

AVIS LEASING CORP  
Form S-4  
April 03, 2007

As Filed with the Securities and Exchange Commission on April 3, 2007

Registration Statement No. 333-

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

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**FORM S-4**  
**REGISTRATION STATEMENT**

*UNDER*  
*THE SECURITIES ACT OF 1933*

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**AVIS BUDGET GROUP, INC.**

\*And the Issuers and additional Guarantors listed below

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**7510**  
(Primary Standard Industrial  
Classification Code Number)  
**6 Sylvan Way**

**06-0918165**  
(I.R.S. Employer  
Identification No.)

**Parsippany, NJ 07054**

**(973) 496-4700**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**David B. Wyshner**

**Executive Vice President, Chief Financial Officer and Treasurer**

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Avis Budget Group, Inc.

6 Sylvan Way

Parsippany, NJ 07054

(973) 496-4700

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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*Copies of all communications to:*

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Skadden, Arps, Slate, Meagher & Flom LLP

4 Times Square

New York, New York 10036

(212) 735-3000

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**Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.**

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

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**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities to be Registered</b>	<b>Amount to Be Registered</b>	<b>Proposed Maximum Offering Price Per Unit</b>	<b>Proposed Maximum Aggregate Offering Price(1)</b>	<b>Amount of Registration Fee</b>
Floating Rate Senior Notes Due 2014	\$ 250,000,000	100%	\$ 250,000,000	\$ 7,675.00
7.625% Senior Notes Due 2014	\$ 375,000,000	100%	\$ 375,000,000	\$ 11,512.50
7.75% Senior Notes Due 2016	\$ 375,000,000	100%	\$ 375,000,000	\$ 11,512.50
Guarantees related to the Floating Rate Senior Notes Due 2014, the 7.625% Senior Notes Due 2014 and the 7.75% Senior Notes Due 2016	N/A	N/A	N/A	N/A(2)
<b>Total</b>	<b>\$ 1,000,000,000</b>	<b>100%</b>	<b>\$ 1,000,000,000</b>	<b>\$ 30,700</b>

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- (1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(f) promulgated under the Securities Act of 1933, as amended.
- (2) Pursuant to Rule 457(n) under the Securities Act of 1933, no separate registration fee will be paid in respect of the guarantees.

**The Registrants hereby amend this registration statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to Section 8(a), may determine.**

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**TABLE OF ADDITIONAL REGISTRANTS**

<b>Name of Additional Registrant*</b>	<b>State or Other Jurisdiction of Incorporation or Formation</b>	<b>Primary Standard Industrial Classification Code Number</b>	<b>I.R.S Employer Identification Number</b>
<b>Issuers</b>			
Avis Budget Car Rental, LLC	Delaware	7510	22-3475741
Avis Budget Finance, Inc.	Delaware	7510	20-4542671
<b>Guarantors</b>			
Avis Budget Holdings, LLC	Delaware	7510	20-4542614
Avis Asia and Pacific, Limited	Delaware	7510	11-2850373
Avis Car Rental Group, LLC	Delaware	7510	22-2732926
Avis Caribbean, Limited	Delaware	7510	11-2850374
Avis Enterprises, Inc.	Delaware	7510	11-2631886
Avis Group Holdings, LLC	Delaware	7510	11-3347585
Avis International, Ltd.	Delaware	7510	11-2411667
Avis Leasing Corporation	Delaware	7510	11-3102377
Avis Rent A Car System, LLC	Delaware	7510	11-1998661
PF Claims Management, Ltd.	Delaware	7510	11-2850723
AB Car Rental Services Inc. (f/k/a Cendant Car Rental Operations Support, Inc.)	Delaware	7510	20-0447089
Wizard Co., Inc.	Delaware	7510	11-2814383
ARACS LLC	Delaware	7510	22-3834931
Avis Operations, LLC	Delaware	7510	22-3846340
BGI Leasing, Inc.	Delaware	7510	68-0515335
Budget Rent A Car System, Inc.	Delaware	7510	42-1553246
Budget Truck Rental LLC	Delaware	7510	20-3251037

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\* Addresses and telephone numbers of principal executive offices are the same as those of Avis Budget Group, Inc.

