

ABERDEEN EMERGING MARKETS SMALLER Co OPPORTUNITIES FUND, INC.  
Form SC 13G/A  
February 13, 2017

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

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SCHEDULE 13G

UNDER THE SECURITIES EXCHANGE ACT OF 1934  
(Amendment No. 10)\*

Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc.

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(Name of Issuer)

Common Stock, par value \$.001 per share

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(Title of Class of Securities)

00301T102

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(CUSIP Number)

December 31, 2016

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(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter

disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be “filed” for the purpose of Section 18 of the Securities Exchange Act of 1934 (“Act”) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

1

City of London Investment Group PLC, a company incorporated under the laws of England and Wales

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2

(a)

(b)

SEC USE ONLY

3

CITIZENSHIP OR PLACE OF ORGANIZATION

4

England and Wales

SOLE VOTING POWER

5

0

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

SHARED VOTING POWER

6

3,966,461

SOLE DISPOSITIVE POWER

7

0

SHARED DISPOSITIVE POWER

8

3,966,461

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

9

3,966,461

CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

10

11 PERCENT OF CLASS  
REPRESENTED BY AMOUNT IN  
ROW (9)

41.2%

12 TYPE OF REPORTING PERSON  
HC

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NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

1 City of London Investment Management Company Limited, a company incorporated under the laws of England and Wales

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2 (a)  
(b)

SEC USE ONLY

3

CITIZENSHIP OR PLACE OF ORGANIZATION

4 England and Wales

SOLE VOTING POWER

5 0

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

SHARED VOTING POWER

6 3,966,461

SOLE DISPOSITIVE POWER

7 0

SHARED DISPOSITIVE POWER

8 3,966,461

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

9 3,966,461

CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

10

11 PERCENT OF CLASS  
REPRESENTED BY AMOUNT IN  
ROW (9)

41.2%

12 TYPE OF REPORTING PERSON

IA

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Item1(a). Name of Issuer:

Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc.

Item1(b). Address of Issuer's Principal Executive Offices:

The principal executive offices of the Fund are located at:

Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc.  
c/o Aberdeen Asset Management Inc.  
1735 Market Street, 32<sup>nd</sup> Floor  
Philadelphia, PA, 19103

Item2(a). Name of Person Filing:

This statement is being filed by City of London Investment Group PLC ("CLIG") and City of London Investment Management Company Limited ("CLIM," and together with CLIG, the "Reporting Persons").

The principal business of CLIG is serving as the parent holding company for the City of London group of companies, including CLIM.

CLIM is primarily an emerging markets fund manager, which specializes in investing in closed-end investment companies and is a registered investment adviser under Section 203 of the Investment Advisers Act of 1940. CLIM is controlled by CLIG. CLIM is principally engaged in the business of providing investment advisory services to various public and private investment funds and separately managed accounts (together, the "Accounts").

The Shares to which this Schedule 13G relates are owned directly by the Accounts.

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Item 2(b). Address of Principal Business Office or, if None, Residence:

Address for CLIG and CLIM:

77 Gracechurch Street  
London, EC3V 0AS  
England

Item 2(c). Citizenship:

CLIG - England and Wales

CLIM - England and Wales

Item 2(d). Title of Class of Securities:

Common Stock, par value \$.001 per share

Item 2(e). CUSIP Number:

00301T102

Item 3. If This Statement is Filed Pursuant to §§240.13d-1(b), or 240.13d-2(b) or (c), Check Whether the Person Filing is a:

(a) Broker or dealer registered under Section 15 of the Act (15 U.S.C. 78o).

(b) Bank as defined in Section 3(a)(6) of the Act (15 U.S.C. 78c).

(c) Insurance company as defined in Section 3(a)(19) of the Act (15 U.S.C. 78c).

(d) Investment company registered under Section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).

(e) An investment adviser in accordance with §240.13d-1 (b)(1)(ii)(E) (for CLIM);

(f) An employee benefit plan or endowment fund in accordance with §240.13d-1 (b)(1)(ii)(F);



(g) A parent holding company or control person in accordance with Rule 13d-1(b)(1)(ii)(G) (for CLIG);

(h) A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);

(i) A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);

(j) Group, in accordance with §240.13d-1(b)(1)(ii)(J).

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Item 4. Ownership.

For CLIG and CLIM:

(a) Amount beneficially owned:

3,966,461

(b) Percent of class:

41.2%

(c) Number of shares as to which such person has:

(i) Sole power to vote or to direct the vote: 0

(ii) Shared power to vote or to direct the vote: 3,966,461

(iii) Sole power to dispose or to direct the disposition of: 0

(iv) Shared power to dispose or to direct the disposition of: 3,966,461

Item 5. Ownership of Five Percent or Less of a Class.

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following .

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

CLIG, as the parent holding company of CLIM, and CLIM, as investment advisers to the Funds, have the power to direct the dividends from, or the proceeds of the sale of the shares owned by the Funds. Each of the Funds owns less than 5% of the shares.

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Item Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the  
7. Parent Holding Company.

CLIG is the parent holding company of CLIM. See also Item 3.

Item 8. Identification and Classification of Members of the Group.

Not applicable.

Item 9. Notice of Dissolution of Group.

Not applicable.

Item 10. Certification.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

The reporting persons agree that this statement is filed on behalf of each of them.

Dated: February 13, 2017

CITY OF LONDON  
INVESTMENT GROUP  
PLC

By: /s/ Thomas Griffith  
Name: Thomas Griffith  
Title: Director

CITY OF LONDON  
INVESTMENT  
MANAGEMENT  
COMPANY LIMITED

By: /s/ Thomas Griffith  
Name: Thomas Griffith  
Title: Director

sale, equals or exceeds 105% of the conversion price of the debentures in effect on each of those trading days or (B) all of the consideration (excluding 24 cash payments for fractional shares and cash payments made pursuant to dissenters' appraisal rights) in a merger or consolidation otherwise constituting a Change in Control under clause (1) and/or clause (2) above consists of shares of common stock traded on a national securities exchange or quoted on the Nasdaq National Market (or will be so traded or quoted immediately following the merger or consolidation) and as a result of the merger or consolidation the debentures become convertible into such CD common stock. For purposes of these provisions: - the conversion price is equal to \$1,000 divided by the conversion rate; - whether a person is a "beneficial owner" will be determined in accordance with Rule 13d-3 under the Exchange Act; and - "person" includes any syndicate or group that would be deemed to be a "person" under Section 13(d)(3) of the Exchange Act. Rule 13e-4 under the Exchange Act requires the dissemination of prescribed information to security holders in the event of an issuer tender offer and may apply in the event that the repurchase option becomes available to the holders of

debentures. We will comply with this rule to the extent it applies at that time. The definition of Change in Control includes a phrase relating to the conveyance, transfer, sale, lease or disposition of "all or substantially all" of our assets. There is no precise, established definition of the phrase "substantially all" under applicable law. Accordingly, the ability of a holder of debentures to require us to repurchase its notes as a result of the conveyance, transfer, sale, lease or other disposition of less than all of our assets may be uncertain. The foregoing provisions would not necessarily provide the holders of debentures with protection if we are involved in a highly leveraged or other transaction that may adversely affect the holders. If a Change in Control were to occur, we may not have enough funds to pay the Change in Control repurchase price. See "Risk Factors" under the caption "We may not have the ability to raise the funds necessary to finance the change in control purchase or the purchase at the option of the holder." In addition, we have, and may in the future incur, other indebtedness with similar change in control provisions permitting its holders to accelerate or to require us to repurchase our indebtedness upon the occurrence of similar events or on some specified dates. If we fail to repurchase the debentures when required following a Change in Control, we will be in default under the Indenture whether or not repurchase is permitted by the related subordination provisions.

