanding indebtedness of approximately $852.6 million, including $200.0 million under the New Credit Facility and additional borrowing capacity of approximately $150.0 million under the Revolving Credit Tranche of the New Credit Facility.

Optional Redemption

We may redeem the notes, in whole or in part, at any time at a redemption price of 100% of the principal amount of the notes plus accrued and unpaid interest, if any, to the redemption date, plus a make-whole premium.

Change of Control Offer

If a change of control triggering event, as defined in the Indenture, occurs, holders may require us to repurchase their notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest to the date of repurchase, as described under the heading Description of Notes and Guarantees Repurchase of Notes upon a Change of Control.

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Further Issuances	The Company will issue the notes under the Indenture. We may, without the consent of the existing holders, issue additional notes having the same terms so that the existing notes and additional notes form a single series under the Indenture.
No Prior Market	The notes will be new securities for which there is currently no market. Although the underwriters have informed us that they intend to make a market in the notes, they are not obligated to do so and they may discontinue market making activities at any time without notice. We cannot assure you that a liquid market for the notes will develop or be maintained.
Use of Proceeds	We intend to use the net proceeds of this offering, after deducting underwriting discounts and commissions and other offering expenses payable by us, together with a portion of the proceeds of the New Credit Facility, to pay during 2012 a special cash dividend of approximately $600.0 million in the aggregate to our stockholders. However, whether we will declare a special dividend, and, if so, the timing, amount and nature of any such dividend, will be subject to approval by our board of directors. Any such approval will depend on a variety of factors, including our ability both to complete the sale of the notes offered hereby and to enter into the New Credit Facility on terms acceptable to us; our financial results, cash requirements and financial condition; our ability to pay dividends under applicable state law, and any other factors deemed relevant by our board of directors. If our board of directors does not approve a special cash dividend in the currently anticipated amount of approximately $600.0 million, we may use the proceeds from the sale of the notes offered hereby to fund a special cash dividend of a smaller amount, or we may elect not to declare any special cash dividend, in which case we expect to use the proceeds for general corporate purposes. See Use of Proceeds.
Risk Factors	You should carefully read and consider, in addition to the matters set forth elsewhere in this prospectus supplement and the accompanying prospectus and the documents incorporated by reference herein, the information in the Risk Factors section beginning on page S-15.
Trustee	The trustee under the Indenture is Wells Fargo Bank, National Association.

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Summary Consolidated Financial Data and Other Financial Data

The following tables set forth certain of our summary consolidated financial data and other financial data. We derived our summary consolidated financial data and other financial data as of and for the years ended December 31, 2009, 2010 and 2011 from our consolidated financial statements which were audited by PricewaterhouseCoopers LLP. We derived our summary consolidated financial data and other financial data as of and for the three months ended March 31, 2012 from our unaudited consolidated financial statements.

Our summary consolidated financial data and other financial data are not necessarily indicative of our future performance. The data provided in this table are only summary information and do not provide all the data contained in our financial statements. This table should be read in conjunction with and is qualified in its entirety by our audited consolidated financial statements and related notes for the years ended December 31, 2009, 2010 and 2011, our unaudited consolidated financial statements and related notes for the three months ended March 31, 2012, and sections of this prospectus supplement entitled Use of Proceeds and Capitalization and the documents incorporated by reference into this prospectus supplement.

	Year Ended December 31,			Three Months Ended March 31,
	2011	2010	2009	2012
	($ in thousands)			
Statement of Income				
Royalty fees	$ 247,240	$ 230,096	$ 217,984	$ 47,853
Initial and relicensing fees	13,557	9,295	12,916	2,528
Procurement services	17,619	17,207	17,598	3,315
Marketing and reservation	349,036	329,246	305,379	70,929
Other items, net	11,341	10,232	10,301	4,544
Total Revenues	**638,793**	**596,076**	**564,178**	**129,169**
Selling, general and administrative	106,404	94,540	99,237	24,349
Marketing and reservation expenses	349,036	329,246	305,379	70,929
Other items, net	11,490	11,528	11,489	2,826
Total operating expenses	**466,930**	**435,314**	**416,105**	**98,104**
Total operating income	**171,863**	**160,762**	**148,073**	**31,065**
Interest expense	12,939	6,680	4,414	3,117
Other items, net	867	(4,129)	(6,975)	(2,285)
Income before income taxes	**158,057**	**158,211**	**150,634**	**30,233**
Income taxes	47,661	50,770	52,384	10,236
Net income	**$ 110,396**	**$ 107,441**	**$ 98,250**	**$ 19,997**
Other Financial Data				
Net cash provided by (used in):				
Operating activities	$ 134,844	$ 144,935	$ 112,216	$ 4,412
Investing activities	(23,804)	(32,155)	(3,349)	(1,496)
Financing activities	(95,070)	(91,193)	(95,110)	(19,022)
Capital expenditures	10,924	24,368	11,135	3,129
Dividends paid	43,747	43,808	44,274	10,713
Treasury stock purchases	53,617	11,212	59,128	14,854
Balance Sheet Data				
Cash and cash equivalents	$ 107,057	$ 91,259	$ 67,870	$ 91,312
Total assets	447,689	411,722	340,037	443,232
Total debt	252,705	252,174	277,700	258,459
Total shareholders deficit	(25,561)	(58,071)	(114,212)	(26,176)