The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell, and it is not soliciting an offer to buy, these securities in any jurisdiction where the offer or sale thereof is not permitted.

Subject to Completion, Dated April 3, 2007

PRELIMINARY PROSPECTUS

## AVIS BUDGET GROUP, INC.

and Certain of its Subsidiaries, as Guarantors

AVIS BUDGET CAR RENTAL, LLC

and

AVIS BUDGET FINANCE, INC.,

as Issuers

### OFFER TO EXCHANGE

\$250 million aggregate principal amount of Floating Rate Senior Notes due 2014 CUSIP Nos. 053773AG2 and U05375AC1, ISIN Nos. US053773AG22 and USU05375AC13 (which we refer to as the Floating Rate Restricted Notes )

*for*

\$250 million aggregate principal amount of Floating Rate Senior Notes due 2014 (which we refer to as the Floating Rate Exchange Notes and, together with the Floating Rate Restricted Notes, the Floating Rate Notes ) which have been registered under the Securities Act of 1933, as amended (the Securities Act ),

\$375 million aggregate principal amount of 7.625% Senior Notes due 2014 CUSIP Nos. 053773AA5 and U05375AA5, ISIN Nos. US053773AA51 and USU05375AA56 (which we refer to as the 7.625% Restricted Notes )

*for*

\$375 million aggregate principal amount of 7.625% Senior Notes due 2014 (which we refer to as the 7.625% Exchange Notes and, together with the 7.625% Restricted Notes, the 7.625% Notes ) which have been registered under the Securities Act,

and

\$375 million aggregate principal amount of 7.75% Senior Notes due 2016 CUSIP Nos. 053773AB3 and U05375AB3, ISIN Nos. US053773AB35 and USU05375AB30 (which we refer to as the 7.75% Restricted Notes )

*for*

\$375 million aggregate principal amount of 7.75% Senior Notes due 2016 (which we refer to as the 7.75% Exchange Notes and, together with the 7.75% Restricted Notes, the 7.75% Notes ) which have been registered under the Securities Act of 1933.

We refer to the Floating Rate Exchange Notes, the 7.625% Exchange Notes and the 7.75% Exchange Notes collectively as the Exchange Notes; to the Floating Rate Restricted Notes, the 7.625% Restricted Notes and the 7.75% Restricted Notes collectively as the Restricted Notes; and to the Exchange Notes and the Restricted Notes collectively as the notes.

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The exchange offer will expire at 5:00 p.m., New York City time, on \_\_\_\_\_, 2007, unless we extend the exchange offer in our sole and absolute discretion.

Terms of the exchange offer:

We will exchange Exchange Notes for all outstanding Restricted Notes that are validly tendered and not withdrawn prior to the expiration or termination of the exchange offer.

You may withdraw tenders of Restricted Notes at any time prior to the expiration or termination of the exchange offer.

The terms of the Exchange Notes are substantially identical to those of the outstanding Restricted Notes, except that the transfer restrictions, registration rights and additional interest provisions relating to the Restricted Notes do not apply to the Exchange Notes.

The exchange of Restricted Notes for Exchange Notes will not be a taxable transaction for United States federal income tax purposes, but you should see the discussion under the caption **Material United States Federal Income Tax Considerations** for more information.

We will not receive any proceeds from the exchange offer.

We issued the Restricted Notes in a transaction not requiring registration under the Securities Act and, as a result, their transfer is restricted. We are making the exchange offer to satisfy your registration rights, as a holder of the Restricted Notes. Each broker-dealer that receives Exchange Notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes. By so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Notes received in exchange for Restricted Notes where such Restricted Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of up to 180 days after the closing of this exchange offer, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See **Plan of Distribution**.

There is no established trading market for the Exchange Notes, although the Restricted Notes currently trade on the PORTAL Market.

