

RECEIVED
DEPT OF CORPORATION
SAN FRANCISCO**FRANCHISE DISCLOSURE DOCUMENT**

Choice Hotels International, Inc.
a Delaware corporation
10750 Columbia Pike
Silver Spring, Maryland 20901
(301) 592-5000
e-mail: franchise_sales@choicehotels.com
www.choicehotelsfranchise.com

'13 MAR 23 A11 :41

The franchise offered in this disclosure document is for the rights to own and/or operate a CLARION HOTEL®, CLARION INN®, CLARION INN & SUITES®, CLARION SUITES®, or CLARION RESORT® hotel business ("CLARION").

The total investment necessary to convert an existing hotel and begin operation of a 160-room CLARION HOTEL, CLARION INN, CLARION INN & SUITES, CLARION RESORT or CLARION SUITES hotel franchise is between \$521,500 and \$2,774,049. This includes an affiliation fee of \$300 per room, \$40,000 minimum; a property management system software license and systems training fee of between \$10,250 and \$14,250; and orientation and hospitality training fees of between \$0 and \$2,349, all of which are paid to Franchisor or its affiliates. These sums do not include the cost of any real estate taxes.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, us or our affiliates in connection with the proposed franchise sale or grant. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Amish Naik, Vice President, Global Development Operations & Planning at (301) 592-6194, 10750 Columbia Pike, Silver Spring, Maryland 20901.

The terms of your franchise agreement will govern your franchise relationship. Do not rely on the disclosure document alone to understand your franchise agreement. Read all of your franchise agreement carefully. Show your franchise agreement and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "[A Consumer's Guide to Buying a Franchise](#)," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: April 1, 2012

STATE COVER PAGE

Your state may have a franchise law that requires us to register or file with a state administrator before offering or selling franchises in your state. REGISTRATION OF THIS FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state administrators listed in Exhibit B of this disclosure document or your public library for sources of information about us or franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW FRANCHISE AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. EXCEPT FOR CLAIMS AGAINST YOU FOR INDEMNIFICATION AND ACTIONS SEEKING TO STOP YOU FROM USING OUR MARKS IN VIOLATION OF THE FRANCHISE AGREEMENT, THE FRANCHISE AGREEMENT REQUIRES THAT ALL DISAGREEMENTS BETWEEN US BE SETTLED BY ARBITRATION. ALL ARBITRATIONS WILL BE CONDUCTED IN MARYLAND. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN MARYLAND THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT STATES THAT MARYLAND LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS. SOME STATE FRANCHISE LAWS PROVIDE THAT CHOICE OF LAW PROVISIONS ARE VOID. YOU MAY WANT TO INVESTIGATE WHETHER YOU ARE PROTECTED BY A STATE FRANCHISE LAW. YOU SHOULD REVIEW THE ADDENDA ATTACHED TO THIS DISCLOSURE DOCUMENT FOR DISCLOSURES ON STATE FRANCHISE LAWS.

3. AS OF DECEMBER 31, 2011, CHOICE HAD \$194,796,000 IN CURRENT ASSETS AND HAD \$184,565,000 IN CURRENT LIABILITIES. THIS MEANS THAT FOR EVERY DOLLAR OF LIABILITIES DUE WITHIN ONE YEAR, CHOICE HAD \$1.06 IN CURRENT ASSETS. AS OF DECEMBER 31, 2011, CHOICE HAD NET INCOME OF \$110,396,000, BUT A DEFICIT NET WORTH OF \$25,561,000 PRIMARILY ATTRIBUTABLE TO OUR REPURCHASE OF OVER 44.8 MILLION SHARES OF TREASURY STOCK THROUGH 2011. WE ADVISE YOU TO CONSULT WITH YOUR FINANCIAL ADVISER.

4. THERE MAY BE OTHER RISKS FOR THIS FRANCHISE.

We use the services of one or more franchise brokers and a referral source to assist us in selling our franchises. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchises or referring you to us. You should be sure to do your own investigation of our franchises.

This disclosure document is for use in the District of Columbia and all states. The following page contains the effective dates of this disclosure document for each state with its own franchise registration statute.

CLARION FRANCHISE DISCLOSURE DOCUMENT STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

<u>STATE</u>	<u>EFFECTIVE DATE</u>
California	
Florida	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Utah	
Virginia	
Washington	
Wisconsin	

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/ascend-hotel-collection-choice-hotels>