**MERGER AND SALES OF ASSETS BY CENDANT** We may not (1) consolidate with or merge into any other person or convey, transfer, sell or lease our properties and assets substantially as an entirety to any person, (2) permit any person to consolidate with or merge into us or (3) permit any person to convey, transfer, sell or lease that person's properties and assets substantially as an entirety to us unless: - in the case of (1) and (2) above, the person formed by the consolidation or into which we are merged or the person to which our properties and assets are so conveyed, transferred, sold or leased, shall be a corporation, limited liability company, partnership or trust organized and existing under the laws of the United States, any State within the United States or the District of Columbia and, if we are not the surviving person, the surviving person assumes the payment of the principal of, premium, if any, and interest on the debentures and the performance of our other covenants under the Indenture, and 25 - in all cases, immediately after giving effect to the transaction, no Event of Default, and no event that, after notice or lapse of time or both, would become an Event of Default, will have occurred and be continuing. **EVENTS OF DEFAULT** The following are Events of Default with respect to the debentures: - default for 30 days in payment of any interest installment due and payable on the debentures (after any interest adjustment or any election by us to pay cash interest on the debentures following a Tax Event); - default in payment of principal of the debentures (or, if we have elected to pay cash interest on the debentures following a Tax Event, the restated principal amount) and accrued interest (including any interest payable pursuant to an interest adjustment) at maturity, upon redemption, repurchase or following a Change in Control, when the same becomes due and payable; - default by us under any instrument or instruments under which there is or may be secured or evidenced any of our indebtedness (other than the debentures) having an outstanding principal amount of \$50,000,000 (or its equivalent in any other currency or currencies) or more, individually or in the aggregate, that has caused the holders thereof to declare such indebtedness to be due and payable prior to its stated maturity, unless such declaration has been rescinded within 30 days; - default in the payment of the principal or premium, if any, of any bond, debenture, note or other evidence of our indebtedness, in each case for money borrowed, or in the payment of principal or premium, if any, under any mortgage, indenture, agreement or instrument under which there may be issued or by which there may be secured or evidenced any indebtedness of ours for money borrowed, which default for payment of principal or premium, if any, is in an aggregate principal amount exceeding \$50,000,000 (or its equivalent in any other currency or currencies) when such indebtedness becomes due and payable (whether at maturity, upon redemption or acceleration or otherwise), if such default shall continue unremedied or unwaived for more than 30 business days after the expiration of any grace period or extension of the time for payment applicable thereto; - default in our performance of any other covenants or agreements in respect of the debentures contained in the Indenture or the debentures for 60 days after written notice to us by the Trustee or to us and the Trustee by the holders of at least 25% in aggregate principal amount of the debentures then outstanding; and - certain events of bankruptcy, insolvency and reorganization. The Indenture requires that we file annually with the Trustee a certificate describing any Default by us in the performance of any conditions or covenants that has occurred under the Indenture and its status. We must give the Trustee written notice within 30 days of any Default under the Indenture that could mature into an Event of Default described in the fourth or fifth clause above. The Indenture provides that if an Event of Default occurs and is continuing with respect to the debentures, either the Trustee or the registered holders of at least 25% in aggregate principal amount of the debentures may declare the Accreted Value plus accrued and unpaid cash interest, if any, on the debentures to be due and payable immediately. If an Event of Default relating to

some events or bankruptcy, insolvency or reorganization occurs, the issue price plus accrued interest on the debentures will become immediately due and payable without any action on the part of the Trustee or any holder. At any time after a declaration of acceleration, but before a judgment or decree for payment of money has been obtained, if all Events of Default with respect to the 26 debentures have been cured (other than the nonpayment of principal of the debentures which has become due solely by reason of the declaration of acceleration) then the declaration of acceleration shall be automatically annulled and rescinded. A holder of debentures may pursue any remedy under the Indenture only if: - the holder gives the Trustee written notice of a continuing event of default for the debentures; - the holders of at least 25% in principal amount of the outstanding debentures make a written request to the Trustee to pursue the remedy; - the holder offers to the Trustee indemnity reasonably satisfactory to the Trustee; - the Trustee fails to act for a period of 60 days after receipt of notice and offer of indemnity; and - during that 60-day period, the holders of a majority in principal amount of the debentures do not give the Trustee a direction inconsistent with the request. This provision does not, however, affect the right of a holder of debentures to sue for enforcement of payment of the principal of or interest, including liquidated damages, on the holder's debenture on or after the respective due dates expressed in its debenture or the holder's right to convert its debenture in accordance with the Indenture. The Trustee is entitled under the Indenture, subject to the duty of the Trustee during a Default to act with the required standard of care, to be indemnified before proceeding to exercise any right or power under the Indenture at the direction of the registered holders of the debentures or which requires the Trustee to expend or risk its own funds or otherwise incur any financial liability. The Indenture also provides that the registered holders of a majority in principal amount of the outstanding debentures (or of all debt securities affected, voting as one class) may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee with respect to that series of debt securities. The Trustee, however, may refuse to follow any such direction that conflicts with law or the Indenture, is unduly prejudicial to the rights of other registered holders of that series of debt securities, or would involve the Trustee in personal liability. The Indenture provides that while the Trustee generally must mail notice of a Default or Event of Default to the registered holders of the debt securities of any series issued under the Indenture within 90 days of occurrence, the Trustee may withhold notice of any Default or Event of Default (except in payment on the debt securities) if the Trustee in good faith determines that the withholding of such notice is in the interest of the registered holders of that series of debt securities.

**MODIFICATION AND WAIVER** We may amend or supplement the Indenture if the holders of a majority in principal amount of the debentures consent to it. Without the consent of the holder of each debenture, however, no modification may: - reduce the amount of debentures whose holders must consent to an amendment, supplement or waiver; - reduce the rate or accrual of interest or change the time for payment of interest on the debentures; - reduce the value of our CD common stock to which reference is made in determining whether an interest adjustment will be made on the debentures, or change the method by which this value is calculated; - reduce the issue price, the principal or the principal amount of the debentures or change its stated maturity; - reduce the redemption or repurchase price of the debentures or change the time at which the debentures may or must be redeemed or repurchased; - make payments on the debentures payable in currency other than as originally stated in the debentures; - impair the holder's right to institute suit for the enforcement of any payment on the debentures; - make any change in the percentage of principal amount of debentures necessary to waive compliance with some provisions of the Indenture or to make any change in this provision for modification; - waive a continuing default or event of default regarding any payment on the debentures; or - adversely affect the conversion or repurchase provisions of the debentures. We may amend or supplement the Indenture or waive any provision of it without the consent of any holders of debentures in some circumstances, including: - to cure any ambiguity, omission, defect or inconsistency; - to provide for the assumption of our obligations under the Indenture by a successor upon any merger, consolidation or asset transfer permitted under the Indenture; - to provide for uncertificated debentures in addition to or in place of certificated debentures or to provide for bearer debentures; - to provide any security for or guarantees of the debentures; - to comply with any requirement to effect or maintain the qualification of the Indenture under the Trust Indenture Act of 1939; - to add covenants that would benefit the holders of debentures or to surrender any rights we have under the Indenture; - to add events of default with respect to the debentures; or - to make any change that does not adversely affect any outstanding debentures of any series in any material respect. The holders of a majority in principal amount of the outstanding debentures may waive any existing or past default or Event of Default. Those holders may not, however, waive any default or event of default in any payment on any debenture or compliance with

a provision that cannot be amended or supplemented without the consent of each holder affected.

**REGISTRATION RIGHTS** We entered into a registration rights agreement with the initial purchaser of the debentures. If you sell the debentures or shares of CD common stock issued upon conversion of the debentures under this registration statement, you generally will be required to be named as a selling securityholder in this prospectus, deliver this prospectus to purchasers and be bound by applicable provisions of the registration rights agreement, including some indemnification provisions. In the registration rights agreement we agreed to file a registration statement that includes this prospectus with the Commission by August 2, 2001. We agreed to use our reasonable best efforts to cause this registration statement to become effective as promptly as practicable, but before October 31, 2001. We agreed to keep this registration statement effective until the earliest of (i) two years after the filing date, (ii) the date when all of the securities registered under this registration statement are sold or (iii) the period applicable to the debentures and underlying shares of CD common stock held by non-affiliates under Rule 144(k) under the Securities Act expires. We may suspend the use of this prospectus under limited circumstances, including pending corporate developments or public filings with the Commission, for a period not to exceed 45 days in any 90-day period and 90 days in any 360-day period. We also agreed to pay liquidated damages to holders of the debentures and shares of CD common stock issued upon conversion of the debentures if the registration statement is not timely filed or made effective or if the prospectus is not available for periods in excess of those permitted above. You should refer to the registration rights agreement for a description of those liquidated damages.

**CALCULATIONS IN RESPECT OF DEBENTURES** We are responsible for making all calculations called for under the debentures. These calculations include, but are not limited to, determinations of the market prices of the debentures and of shares of our CD common stock, accrued interest payable on the debentures, the Accreted Value of the debentures and the Accreted Conversion Price of the debentures. We will make all these calculations in good faith and, absent manifest error, our calculations will be final and binding on holders of debentures. We will provide a schedule of our calculations to the Trustee, and the Trustee is entitled to rely upon the accuracy of our calculations without independent verification. The Trustee will forward our calculations to any holder of debentures upon the request of that holder.

**LIMITATIONS OF CLAIMS IN BANKRUPTCY** If a bankruptcy proceeding is commenced in respect of Cendant Corporation, the claim of a holder of debentures is, under Title 11 of the United States Code, limited to the issue price of the debentures plus accrued interest from the date of issue to the commencement of the proceeding.

**GOVERNING LAW** The Indenture and the debentures are governed by, and will be construed in accordance with, the law of the State of New York.

**TRUSTEE** The Bank of New York is the Trustee, registrar, conversion agent and paying agent. If an Event of Default occurs and is continuing, the Trustee will be required to use the degree of care and skill of a prudent man in the conduct of his own affairs. The Trustee will become obligated to exercise any of its powers under the Indenture at the request of any of the holders of any debentures only after those holders have offered the Trustee indemnity reasonably satisfactory to it. If the Trustee becomes one of our creditors, it will be subject to limitations in the Indenture on its rights to obtain payment of claims or to realize on some property received for any such claim, as security or otherwise. The Trustee is permitted to engage in other transactions with us. If, however, it acquires any conflicting interest, it must eliminate that conflict or resign.