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RISK FACTORS

You should carefully consider the risks described below together with the risk factors described in reports we file with the SEC and incorporated by reference into the accompanying prospectus, as well as all of the other information in, and incorporated by reference in, this prospectus supplement and the accompanying prospectus, including in our annual report on Form 10-K for the year ended December 31, 2011 in the section Risk Factors, including risk factors that may affect our business, before you decide to buy the notes. If any of the risks actually occur, our business, financial condition, results of operations, cash flows or prospects could suffer. In that event, we may be unable to meet our obligations under the notes and the guarantees and you may lose all or part of your investment.

Risks Relating to the Notes

The notes are not secured by any of our assets and secured creditors, including creditors under the proposed New Credit Facility, would have a prior claim on our assets

The notes are not secured by any of our assets. Furthermore, the terms of the Indenture governing the notes permit us to incur secured debt, subject to certain limits. The notes will be effectively subordinated to all of our secured indebtedness to the extent of the assets securing such debt. We expect that the New Credit Facility will be secured by a first priority pledge of our ownership interests in certain of our domestic and international subsidiaries. In addition, the New Credit Facility may be secured by certain other of our assets and assets of our domestic subsidiaries that guarantee the New Credit Facility. In the event of any distribution or payment of any pledged assets or any pledged capital stock in any foreclosure, dissolution, winding-up, liquidation, reorganization or other bankruptcy proceeding, holders of secured indebtedness will have a prior claim to our assets and any pledged capital stock that constitute collateral of such secured indebtedness. Holders of the notes will participate ratably in our remaining assets with all holders of our unsecured indebtedness that is deemed to be of the same class as the notes, and potentially with all of our other general unsecured creditors, based upon the respective amounts owed to each holder or creditor. In that event, because the notes are not secured by any of our assets, it is possible that there will be no assets remaining from which claims of the holders of notes can be satisfied or, if any assets remain, the remaining assets might be insufficient to satisfy those claims in full.

As of March 31, 2012, we had no secured debt outstanding. However, as of March 31, 2012, assuming we had completed the offering of the notes, closed the New Credit Facility, terminated the Existing Credit Facility and borrowed the expected amounts under the Term Loan Tranche and Revolving Credit Tranche of the New Credit Facility as described in Use of Proceeds, we would have had approximately $200.0 million of secured debt outstanding, all of which would have been incurred under the New Credit Facility, and we would have had additional borrowing capacity of approximately $150.0 million under the Revolving Credit Tranche of the New Credit Facility.

Our increased leverage could adversely affect our financial health; future cash flows may not be sufficient to meet our obligations and we may have difficulty obtaining additional financing; and we may experience adverse effects of interest rate fluctuations

As of March 31, 2012, we had outstanding indebtedness of approximately $258.5 million, of which $5.9 million was outstanding under our Existing Credit Facility. Assuming we had completed the offering of the notes, closed the New Credit Facility, terminated the Existing Credit Facility and borrowed the expected amounts under the Term Loan Tranche and Revolving Credit Tranche of the New Credit Facility as described in Use of Proceeds, we would have had outstanding indebtedness of approximately $852.6 million, with additional borrowing capacity of approximately $150.0 million under the Revolving Credit Tranche of the New Credit Facility.

