
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

October 19, 2011

CHATHAM LODGING TRUST

(Exact name of registrant as specified in its charter)

Maryland

001-34693

27-1200777

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

50 Cocoanut Row, Suite 216, Palm Beach, Florida

33480

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

(561) 802-4477

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01 Other Events.

On October 19, 2011, Chatham Lodging Trust ("Chatham") issued a press release announcing that it has reached an updated agreement related to 64 of Innkeepers USA Trust (the Sellers) hotels. Under the terms of the agreement, Cerberus and Chatham will acquire the hotels for a total purchase price of approximately \$1.02 billion, including the assumption of debt through a plan of reorganization.

Chatham will fund its investment in the joint venture with available cash and borrowings under Chatham's secured revolving credit facility.

A copy of the press release is attached hereto as Exhibit 99.1 to this report and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

Innkeepers Reaches Settlement with Cerberus and Chatham Lodging to Acquire Innkeepers Hotels for Approximately \$1 Billion

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CHATHAM LODGING TRUST

October 19, 2011

By: *Dennis M. Craven*

*Name: Dennis M. Craven
Title: Chief Financial Officer*

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.1	Innkeepers Reaches Settlement with Cerberus and Chatham Lodging to Acquire Innkeepers Hotels for Approximately \$1 Billion

Innkeepers Reaches Settlement with Cerberus and Chatham Lodging to Acquire Innkeepers Hotels for Approximately \$1 Billion

—Purchase Price is Approximately \$75 million above Base Bid for the Properties —Plan of Reorganization Preserved

NEW YORK, Oct. 19, 2011 /PRNewswire via COMTEX/ — Innkeepers USA Trust and its affiliates (“Innkeepers”) today announced that they have reached an updated agreement with Cerberus Series Four Holdings, LLC, Chatham Lodging Trust and other related parties that is supported by Innkeepers’ constituents and clears the way for the sale of 64 Innkeepers hotels to a Cerberus-Chatham joint venture for approximately \$1.02 billion.

The sales price yields an increase in value of approximately \$75 million to creditors when compared to the baseline bid established for the May 2011 auction. Moreover, the settlement can be effectuated through consensual modifications to the existing Plan of Reorganization (“Plan”) confirmed by the U.S. Bankruptcy Court in June 2011, which will allow the Company to exit from Chapter 11 as planned.

“We are very pleased with this outcome,” said Innkeepers’ Chief Restructuring Officer, Marc A. Beilinson. “The updated agreement provides a significant cash premium to the original stalking horse bid and a meaningful return to our creditors, and it allows us to move ahead with a timely exit from Chapter 11.”

With the exception of Midland Loan Services and Lehman ALI Inc., both of which support the terms of the deal and have agreed to their treatment under the modified Plan, all of Innkeepers’ unsecured creditors and equity holders will continue to receive the same treatment they were promised under the confirmed Plan in June. The revised agreement is subject to Court approval.

The fixed-rate debt, serviced by Midland, will be modified to the new amount of approximately \$675 million. Lehman, the holder of the floating-rate mortgages, will receive a cash payment of approximately \$224 million on account of its claims.

Beilinson noted that throughout its restructuring process, Innkeepers has maintained normal business operations at all of its properties, including completing substantial work on the property improvement plans required by franchisors on time and under budget, as well as successfully maintaining its supportive relationships with its franchisors.

“Chatham and Cerberus are excited about owning this valuable portfolio and look forward to creating significant value for their shareholders and investors,” said Jeff Fisher, Chatham’s Chief Executive Officer.

Kirkland & Ellis LLP is Innkeepers’ restructuring counsel and Moelis & Company LLC is its financial advisor. Alix Partners provides restructuring services to Innkeepers. Marc Beilinson is a principal at Beilinson Advisory Group.

Copies of the settlement and other court documents are available at <http://www.omnimgt.com/innkeepers/>.