**FORM, EXCHANGE, REGISTRATION AND TRANSFER** The debentures were originally issued in registered form, without interest coupons. We will not charge a service charge for any registration of transfer or exchange of the debentures. We may, however, require the payment of any tax or other governmental charge payable for that registration. debentures will be exchangeable for other debentures, for the same total principal amount and for the same terms but in different authorized denominations in accordance with the Indenture.

**29** Holders may present debentures for registration of transfer at the office of the security registrar or any transfer agent we designate. The security registrar or transfer agent will effect the transfer or exchange when it is satisfied with the documents of title and identity of the person making the request. We have appointed the Trustee as security registrar for the debentures. We may at any time rescind that designation or approve a change in the location through which any registrar acts. We are required to maintain an office or agency for transfers and exchanges in each place of payment. We may at any time designate additional registrars for the debentures. In the case of any redemption, the security registrar will not be required to register the transfer or exchange of any debentures either: - during a period beginning 15 business days prior to the mailing of the relevant notice of redemption and ending on the close of business on the day of mailing of the notice, or - if the debentures have been called for redemption in whole or in part, except the unredeemed portion of any debentures being redeemed in part.

**PAYMENT AND PAYING AGENTS** Payments on the debentures will be made in U.S. dollars at the office of the Trustee. At our option, however, we may make

payments by check mailed to the holder's registered address or, with respect to global debentures, by wire transfer. We will make interest payments to the person in whose name the debentures is registered at the close of business on the record date for the interest payment. The Trustee will be designated as our paying agent for payments on debentures. We may at any time designate additional paying agents or rescind the designation of any paying agent or approve a change in the office through which any paying agent acts. Subject to the requirements of any applicable abandoned property laws, the Trustee and paying agent shall pay to us upon written request any money held by them for payments on the debentures that remain unclaimed for two years after the date upon which that payment has become due. After payment to us, holders entitled to the money must look to us for payment. In that case, all liability of the Trustee or paying agent with respect to that money will cease. **NOTICES** Except as otherwise described herein, notice to registered holders of the debentures will be given by mail to the addresses as they appear in the security register. Notices will be deemed to have been given on the date of such mailing. **REPLACEMENT OF DEBENTURES** We will replace any debentures that become mutilated, destroyed, stolen or lost at the expense of the holder upon delivery to the Trustee of the mutilated debentures or evidence of the loss, theft or destruction satisfactory to us and the Trustee. In the case of a lost, stolen or destroyed debentures, indemnity satisfactory to the Trustee and us may be required at the expense of the holder of the debentures before a replacement note will be issued. **PAYMENT OF STAMP AND OTHER TAXES** We will pay all stamp and other duties, if any, which may be imposed by the United States or any political subdivision thereof or taxing authority thereof or therein with respect to the issuance of the debentures. We will not be required to make any payment with respect to any other tax, 30 assessment or governmental charge imposed by any government or any political subdivision thereof or taxing authority thereof or therein. **BOOK-ENTRY SYSTEM** The debentures are represented by one or more global securities. Each global security was deposited with, or on behalf of, DTC and registered in the name of a nominee of DTC. Except under circumstances described below, the debentures will not be issued in definitive form. Upon the issuance of a global security, DTC will credit on its book-entry registration and transfer system the accounts of persons designated by the initial purchaser with the respective principal amounts of the debentures represented by the global security. Ownership of beneficial interests in a global security will be limited to persons that have accounts with DTC or its nominee ("participants") or persons that may hold interests through participants. Ownership of beneficial interests in a global security will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of persons other than participants). The laws of some states require that some purchasers of securities take physical delivery of the securities in definitive form. Such limits and such laws may impair the ability to transfer beneficial interests in a global security. So long as DTC or its nominee is the registered owner of a global security, DTC or its nominee, as the case may be, will be considered the sole owner or holder of the debentures represented by that global security for all purposes under the Indenture. Except as provided below, owners of beneficial interests in a global security will not be entitled to have debentures represented by that global security registered in their names, will not receive or be entitled to receive physical delivery of debentures in definitive form and will not be considered the owners or holders thereof under the Indenture. Principal and interest payments, if any, on debentures registered in the name of DTC or its nominee will be made to DTC or its nominee, as the case may be, as the registered owner of the relevant global security. Neither Cendant, the Trustee, any paying agent or the registrar for the debentures will have any responsibility or liability for any aspect of the records relating to nor payments made on account of beneficial interests in a global security or for maintaining, supervising or reviewing any records relating to such beneficial interests. We expect that DTC or its nominee, upon receipt of any payment of principal or interest, if any, will credit immediately participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant global security as shown on the records of DTC or its nominee. We also expect that payments by participants to owners of beneficial interests in a global security held through these participants will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of the participants. If DTC is at any time unwilling or unable to continue as a depository and a successor depository is not appointed by us within 90 days, we will issue debentures in definitive form in exchange for the entire global security for the debentures. In addition, we may at any time and in our sole discretion determine not to have the debentures represented by a global security and, in such event, will issue debentures in definitive form in exchange for the entire global security relating to the debentures. In any such instance, an owner of a beneficial interest in a global security will be entitled to physical delivery in definitive form of debentures represented by the global security equal



in principal amount to the beneficial interest and to have the debentures registered in its name. debentures so issued in definitive form will be issued as registered debentures in denominations of \$1,000 and integral multiples thereof, unless otherwise specified by us.

**31 DESCRIPTION OF CD COMMON STOCK** The following description of Cendant's CD common stock does not purport to be complete and is subject to, and qualified in its entirety by reference to, the more complete descriptions thereof set forth in our Amended and Restated Certificate of Incorporation (the "Certificate") and Amended and Restated By-laws (the "By-laws"). We are authorized to issue up to 2,000,000,000 shares of CD common stock, par value \$.01 per share. As of June 30, 2001, there were 857,074,916 shares of CD common stock outstanding.

**GENERAL** In March 2000, our outstanding common stock was reclassified as CD common stock, and we created a series of common stock designated as Move.com common stock. The Move.com common stock was designed to track the value of our Move.com Group, and the CD common stock represents our interests in the remainder of our business and our interest in Move.com Group. No shares of Move.com common stock are outstanding. For a description of the terms of our CD common stock, see "Summary Comparison of Terms of Existing Common Stock with Terms of CD Common Stock and Move.com Common Stock" in the Proxy Statement dated February 10, 2000, which is incorporated by reference herein. Subject to the rights of the holders of any shares of our preferred stock which may at the time be outstanding, holders of CD common stock are entitled to such dividends as the Board of Directors may declare out of funds legally available therefor. The holders of CD common stock will possess exclusive voting rights in us, except to the extent the Board of Directors specifies voting power with respect to any preferred stock issued. Except as hereinafter described, holders of CD common stock are entitled to one vote for each share of CD common stock, but will not have any right to cumulate votes in the election of directors. In the event of liquidation, dissolution or winding up of Cendant, the holders of CD common stock are entitled to receive, after payment of all of our debts and liabilities and of all sums to which holders of any preferred stock may be entitled, the distribution of any remaining assets of Cendant. Holders of the CD common stock will not be entitled to preemptive rights with respect to any shares which may be issued. Any shares of CD common stock sold hereunder will be fully paid and non-assessable upon issuance against full payment of the purchase price therefor. The CD common stock is listed on the New York Stock Exchange under the symbol "CD."

**CERTAIN PROVISIONS** The provisions of the Certificate and By-Laws which are summarized below may be deemed to have an anti-takeover effect and may delay, defer or prevent a tender offer or takeover attempt that a stockholder might consider in such stockholder's best interest, including those attempts that might result in a premium over the market price for the shares held by stockholders.

**CLASSIFIED BOARD** The Board of Directors is divided into three classes that are elected for staggered three-year terms. A director may be removed by the stockholders without cause only by the affirmative vote of the holders, voting as a single class, of 80% or more of the total number of votes entitled to be cast by all holders of the voting stock, which shall include all capital stock of Cendant which by its terms may vote on all matters submitted to stockholders of Cendant generally.

**32 COMMITTEES OF THE BOARD OF DIRECTORS** Pursuant to the Certificate, the Board of Directors' authority to designate committees shall be subject to the provisions of the By-Laws. The Board of Directors may designate one or more directors as alternate members of any committee to fill any vacancy on the committee and to fill a vacant chairmanship of a committee occurring as a result of a member or chairman leaving the committee, whether through death, resignation, removal or otherwise. Pursuant to the By-Laws, the Board of Directors shall have the following committees:

**EXECUTIVE COMMITTEE.** An Executive Committee that shall consist of not less than three directors elected by a majority vote of the Board of Directors.

**COMPENSATION COMMITTEE.** A Compensation Committee consisting of not less than three directors elected by a majority vote of the Board of Directors.

**AUDIT COMMITTEE.** An Audit Committee consisting of not less than four directors elected by a majority vote of the Board of Directors.