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There can be no assurance in the future that we will generate sufficient cash flow from operations or through asset sales to meet our debt service obligations. Our present indebtedness and projected future borrowings, including the notes offered hereby and the New Credit Facility, could have important adverse consequences to us, such as:

- making it more difficult for us to satisfy our obligations with respect to our existing indebtedness;
- limiting our ability to obtain additional financing without restructuring the covenants in our existing indebtedness to permit the incurrence of such financing;
- requiring a substantial portion of our cash flow to be used for principal and interest payments on the debt, thereby reducing our ability to use cash flow to fund working capital, capital expenditures and general corporate requirements;
- limiting our ability to respond to changing business, industry and economic conditions and to withstand competitive pressures, which may affect our financial condition;
- causing us to incur higher interest expense in the event of increases in interest rates on our borrowings that have variable interest rates or in the event of refinancing existing debt at higher interest rates;
- limiting our ability to make investments, dispose of assets, pay cash dividends or repurchase stock;
- increasing our vulnerability to downturns in our business, our industry or the general economy and restricting us from making improvements or acquisitions or exploring business opportunities;
- placing us at a competitive disadvantage to competitors with less debt or greater resources; and
- subjecting us to financial and other restrictive covenants in our indebtedness, the non-compliance with which could result in an event of default.

We cannot assure you that our business will generate sufficient cash flow from operations to enable us to pay our indebtedness or to fund our other liquidity needs. If we fail to generate sufficient cash flow from future operations to meet our debt service obligations, we may need to refinance all or a portion of our debt on or before maturity. We cannot assure you that we will be able to refinance any of our debt, including the Existing Credit Facility or the New Credit Facility, if consummated, on attractive terms, commercially reasonable terms or at all, particularly because of our anticipated increased levels of debt and the debt incurrence restrictions that we expect to be imposed by the agreements governing our debt. Our future operating performance and our ability to service, extend or refinance our indebtedness will be subject to future economic conditions and to financial, business and other factors, many of which are beyond our control.

The borrowings under the New Credit Facility are expected to be at variable rates of interest, and to the extent not protected with interest rate hedges, could expose us to market risk from adverse changes in interest rates. Unless we enter into interest rate hedges, if interest rates increase, our debt service obligations on the variable-rate indebtedness could increase significantly even though the amount borrowed would remain the same.

The notes do not restrict our ability to incur additional unsecured debt

The Indenture governing the notes does not restrict the amount of unsecured debt that we or our subsidiaries may incur. If we or our subsidiaries incur additional debt, it may be more difficult for us to satisfy our obligations with respect to the notes. Furthermore, the incurrence of additional debt may cause a decline in the trading price of the notes and the credit rating of the notes may be lowered or withdrawn.

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Changes in our credit ratings or the debt markets could adversely affect the price of the notes

The price of the notes depends on many factors, including:

- our credit ratings with major credit rating agencies;
- the prevailing interest rates being paid by, or the market price for the notes issued by, other companies similar to us;
- our financial condition, financial performance and future prospects; and
- the overall condition of the financial markets.

The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Such fluctuations could have an adverse effect on the price of the notes.

In addition, credit rating agencies periodically review and update their ratings for the companies that they follow, including us. Changes in our financial condition, including the payment of one or more special cash dividends, the offering of the notes offered hereby and the entry into the New Credit Facility as described in Use of Proceeds, could negatively affect our credit rating. The credit rating agencies also evaluate our industry as a whole and may change their credit rating for us based on their overall view of our industry. A negative change in our rating could have an adverse effect on the price of the notes.

Claims of noteholders will be structurally subordinated to claims of creditors of our non-guarantor subsidiaries

As of the issue date, the notes will not be guaranteed by any of our subsidiaries who do not guarantee the Existing Credit Facility. Claims of holders of the notes will be structurally subordinated to all of the liabilities of our subsidiaries that do not guarantee the notes. In the event of a bankruptcy, liquidation or dissolution of any of the non-guarantor subsidiaries, holders of their indebtedness and their trade creditors will generally be entitled to payment on their claims from assets of those subsidiaries before any assets are made available for distribution to us. As of March 31, 2012, our non-guarantor subsidiaries had $7.6 million of liabilities (excluding inter-company liabilities). The Indenture governing the notes does not restrict the amount of unsecured debt or other obligations that any of our subsidiaries may incur.