**NEWLY CREATED DIRECTORSHIPS AND VACANCIES** Newly created directorships resulting from any increase in the number of directors and any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause shall be filled solely by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board of Directors. Any directors elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the class of directors in which the new directorship was created or the vacancy occurred and until such director's successor shall have been elected and qualified. No decrease in the number of directors constituting the Board of directors shall shorten the term of any incumbent director.

**SPECIAL MEETINGS OF STOCKHOLDERS** A special meeting of stockholders may be called only by the Chairman of the Board of Directors, the President or the Board of Directors pursuant to a resolution approved by a majority of the entire Board of

**Directors. QUORUM AT STOCKHOLDER MEETINGS** The holders of one-third of the shares entitled to vote at any meeting of the stockholders, present in person or by proxy, shall constitute a quorum at all stockholder meetings.

**STOCKHOLDER ACTION BY WRITTEN CONSENT** Stockholder action by written consent in lieu of a meeting is prohibited under the Certificate. As a result, stockholder action can be taken only at an annual or special meeting of stockholders. This prevents the holders of a majority of the outstanding voting stock of Cendant from using the written consent procedure to take stockholder action without giving all the stockholders of Cendant entitled to vote on a proposed action the opportunity to participate in determining the proposed action.

**ADVANCE NOTICE OF STOCKHOLDER--PROPOSED BUSINESS AT ANNUAL MEETINGS** The By-Laws provide that for business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of Cendant. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of Cendant not less than 60 days nor more than 90 days prior to the meeting; provided, however, that in the event that less than 70 days' notice or prior public 33 disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be so received not later than the close of business on the tenth day following the date on which such notice of the date of the annual meeting was mailed or such public disclosure was made. A stockholder's notice to the Secretary must set forth as to each matter the stockholder proposes to bring before the annual meeting: (i) a brief description of the business desired to be brought before the annual meeting, (ii) the name and address, as they appear on Cendant's books, of the stockholder proposing such business, (iii) the class and number of shares of Cendant which are beneficially owned by the stockholder, and (iv) any material interest of the stockholder in such business. In addition, the By-Laws provide that for a stockholder to properly nominate a director at a meeting of stockholders, the stockholder must have given timely notice thereof in writing to the Secretary of Cendant. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of Cendant (i) in the case of an annual meeting, at least 90 days prior to the date of the last annual meeting of Cendant stockholders and (ii) with respect to a special meeting of stockholders, the close of business on the 10th day following the date on which notice of such meeting is first given to stockholders. Such stockholder's notice to the Secretary must set forth: (i) the name and address of the stockholder who intends to make the nomination and of the person or persons to be nominated, (ii) a representation that the stockholder is holder of record of common stock and intends to appear in person or by proxy at the meeting to nominate each such nominee, (iii) a description of all arrangements between such stockholder and each nominee, (iv) such other information with respect to each nominee as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Commission, and (v) the consent of each nominee to serve as director of the Company if so elected.

**FAIR PRICE PROVISIONS** Under the Delaware General Corporation Law and the Certificate, an agreement of merger, sale, lease or exchange of all or substantially all of Cendant's assets must be approved by the Board of Directors and adopted by the holders of a majority of the outstanding shares of stock entitled to vote thereon. However, the Certificate includes what generally is referred to as a "fair price provision," which requires the affirmative vote of the holders of at least 80% of the outstanding shares of capital stock entitled to vote generally in the election of Cendant's directors, voting together as a single class, to approve certain business combination transactions (including certain mergers, recapitalization and the issuance or transfer of securities of Cendant or a subsidiary having an aggregate fair market value of \$10 million or more) involving Cendant or a subsidiary and an owner or any affiliate of an owner of 5% or more of the outstanding shares of capital stock entitled to vote, unless either (i) such business combination is approved by a majority of disinterested directors, or (ii) the shareholders receive a "fair price" for their securities and certain other procedural requirements are met. The Certificate provides that this provision may not be repealed or amended in any respect except by the affirmative vote of the holders of not less than 80% of the outstanding shares of capital stock entitled to vote generally in the election of directors.

**34 CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES** This discussion describes the material United States federal income tax consequences to holders of debentures. It applies to you only if you hold your debentures as capital assets for United States federal income tax purposes. This section does not apply to you if you are a member of a class of holders subject to special rules, such as: - a dealer in securities or currencies, - a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings, - a bank, - a life insurance company, - a tax-exempt organization, - a person treated as a partnership for United States federal income tax purposes, - a person that owns debentures that are a hedge or that are hedged against interest rate risks, - a person that owns debentures as part of a straddle or conversion transaction for United States federal income tax purposes, or - a person whose functional currency for United States federal income

tax purposes is not the U.S. dollar. The summary below does not address all of the tax consequences that may be relevant to a holder of the debentures. In particular, it does not address: - the U. S. federal estate, gift or alternative minimum tax consequences of the purchase, ownership or disposition of the debentures, - state, local or foreign tax consequences of the purchase, ownership or disposition of the debentures, or - federal (except in respect of Non-U.S. Holders (as defined below)), state, local or foreign tax consequences of owning or disposing of our CD common stock. Accordingly, you should consult your tax advisor regarding the tax consequences of purchasing, owning and disposing of the debentures and our CD common stock in light of your own circumstances. If a partnership holds the debentures, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner in a partnership holding the debentures, you should consult your tax advisors. This discussion is based on the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations under the Internal Revenue Code, published rulings and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis. No statutory, administrative or judicial authority directly addresses the treatment of the debentures or instruments similar to the debentures for United States federal income tax purposes. No rulings have been sought or are expected to be sought from the Internal Revenue Service (the "IRS") with respect to any of the United States federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. As a result, no assurance can be given that the IRS will agree with the tax characterizations and the tax consequences described below. 35 We urge prospective investors to consult their tax advisors with respect to the tax consequences to them of the purchase, ownership and disposition of the debentures and shares of our CD common stock in light of their own particular circumstances, including the tax consequences under state, local, foreign and other tax laws and the possible effects of changes in United States federal or other tax laws. CLASSIFICATION OF THE DEBENTURES Pursuant to the terms of the Indenture, each holder of the debentures agreed for United States federal income tax purposes, to treat the debentures as indebtedness for United States federal income tax purposes subject to the regulations governing contingent payment debt instruments and to be bound by our application of those regulations to the debentures, including our determination of the rate at which interest will be deemed to accrue on the debentures for United States federal income tax purposes. The remainder of this discussion assumes that the debentures will be treated in accordance with that agreement and our determinations. However, the proper application of the regulations governing contingent payment debt instruments to a holder of debentures is uncertain in a number of respects, and no assurance can be given that the IRS will not assert that the debentures should be treated differently or that such an assertion would not prevail. Such treatment could affect the amount, timing and character of income, gain or loss in respect of an investment in the debentures. In particular, it might be determined that a holder should have accrued interest income at a lower rate, should not have recognized income or gain upon the conversion, and should have recognized capital gain upon a taxable disposition of its debentures. U.S. HOLDERS This discussion applies to U.S. Holders. You are a U.S. holder if you are a beneficial owner of a debenture and you are, for United States federal income tax purposes: - a citizen or resident of the United States, - a domestic corporation, - an estate whose income is subject to United States federal income tax regardless of its source, or - a trust if a United States court can exercise primary supervision over the trust's administration and one or more United States persons are authorized to control all substantial decisions of the trust. You are a Non-U.S. Holder, and should see "Treatment of Non-U.S. Holders" below, if you are a beneficial owner of a debenture and you are, for United States federal income tax purposes: - a nonresident alien individual, - a foreign corporation, or - a foreign estate or trust that is not subject to United States federal income taxation on its worldwide income. Under the rules governing contingent payment debt obligations, a U.S. Holder generally will be required to accrue interest income on the debentures, in the amounts described below, regardless of whether the U.S. Holder uses the cash or accrual method of tax accounting. Accordingly, U.S. Holders would likely be required to include interest in taxable income in each year in excess of the accruals on the debentures for non-tax purposes and in excess of any contingent interest payments actually received in that year. 36 A U.S. Holder must accrue an amount of original issue discount as ordinary income for United States federal income tax purposes, for each accrual period prior to and including the maturity date of the debentures that equals: - the product of (i) the adjusted issue price (as defined below) of the debentures as of the beginning of the accrual period; and (ii) the comparable yield to maturity (as defined below) of the debentures, adjusted for the length of the accrual period; - divided by the number of days in the accrual period; and - multiplied by the number of days during the accrual period that the U.S. Holder held the debentures. The issue price of a debenture is the first price at which a substantial amount of the debentures is sold to the public, excluding bond

houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers. The adjusted issue price of a debenture is its issue price increased by any interest income previously accrued, determined without regard to any adjustments to interest accruals described below and decreased by the projected amounts of any payments with respect to the debentures. Under the rules governing contingent payment debt obligations, we are required to establish the "comparable yield" for the debentures. We have determined that the comparable yield for the debentures is the annual yield we would incur, as of the initial issue date, on a fixed rate nonconvertible debt security with no contingent payments, but with terms and conditions otherwise comparable to those of the debentures including the level of subordination, term, timing of payments and general market conditions, but excluding any adjustments for liquidity or the riskiness of the contingencies with respect to the debentures. Accordingly, we have determined the comparable yield to be 9.2% compounded semi-annually. We are required to provide to U.S. Holders, solely for United States federal income tax purposes, a schedule of the projected amounts of payments on the debentures. This schedule must produce the comparable yield. Our determination of the projected payment schedule for the debentures includes estimates for payments of contingent interest and an estimate for a payment at maturity taking into account the conversion feature. U.S. Holders may obtain the projected payment schedule by submitting a written request for it to: Cendant at the address set forth in "Incorporation of Documents by Reference." THE COMPARABLE YIELD AND THE SCHEDULE OF PROJECTED PAYMENTS ARE NOT DETERMINED FOR ANY PURPOSE OTHER THAN FOR THE DETERMINATION OF A U.S. HOLDER'S INTEREST ACCRUALS AND ADJUSTMENTS THEREOF IN RESPECT OF THE DEBENTURES FOR UNITED STATES FEDERAL INCOME TAX PURPOSES AND DO NOT CONSTITUTE A PROJECTION OR REPRESENTATION REGARDING THE ACTUAL AMOUNTS PAYABLE TO U.S. HOLDERS OF THE DEBENTURES. ADJUSTMENTS TO INTEREST ACCRUALS ON THE DEBENTURES If a U.S. Holder receives actual payments with respect to the debentures in a taxable year that in the aggregate exceed the total amount of projected payments for that taxable year, the U.S. Holder would incur a "net positive adjustment" equal to the amount of such excess. The U.S. Holder would treat the "net positive adjustment" as additional interest income for the taxable year. For this purpose, the payments in a taxable year include the fair market value of property received in that year. If a U.S. Holder receives actual payments with respect to the debentures in a taxable year that in the aggregate are less than the amount of the projected payments for that taxable year, the U.S. 37 Holder would incur a "net negative adjustment" equal to the amount of such deficit. This adjustment will (a) reduce the U.S. Holder's interest income on the debentures for that taxable year, and (b) to the extent of any excess after the application of (a), give rise to an ordinary loss to the extent of the U.S. Holder's interest income on the debentures during prior taxable years, reduced to the extent such interest was offset by prior net negative adjustments. SALE, EXCHANGE, CONVERSION OR REDEMPTION Generally, the sale or exchange of a debenture, or the redemption of a debenture for cash, will result in taxable gain or loss to a U.S. Holder. In addition, as described above, our calculation of the comparable yield and the schedule of projected payments for the debentures includes the receipt of stock upon conversion of a debenture into our CD common stock as a contingent payment with respect to the debentures. Accordingly, we intend to treat the receipt of our CD common stock by a U.S. Holder upon the conversion of a debenture, or upon the redemption of a debenture where we elect to pay in our CD common stock, as a contingent payment. As described above, holders are generally bound by our determination of the comparable yield and the schedule of projected payments. Under this treatment, a sale or exchange, or such a conversion or redemption, also will result in taxable gain or loss to the U.S. Holder. The amount of gain or loss on a taxable sale, exchange, conversion or redemption will equal the difference between (a) the amount of cash plus the fair market value of any other property received by the U.S. Holder, including the fair market value of any shares of our CD common stock received, and (b) the U.S. Holder's adjusted tax basis in the debentures. A U.S. Holder's adjusted tax basis in a debenture generally will equal the U.S. Holder's original purchase price for the debentures, increased by any original issue discount previously accrued by the U.S. Holder (determined without regard to any positive or negative adjustments to interest accruals described above), and decreased by the amount of any projected payments on the debentures. Gain recognized upon a sale, exchange, conversion or redemption of a debenture generally will be treated as ordinary interest income; any loss will be ordinary loss to the extent of interest previously included in income, and thereafter, capital loss (which will be long-term if the debenture is held for more than one year). The deductibility of net capital losses is subject to limitations. A U.S. Holder's tax basis in our CD common stock received upon a conversion of a debenture or upon a holder's exercise of a put right that we elect to pay in CD common stock will equal the then current fair market value

of such CD common stock. The U.S. Holder's holding period for the CD common stock received will commence on the day after the date of conversion or redemption. PURCHASERS OF DEBENTURES AT A PRICE OTHER THAN THE ADJUSTED ISSUE PRICE A U.S. Holder that purchases debentures in the secondary market for an amount that differs from the adjusted issue price of the debentures at the time of purchase will be required to accrue interest income on the debentures in the same manner as a U.S. Holder that purchased debentures in the initial offering. A U.S. Holder must also reasonably determine whether the difference between the purchase price of the debentures and the adjusted issue price of the debentures is attributable to a change in interest rates since the debentures were issued, a change in expectations as to the contingent amounts potentially payable in respect of the debentures, or both, and allocate the difference accordingly. To the extent that the difference is attributable to a change in interest rates, it must be allocated to the daily portions of interest over the remaining term of the debentures. To the extent that the difference is attributable to a change in expectations as to the contingent amounts potentially payable in respect of the debentures, it must be reasonably allocated to the remaining projected contingent payments under the debentures. The amount of the difference allocated to a daily portion of interest or to a projected payment is treated as an adjustment on the day the daily portion accrues or the payment is made, respectively. If the purchase price of the debentures was greater than the adjusted issue price, an adjustment will be a "negative adjustment," and if the purchase price was less than the adjusted issue price, an adjustment will be a "positive adjustment." Any such negative or positive adjustment will decrease or increase, respectively, the U.S. Holder's adjusted tax basis in the debentures. Certain U.S. Holders will receive Forms 1099-OID that report interest accruals on their debentures. Those forms will not reflect the effect of any positive or negative adjustments resulting from the U.S. Holder's purchase of debentures in the secondary market at a price different from adjusted issue price of the debentures on the date of purchase. U.S. Holders are urged to consult their tax advisors as to whether, and how, such adjustments should be taken into account in determining their interest accruals with regard to the debentures.

**CONSTRUCTIVE DIVIDENDS** If at any time we make a distribution of property to our stockholders that would be taxable to the stockholders as a dividend for United States federal income tax purposes and, in accordance with the anti-dilution provisions of the debentures, the exchange rate of the debentures is increased, such increase may be deemed to be the payment of a taxable dividend to holders of the debentures. For example, an increase in the exchange rate in the event of distribution of our evidence of indebtedness or our assets or an increase in the event of an extraordinary cash dividend will generally result in deemed dividend treatment to holders of the debentures, but generally an increase in the event of stock dividends or the distribution of rights to subscribe for our CD common stock will not.

**TREATMENT OF NON-U.S. HOLDERS** The rules governing United States federal income taxation of Non-U.S. Holders are complex and no attempt will be made in this prospectus to provide more than a summary of such rules. Non-U.S. Holders should consult with their tax advisors to determine the effect of United States federal, state, local and foreign income tax laws, as well as treaties, with regard to an investment in the debentures and shares of our CD common stock, including any reporting requirements.

**PAYMENTS MADE WITH RESPECT TO THE DEBENTURES** The 30% United States federal withholding tax will not apply to any payment to a Non-U.S. Holder of principal or interest (including amounts taken into income as interest under the accrual rules described above under "--U.S. Holders" and amounts attributable to our CD common stock received upon a conversion of the debentures) on debentures, provided that: (i) the Non-U.S. Holder does not own, actually or constructively, 10% or more of the total combined voting power of our CD common stock, (ii) the Non-U.S. Holder is not a controlled foreign corporation related, directly or indirectly, to us through stock ownership; (iii) the Non-U.S. Holder is not a bank which acquired the debentures in consideration for an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business; (iv) our CD common stock is actively traded within the meaning of Section 871(h)(4)(C)(v)(I) of the Internal Revenue Code; and (v) either (a) the beneficial owner of debentures certifies to us or our paying agent on IRS Form W-8BEN, under penalties or perjury, that it is not a United States person and provides its name, address and certain other information or (B) the beneficial owner holds its debentures through certain foreign intermediaries or certain foreign partnerships and such holder satisfies certain certification requirements. If the Non-U.S. Holder cannot satisfy the requirements described above, payments of interest (including amounts taken into income under the accrual rules described above under "--U.S. Holder" and amounts attributable to our CD common stock received upon a conversion of the debentures) will be subject to the 30% United States federal withholding tax unless the Non-U.S. Holder provides us with a properly executed (1) IRS Form W-8BEN (or successor form) claiming an exemption from or reduction in withholding under an applicable tax treaty or (2) IRS Form W-8ECI (or successor form) stating that interest paid on the debentures is not subject to

withholding tax because it is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States. If a Non-U.S. Holder of the debentures is engaged in a trade or business in the United States, and if interest on the debentures is effectively connected with the conduct of such trade or business, the Non-U.S. Holder, although exempt from the withholding tax discussed in the preceding paragraphs, will generally be subject to regular United States federal income tax on interest and on any gain realized on the sale or exchange of the debentures in the same manner as if it were a U.S. Holder. Such a Non-U.S. Holder will be required to provide to the withholding agent a properly executed IRS Form W-8ECI (or successor form) in order to claim an exemption from withholding tax. In addition, if such a Non-U.S. Holder is a foreign corporation, such Non-U.S. Holder may be subject to a branch profits tax equal to 30% (or such lower tax rate provided by an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

**SALE OR EXCHANGE OF DEBENTURES OR COMMON STOCK** A Non-U.S. Holder generally will not be subject to United States federal income or withholding tax with respect to gain upon the sale, exchange or other disposition (other than a conversion or a redemption) of the debentures or shares of our CD common stock, unless: (1) the income or gain is "U.S. trade or business income," which means income or gain that is effectively connected with the conduct by the Non-U.S. Holder of a trade or business, or, in the case of a treaty resident, attributable to a permanent establishment or a fixed base, in the United States; (2) such Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of disposition and certain other conditions are met; (3) such Non-U.S. Holder is subject to tax pursuant to the provisions of the Internal Revenue Code applicable to certain United States expatriates; or (4) in the case of an amount which is attributable to original issue discount, the Non-U.S. Holder does not meet the conditions for exemption from United States federal withholding tax described above. U.S. trade or business income of a Non-U.S. Holder will generally be subject to regular United States federal income tax in the same manner as if it were realized by a U.S. Holder. Non-U.S. Holders that realize U.S. trade or business income with respect of the debentures or CD common stock should consult their tax advisors as to the treatment of such income or gain. In addition, U.S. trade or business income of a Non-U.S. Holder that is a corporation may be subject to a branch profits tax at a rate of 30%, or such lower rate provided by an applicable income tax treaty.

**BACK-UP WITHHOLDING AND INFORMATION REPORTING** U.S. HOLDERS Payments of interest or dividends made by us on, or the proceeds of the sale or other disposition of, the debentures or shares of our CD common stock may be subject to information reporting and United States federal backup withholding tax at the rate then in effect if the recipient of such payment fails to supply an accurate taxpayer identification number or otherwise fails to comply with applicable United States information reporting or certification requirements. Any amount withheld from a payment to a U.S. Holder under the backup withholding rules is allowable as a credit against the holder's United States federal income tax, provided that the required information is furnished to the IRS.

**40 NON-U.S. HOLDERS** A Non-U.S. Holder may be required to comply with certification procedures to establish that the holder is not a U.S. person in order to avoid backup withholding tax requirements with respect to our payments of principal and interest, including cash payments in respect of original issue discount on the debentures, or the proceeds of the sale or other disposition of the debentures. In addition, we must report annually to the IRS and to each Non-U.S. Holder the amount of any dividends paid to, and the tax withheld with respect to, such holder, regardless of whether any tax was actually withheld. Copies of these information returns may also be made available under the provisions of a specific treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides.

**TAX EVENT** The modification of the terms of the debentures by us upon a Tax Event could possibly alter the timing of income recognition by the holders with respect to the payments of interest due after the option exercise date.

**THE PROPER TAX TREATMENT OF A HOLDER OF DEBENTURES IS HIGHLY UNCERTAIN IN A NUMBER OF RESPECTS. HOLDERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE UNITED STATES FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF AN INVESTMENT IN THE DEBENTURES AND WHETHER AN INVESTMENT IN THE DEBENTURES IS ADVISABLE IN LIGHT OF THE AGREED UPON TAX TREATMENT AND THE HOLDER'S PARTICULAR TAX SITUATION.**

**41 SELLING SECURITYHOLDERS** The debentures were originally issued by us and sold by Goldman, Sachs & Co. (the "Initial Purchaser") in transactions exempt from the registration requirements of the Securities Act to persons reasonably believed by the Initial Purchaser to be "qualified institutional buyers" as defined by Rule 144A under the Securities Act. The selling securityholders may from time to time offer and sell pursuant to this prospectus any or all of the debentures listed below and the shares of CD common stock issued upon purchase by us, or conversion, of such debentures. When we refer to the "selling securityholders" in

this prospectus, we mean those persons listed in the table below, as well as the pledgees, donees, assignees, transferees, successors and others who later hold any of the selling securityholders' interests. The table below sets forth the name of each selling securityholder, the principal amount at maturity of debentures that each selling securityholder may offer pursuant to this prospectus and the number of shares of CD common stock into which such debentures are convertible. Unless set forth below, to our knowledge, none of the selling securityholders has, or within the past three years has had, any material relationship with us or our predecessors or affiliates or beneficially arms in excess of 1% of the outstanding CD common stock. The principal amounts of the debentures provided in the table below is based on information provided to us by each of the selling securityholders as of , 2001, and the percentages are based on \$1,000,000,000 aggregate principal amount at maturity of debentures outstanding. The number of shares of CD common stock that may be sold is based on the current conversion rate of 39.0755 shares of CD common stock per \$1,000 principal amount at maturity of debentures. Since the date on which the selling securityholders provided this information, each selling securityholder identified below may have sold, transferred or otherwise disposed of all or a portion of their debentures in a transaction exempt from the registration requirements of the Securities Act. Information concerning the selling securityholders may change from time to time and any changed information will be set forth in supplements to this prospectus to the extent required. In addition, the conversion ratio, and therefore the number of shares of our CD common stock issuable upon conversion of the debentures, is subject to adjustment. Accordingly, the number of shares of CD common stock issuable upon conversion of the debentures may increase or decrease. The selling securityholders may from time to time offer and sell any or all of the securities under this prospectus. Because the selling securityholders are not obligated to sell the debentures or shares of CD common stock issuable upon conversion of the debentures, we cannot estimate the amount of debentures or how many shares of CD common stock that the selling securityholders will hold upon consummation of any such sales.

NAME THAT MAY BE SOLD	OUTSTANDING	SOLD(1)	OUTSTANDING(2)	-----	-----
-----	-----	-----	-----	-----	-----
-----	\$ %	\$ %	All other holders of debentures or future transferees, pledgees, donees, assignees or successors of any such holders (3)(4)	\$ % %	-----
<b>Total</b>	<b>\$1,000,000,000</b>	<b>100.00%</b>	<b>39,075,500</b>	<b>4.559%</b>	<b>=====</b>

===== (1) Assumes conversion of all of the holder's debentures at a conversion rate of 39.0755 shares of CD common stock per \$1,000 principal amount at maturity of the debentures. This conversion 42 rate is subject to adjustment, however, as described under "Description of Debentures--Conversion Rights". As a result, the number of shares of CD common stock issuable upon conversion of the debentures may increase or decrease in the future. Does not include shares of CD common stock that may be issued by us upon purchase of the debentures by us at the option of the holder. (2) Calculated based on Rule 13d-3(d)(i) of the Exchange Act, using 857,074,916 shares of CD common stock outstanding as of June 30, 2001. In calculating this amount for each holder, we treated as outstanding the number of shares of CD common stock issuable upon conversion of all that holder's debentures, but we did not assume conversion of any other holder's debentures. Does not include shares of CD common stock that may be issued by us upon purchase of the debentures by us at the option of the holder. (3) Information about other selling securityholders will be set forth in prospectus supplements, if required. (4) Assumes that any other holders of the debentures, or any future pledgees, donees, assignees, transferees or successors of or from any other such holders of the debentures, do not beneficially own any shares of CD common stock other than the CD common stock issuable upon conversion of the debentures at the initial conversion rate.

PLAN OF DISTRIBUTION  
The selling securityholders will be offering and selling all of the securities offered and sold under this prospectus. We will not receive any of the proceeds from the offering of the debentures or the shares of CD common stock by the selling securityholders. In connection with the initial offering of the debentures, we entered into a registration rights agreement dated May 4, 2001 with the initial purchaser of the debentures. Securities may only be offered or sold under this prospectus pursuant to the terms of the registration rights agreement. However, selling securityholders may resell all of a portion of the securities in open market transactions in reliance upon Rule 144 or Rule 144A under the Securities Act, provided they meet the criteria and conform to the requirements of one of these rules. We are registering the debentures and shares of CD common stock covered by this prospectus to permit holders to conduct public secondary trading of these securities from time to time after the date of this prospectus. We have agreed, among other things, to bear all expenses, other than underwriting discounts and selling commissions, in connection with the