The guarantees of the notes by the subsidiary guarantors may be released upon the occurrence of certain events

Any subsidiary of ours that provides, or will provide, guarantees of the notes will be released from such guarantees in the event that such subsidiary guarantor no longer guarantees our obligations under the Existing Credit Facility and the Existing Notes, or any replacement or refinancing thereof, including the New Credit Facility, or satisfaction and discharge of the notes has occurred pursuant to the Indenture. If any such subsidiary guarantee is released, no holder of the notes will have a claim as a creditor against any such subsidiary and the indebtedness and other liabilities of such subsidiary will be structurally senior to the claim of any holders of the notes. See Description of Notes and Guarantees Guarantees.

We may not be able to finance a change of control offer required by the Indenture

Upon a change of control triggering event, as defined under the Indenture governing the notes, holders of the notes will have the right to require us to offer to purchase all of the notes then outstanding at a price equal to 101% of the principal amount of the notes, plus accrued interest. The source of funds for any such purchases of the notes will be our available cash or other sources, including borrowings, sales of assets or sales of equity. We may not be able to repurchase the notes upon a change of control triggering event because we may not have sufficient financial resources to

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purchase all of the notes that are tendered upon such an event. We may require additional financing from third parties and we may be unable to obtain such financing on reasonable terms, if at all. Our failure to offer to purchase all outstanding notes or to purchase all validly tendered notes would be an event of default under the Indenture. Such an event of default may cause the acceleration of our other debt. Our future debt, including the New Credit Facility if consummated, also may contain restrictions on repayment requirements with respect to specified events or transactions that constitute a change of control triggering event under the Indenture.

Federal and state statutes allow courts, under specific circumstances, to void the guarantees of the notes by our subsidiaries and require the holders of the notes to return payments received from the subsidiary guarantors

Under federal bankruptcy laws and comparable provisions of state fraudulent transfer laws, the guarantees of the notes by certain of our subsidiaries could be voided, or claims in respect of the subsidiary guarantees could be subordinated to all other debts of a subsidiary guarantor if, either, (i) the subsidiary guarantee was incurred with the intent to hinder, delay or defraud any present or future creditors of the subsidiary guarantor or (ii) the subsidiary guarantor, at the time it incurred the indebtedness evidenced by its subsidiary guarantee, received less than reasonably equivalent value or fair consideration for the incurrence of such indebtedness and the subsidiary guarantor either:

- was insolvent or rendered insolvent by reason of such incurrence;
- was engaged in a business or transaction for which such subsidiary guarantor s remaining assets constituted unreasonably small capital; or
- intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.

If a subsidiary guarantee is voided, holders of the notes will be unable to rely on the applicable subsidiary guarantor to satisfy their claims in the event that we fail to make one or more required payments due on the notes. In addition, any payment by such subsidiary guarantor pursuant to its subsidiary guarantee could be voided and required to be returned to such subsidiary guarantor, or to a fund for the benefit of creditors of such subsidiary guarantor.

The measures of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a subsidiary guarantor would be considered insolvent if:

- the sum of its debts, including contingent liabilities, were greater than the fair saleable value of all of its assets;
- the present fair saleable value of its assets were less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

There can be no assurance, however, as to what standard a court would apply in making such determinations or that a court would agree with our or the subsidiary guarantors conclusions in this regard.

While the guarantees provided by our subsidiaries will be limited by their terms to the maximum amount they can pay without the guarantee being deemed a fraudulent conveyance, a court could find these limitations on the maximum amount of a guarantee to be ineffective or unenforceable and still apply federal and state fraudulent conveyance statutes to the guarantees to void the obligations under the guarantee or subordinate the guarantee to all other obligations of the guarantor.

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There is no established trading market for the notes and one may not develop

The notes constitute a new issue of securities for which there is no existing market. We have no plans to list the notes on a securities exchange. We cannot assure you that trading markets for the notes will develop, or of the ability of holders of the notes to sell their notes or of the prices at which holders may be able to sell their notes. The underwriters have advised us that they currently intend to make a market in the notes. However, the underwriters are not obligated to do so and any market-making with respect to the notes may be discontinued at any time without notice. If no active trading market develops, holders of the notes may be unable to resell the notes at any price or at their fair market value.

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USE OF PROCEEDS

The net proceeds of this offering are expected to be approximately $393,000,000 after deducting the underwriting discounts and commissions and other offering expenses payable by us. We currently expect to use substantially all of the proceeds from the sale of the notes offered hereby, plus substantially all of the proceeds of the Term Loan Tranche and approximately $50.0 million of the proceeds of the Revolving Credit Tranche, to pay a special cash dividend during 2012 of approximately $600.0 million in the aggregate to our stockholders. However, whether we will declare a special dividend, and, if so, the timi