registration and sale of the debentures and the shares of CD common stock covered by this prospectus. We have been advised by the selling securityholders that the selling securityholders may sell all or a portion of the debentures and shares of CD common stock beneficially owned by them and offered hereby from time to time: - directly; or - through underwriters, broker-dealers or agents, who may receive compensation in the form of discounts, commissions or concessions from the selling securityholders and/or from the purchasers of the debentures and shares of CD common stock for whom they may act as agent. The debentures and the shares of CD common stock may be sold from time to time in one or more transactions at: - fixed prices, which may be changed; - prevailing market prices at the time of sale; - varying prices determined at the time of sale; or - negotiated prices. <sup>43</sup> These prices will be determined by the holders of the securities or by agreement between these holders and underwriters or dealers who may receive fees or commissions in connection with the sale. The aggregate proceeds to the selling securityholders from the sale of the debentures or shares of CD common stock offered by them hereby will be the purchase price of the debentures or shares of CD common stock less discounts and commissions, if any. The sales described in the preceding paragraph may be effected in transactions: - on any national securities exchange or quotation service on which the debentures or shares of CD common stock may be listed or quoted at the time of sale, including the New York Stock Exchange in the case of the shares of CD common stock; - in the over-the counter market; - in transactions otherwise than on such exchanges or services or in the over-the-counter market; or - through the writing of options. These transactions may include block transactions or crosses. Crosses are transactions in which the same broker acts as an agent on both sides of the trade. In connection with sales of the debentures and shares of CD common stock or otherwise, the selling securityholders may enter into hedging transactions with broker-dealers. These broker-dealers may in turn engage in short sales of the debentures and shares of CD common stock in the course of hedging their positions. The selling securityholders may also sell the debentures and shares of CD common stock short and deliver the debentures and shares of CD common stock to close out short positions, or loan or pledge the debentures and shares of CD common stock to broker-dealers that in turn may sell the debentures and shares of CD common stock. To our knowledge, there are currently no plans, arrangements or understandings between any selling securityholders and any underwriter, broker-dealer or agent regarding the sale of the debentures and the shares of CD common stock by the selling securityholders. Selling securityholders may not sell any, or may not sell all, of the debentures and the shares of CD common stock offered by them pursuant to this prospectus. In addition, we cannot assure you that a selling securityholder will not transfer, devise or gift the debentures and the shares of CD common stock by other means not described in this prospectus. In addition, any securities covered by this prospectus which qualify for sale pursuant to Rule 144 or Rule 144A of the Securities Act may be sold under Rule 144 or Rule 144A rather than pursuant to this prospectus. The outstanding shares of CD common stock are listed for trading on the New York Stock Exchange. The selling securityholders and any broker and any broker-dealers, agents or underwriters that participate with the selling securityholders in the distribution of the debentures or the shares of CD common stock may be deemed to be "underwriters" within the meaning of the Securities Act. In this case, any commissions received by these broker-dealers, agents or underwriters and any profit on the resale of the debentures or the shares of CD common stock purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. In addition, any profits realized by the selling securityholders may be deemed to be underwriting commissions under the Securities Act. To the extent the selling securityholders may be deemed to be underwriters, the selling securityholders may be subject to statutory liabilities, including, but not limited to, liability under Sections 11, 12 and 17 of the Securities Act and Rule 10b-5 under the Exchange Act. <sup>44</sup> Because the selling securityholders may be deemed to be underwriters within the meaning of Section 2(11) of the Securities Act, they will be subject to the prospectus delivery requirements of the Securities Act. At any time a particular offer of the securities is made, a revised prospectus or prospectus supplement, if required, will be distributed which will disclose: - the name of the selling securityholders and any participating underwriters, broker-dealers or agents; - the aggregate amount and type of securities being offered; - the price at which the securities were sold and other material terms of the offering; - any discounts, commissions, concessions or other items constituting compensation from the selling securityholders and any discounts, commissions or concessions allowed or reallocated or paid to dealers; and - that the participating broker-dealers did not conduct any investigation to verify the information in this prospectus or incorporated in this prospectus by reference. The prospectus supplement or a post-effective amendment will be filed with the Securities and Exchange Commission to reflect the disclosure of additional information with respect to the distribution of the securities. In addition, if we receive notice from a selling securityholder that a donee or pledgee intends to sell more



than 500 shares of our CD common stock, a supplement to this prospectus will be filed. The debentures were issued and sold in May 2001 in transactions exempt from the registration requirements of the Securities Act to persons reasonably believed by the Initial Purchaser to be "qualified institutional buyers," as defined in Rule 144A under the Securities Act. Pursuant to the registration rights agreement, we have agreed to indemnify the Initial Purchaser and each selling securityholder, and each selling securityholder has agreed to indemnify us, our directors, our officers who sign the registration statement to which this prospectus relates and each person, if any, who controls Cendant within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, against specified liabilities arising under the Securities Act. The selling securityholders and any other person participating in such distribution will be subject to the Exchange Act. The Exchange Act rules include, without limitation, Regulation M, which may limit the timing of purchases and sales of any of the debentures and the underlying shares of CD common stock by the selling securityholders and any such other person. In addition, Regulation M of the Exchange Act may restrict the ability of any person engaged in the distribution of the debentures and the underlying shares of CD common stock to engage in market-making activities with respect to the particular debentures and the underlying shares of CD common stock being distributed for a period of up to five business days prior to the commencement of distribution. This may affect the marketability of the debentures and the underlying shares of CD common stock and the ability of any person or entity to engage in market-making activities with respect to the debentures and the underlying shares of CD common stock. Under the registration rights agreement, we are obligated to use our reasonable efforts to keep the registration statement of which this prospectus is a part effective until the earlier of: - two years after the last date of original issuance of any of the debentures; - the date when the holders of the debentures and the shares of CD common stock issuable upon conversion of the debentures are able to sell all such securities immediately without restriction pursuant to the volume limitation provisions of Rule 144 under the Securities Act; and 45 - the date when all of the debentures and the shares of CD common stock issuable upon conversion of the debentures registered under this registration statement are sold. Our obligation to keep the registration statement to which this prospectus relates effective is subject to specified, permitted exceptions set forth in the registration rights agreement. In these cases, we may prohibit offers and sales of the debentures and shares of CD common stock pursuant to the registration statement to which this prospectus relates. We may suspend the use of this prospectus if we learn of any event that causes this prospectus to include an untrue statement of a material fact required to be stated in the prospectus or necessary to make the statements in the prospectus not misleading in light of the circumstances then existing. If this type of event occurs, a prospectus supplement or post-effective amendment, if required, will be distributed to each selling securityholder. Each selling securityholder has agreed not to trade securities from the time the selling securityholder receives notice from us of this type of event until the selling securityholder receives a prospectus supplement or amendment. This time period will not exceed 45 days in any 90-day period or 90 days in a 360-day period. **LEGAL MATTERS** Certain legal matters with respect to the debentures will be passed upon for us by Eric J. Bock, Esq., Senior Vice President, Law and Secretary of Cendant. Mr. Bock holds shares of CD common stock and options to acquire shares of CD common stock. Skadden, Arps, Slate, Meagher & Flom LLP, New York, New York has advised us as to certain tax matters relating to the debentures. **EXPERTS** Our financial statements incorporated in this prospectus by reference from our Annual Report on Form 10-K/A for the year ended December 31, 2000 have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report (which expresses an unqualified opinion and includes explanatory paragraphs relating to the change in certain revenue recognition policies regarding the recognition of non-refundable one-time fees and pro rata refundable subscription revenue and the restatement of the financial statements to reflect the individual membership business as part of continuing operations as discussed in Note 1), which is incorporated herein by reference, and have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing. **WHERE YOU CAN FIND MORE INFORMATION** Cendant is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy and information statements and other information with the Commission. Such reports, proxy statements and other information can be inspected and copied at prescribed rates at the public reference facilities maintained by the Commission at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the following Regional Offices of the Commission: Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, IL 60661 and 7 World Trade Center, 13th Floor, New York, New York 10048. The Commission also maintains a website that contains reports, proxy and information statements and other information. Please call the Commission at 1-800-SEC-0330 for further information on the public reference

rooms. The website address is In addition, such material can be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005. 46 PART II INFORMATION NOT REQUIRED IN PROSPECTUS ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION Cendant is paying all of the selling securityholders' expenses related to this offering, except the selling securityholders will pay any applicable broker's commissions and expenses. The following table sets forth the approximate amount of fees and expenses payable by Cendant in connection with this Registration Statement and the distribution of the debentures and shares of CD common stock registered hereby. All of the amounts shown are estimates except the Securities and Exchange Commission registration fee. Securities and Exchange Commission Registration Fee..... \$255,900 Transfer Agents, Trustees and Depository's Fees and Expenses..... Printing and Engraving Fees and Expenses..... \*\* Accounting Fees and Expenses..... \*\* Legal Fees..... \*\* Miscellaneous..... \*\* ----- Total..... \*\* ===== ----- \*\* To be filed by amendment. ITEM 15.

INDEMNIFICATION OF DIRECTORS AND OFFICERS Section 102 of the General Corporation Law of the State of Delaware allows a corporation to eliminate the personal liability of directors to a corporation or its stockholders for monetary damages for a breach of a fiduciary duty as a director, except where the director breached his duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase or redemption in violation of Delaware corporate law or obtained an improper personal benefit. Section 145 of the Delaware General Corporation Law empowers a Delaware corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of such corporation) by reason of the fact that such person is or was a director, officer, employee or agent of such corporation, or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise. The indemnity may include expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, provided that such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. A Delaware corporation may indemnify directors, officers, employees and other agents of such corporation in an action by or in the right of a corporation under the same conditions against expenses (including attorney's fees) actually and reasonably incurred by the person in connection with the defense and settlement of such action or suit, except that no indemnification is permitted without judicial approval if the person to be indemnified has been adjudged to be liable to the corporation. Where a present or former director or officer of the corporation is successful on the merits or otherwise in the defense of any action, suit or proceeding referred to above or in defense of any claim, issue or matter therein, the corporation must indemnify such person against the expenses (including attorneys' fees) which he or she actually and reasonably incurred in connection therewith. Section 174 of the General Corporation Law of the State of Delaware provides, among other things, that a director who willfully or negligently approves of an unlawful payment of dividends or an unlawful stock purchase or redemption, may be held liable for such actions. A director who was either absent when the unlawful actions were approved or dissented at the time, may avoid liability II-1 by causing his or her dissent to such actions to be entered into the books containing the minutes of the meetings of the board of directors at the time such action occurred or immediately after such absent director receives notice of the unlawful acts. The Registrant's By-Laws contain provisions that provide for indemnification of officers and directors and their heirs and distributees to the full extent permitted by, and in the manner permissible under, the General Corporation Law of the State of Delaware. As permitted by Section 102(b)(7) of the General Corporation Law of the State of Delaware, the Registrant's Amended and Restated Certificate of Incorporation contains a provision eliminating the personal liability of a director to the Registrant or its stockholders for monetary damages for breach of fiduciary duty as a director, subject to some exceptions. Cendant Corporation maintains, at its expense, a policy of insurance which insures its directors and officers, subject to exclusions and deductions as are usual in these kinds of insurance policies, against specified liabilities which may be incurred in those capacities. ITEM 16. EXHIBITS The following is a list of all exhibits filed as a part of this registration statement on Form S-3, including those incorporated in this registration statement by reference. EXHIBIT NUMBER DESCRIPTION OF EXHIBITS -----  
----- 3.1 Amended and Restated Certificate of Incorporation of Cendant Corporation (incorporated by

reference to Exhibit 3.1 to the Registrant's Quarterly Report on Form 10-Q/A for the quarterly period ended March 31, 2000, dated July 28, 2000. 3.2 Amended and Restated By-Laws of Cendant Corporation (incorporated by reference to Exhibit 3.2 to the Registrant's Quarterly Report on Form 10-Q/A for the quarterly period ended March 31, 2000, dated July 28, 2000. 4.1 Indenture dated as of May 4, 2001 between Cendant Corporation and the Bank of New York, as trustee (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K dated May 10, 2001, filed on May 11, 2001). 4.2 Form of Zero-Coupon Convertible Debenture (included in Exhibit 4.1). 4.3 Registration Rights Agreement dated as of May 4, 2001, between Cendant Corporation and Goldman, Sachs & Co. 5.1 Opinion of Eric J. Bock, Esq. 8.1 Opinion of Skadden, Arps, Slate, Meagher & Flom LLP as to certain U.S. federal income tax matters. 12.1 Statement re: Computation of Ratio of Earnings to Fixed Charges (incorporated by reference to Exhibit 12 to the Registrant's Annual Report on Form 10-K/A dated July 2, 2001, filed on July 3, 2001). 12.2 Statement re: Computation of Ratio of Earnings to Fixed Charges (incorporated by reference to Exhibit 12 to the Registrant's Quarterly Report on Form 10-Q/A filed on July 3, 2001). 23.1 Consent of Deloitte & Touche LLP, Independent Auditors, relating to Cendant Corporation. 23.2 Consent of Deloitte & Touche LLP, Independent Auditors, relating to Avis Group Holdings, Inc. 23.3 Consent of KPMG LLP, Independent Auditors, relating to Galileo International, Inc. 23.4 Consent of Eric J. Bock, Esq. (included in Exhibit 5.1). 23.5 Consent of Skadden, Arps, Slate, Meagher & Flom LLP (included in Exhibit 8.1). 24.1 Power of Attorney (included on signature page of the Registration Statement). 25.1 A Statement of Eligibility on Form T-1 under the Trust Indenture Act of 1939, as amended, of The Bank of New York, trustee under the indenture. II-2 ITEM 17. UNDERTAKINGS The undersigned Registrant hereby undertakes: 1. To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement: (a) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933, as amended; (b) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Securities and Exchange Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement; and (c) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement; provided, however, that paragraphs (1)(a) and (1)(b) shall not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Securities and Exchange Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Registration Statement. (2) That, for the purpose of determining any liability under the Securities Act of 1933, as amended, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering. The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, as amended, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act of 1933, as amended, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by

controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933, as amended, and will be governed by the final adjudication of such issue. II-3 SIGNATURES Pursuant to the requirements of the Securities Act of 1933, Cendant Corporation has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, in the State of New York on July 20, 2001. CENDANT CORPORATION By /s/ JAMES E. BUCKMAN ----- Name: James E. Buckman Title: Vice Chairman and General Counsel Each person whose signature appears below hereby constitutes and appoints each of Eric J. Bock and James E. Buckman, or either of them, each acting alone, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) under the Securities Act and to sign any instrument, contract, document or other writing of or in connection with the Registration Statement and any amendments and supplements thereto (including post-effective amendments) and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, each acting alone, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof. Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities indicated on July 20, 2001.

SIGNATURES TITLE ----- /s/ HENRY R. SILVERMAN Chairman of the Board of Directors,  
----- President, Chief Executive Officer and Henry R. Silverman Director /s/ JAMES E. BUCKMAN Vice Chairman, General Counsel and Director ----- James E. Buckman  
/s/ STEPHEN P. HOLMES Vice Chairman and Director ----- Stephen P. Holmes /s/ KEVIN M. SHEEHAN Senior Executive Vice President and Chief ----- Financial Officer (Principal Financial Officer) /s/ TOBIA IPPOLITO Executive Vice President, Finance and Chief ----- Accounting Officer Tobia Ippolito II-4 SIGNATURES TITLE -----  
---- /s/ MYRA J. BIBLOWIT Director ----- Myra J. Biblowit /s/ WILLIAM S. COHEN Director ----- The Honorable William S. Cohen /s/ LEONARD S. COLEMAN Director ----- Leonard S. Coleman /s/ MARTIN L. EDELMAN Director ----- Martin L. Edelman Director ----- Dr. John C. Malone /s/ CHERYL D. MILLS Director ----- Cheryl D. Mills /s/ BRIAN MULRONEY Director ----- The Rt. Hon. Brian Mulroney, P.C., LL.D. /s/ ROBERT E. NEDERLANDER Director ----- Robert E. Nederlander /s/ ROBERT W. PITTMAN Director ----- Robert W. Pittman /s/ SHELI Z. ROSENBERG Director ----- Sheli Z. Rosenberg /s/ ROBERT F. SMITH Director ----- Robert F. Smith II-5 EXHIBIT INDEX EXHIBIT NUMBER DESCRIPTION OF EXHIBITS ----- 3.1 Amended and Restated Certificate of Incorporation of Cendant Corporation (incorporated by reference to Exhibit 3.1 to the Registrant's Quarterly Report on Form 10-Q/A for the quarterly period ended March 31, 2000, dated July 28, 2000. 3.2 Amended and Restated By-Laws of Cendant Corporation (incorporated by reference to Exhibit 3.2 to the Registrant's Quarterly Report on Form 10-Q/A for the quarterly period ended March 31, 2000, dated July 28, 2000. 4.1 Indenture dated as of May 4, 2001 between Cendant Corporation and the Bank of New York, as trustee (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K dated May 10, 2001, filed on May 11, 2001). 4.2 Form of Zero-Coupon Convertible Debenture (included in Exhibit 4.1). 4.3 Registration Rights Agreement dated as of May 4, 2001, between Cendant Corporation and Goldman, Sachs & Co. 5.1 Opinion of Eric J. Bock, Esq. 8.1 Opinion of Skadden, Arps, Slate, Meagher & Flom LLP as to certain U.S. federal income tax matters. 12.1 Statement re: Computation of Ratio of Earnings to Fixed Charges (incorporated by reference to Exhibit 12 to the Registrant's Annual Report on Form 10-K/A dated July 2, 2001, filed on July 3, 2001). 12.2 Statement re: Computation of Ratio of Earnings to Fixed Charges (incorporated by reference to Exhibit 12 to the Registrant's Quarterly Report on Form 10-Q/A filed on July 3, 2001). 23.1 Consent of Deloitte & Touche LLP, Independent Auditors, relating to Cendant Corporation. 23.2 Consent of Deloitte & Touche LLP, Independent Auditors, relating to Avis Group Holdings, Inc. 23.3 Consent of KPMG LLP, Independent

Auditors, relating to Galileo International, Inc. 23.4 Consent of Eric J. Bock, Esq. (including in Exhibit 5.1). 23.5 Consent of Skadden, Arps, Slate, Meagher & Flom LLP (included in Exhibit 8.1). 24.1 Power of Attorney (included on signature page of the Registration Statement). 25.1 A Statement of Eligibility on Form T-1 under the Trust Indenture Act of 1939, as amended, of The Bank of New York, trustee under the indenture.