**See Risk Factors beginning on page 13 for a discussion of risks you should consider prior to tendering your outstanding Restricted Notes for exchange.**

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

The date of this prospectus is \_\_\_\_\_, 2007.

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## SUMMARY

*This summary highlights the information contained elsewhere in this prospectus. Because this is only a summary, it does not contain all of the information that may be important to you. For a more complete understanding of this exchange offer, we encourage you to read this entire prospectus. You should read the following summary together with the more detailed information and consolidated financial statements and the notes to those statements included elsewhere in this prospectus.*

*Except as expressly indicated or unless the context otherwise requires, the Company, Avis Budget, Avis Budget Group, we, our or us refer to Avis Budget Group, Inc., a Delaware corporation, and its subsidiaries, Avis Budget Car Rental or ABCR refers to Avis Budget Car Rental, LLC, a Delaware limited liability company, and its subsidiaries, the companies that comprise our vehicle rental operations, Issuers refers to ABCR and Avis Budget Finance, Inc., a Delaware corporation, Subsidiary Guarantors refers to certain of ABCR's subsidiaries that guarantee the notes, Parent Guarantor refers to ABCR's direct parent company, Avis Budget Holdings, LLC, a Delaware limited liability company, and Guarantors refers to the Avis Budget Group, the Parent Guarantor and the Subsidiary Guarantors. Avis and Budget refer to our Avis and Budget operations, respectively, and exclude the operations of Avis Europe and its affiliates, as further discussed below.*

### **Our Company**

We operate two of the most recognized brands in the global vehicle rental industry through Avis Rent A Car System, LLC (Avis) and Budget Rent A Car System, Inc. (Budget). Avis is a leading rental car supplier to the premium commercial and leisure segments of the travel industry and Budget is a leading rental car supplier to the price-conscious segments of the industry. We believe we are the largest general-use vehicle rental operator in each of North America, Australia, New Zealand and certain other regions we serve, based on total revenue. We maintain the leading share of airport car rental revenue and we believe we operate the second largest consumer truck rental business in the United States based on available information.

Our car rental operations generate significant benefits from operating two distinctive brands that target different industry segments but share the same fleet, maintenance facilities, systems, technology and administrative infrastructure. We believe that Avis and Budget both enjoy complementary demand patterns with mid-week commercial demand balanced by weekend leisure demand. For 2006, our vehicle rental operations generated revenues of \$5,628 million. The Avis, Budget and Budget Truck brands accounted for approximately 61%, 31% and 8% of our vehicle rental revenue, respectively, in 2006.

Our operations have an extended global reach that includes approximately 6,700 car and truck rental locations in the United States, Canada, Australia, New Zealand, Latin America, the Caribbean and parts of the Pacific region. On average, our rental fleet totaled more than 410,000 vehicles, and we completed more than 28 million vehicle rental transactions worldwide in 2006. Domestically, we derived approximately 81% of our nearly \$4.0 billion in car rental revenue from on-airport locations in 2006 and approximately 19% of our domestic car rental revenue from off-airport locations, which we refer to as the local rental segment. In 2006, we significantly expanded our presence in the local segment and plan to continue this expansion in 2007. We rent our fleet of approximately 30,500 Budget trucks through a network of approximately 2,400 dealer operated, 210 company operated and 100 franchisee operated locations throughout the continental United States. We also license the use of the Avis and Budget trademarks to multiple licensees in areas in which we do not operate. The Avis and/or Budget vehicle rental systems in Europe, Africa, the Middle East and parts of Asia are operated at approximately 3,700 locations by subsidiaries and sub-licensees of an independent third party primarily under virtually royalty-free trademark license agreements.



Following the completion of the Cendant Separation, discussed in detail below, we categorize our operations in three operating segments: domestic car rental, consisting of our Avis and Budget U.S. car rental operations; international car rental, consisting of our international Avis and Budget car rental operations; and truck rental, consisting of our Budget truck rental operations. In 2006:

our domestic car rental business generated approximately 89 million rental days and time and mileage revenue per day of \$40.01 with an average rental fleet of approximately 329,350 vehicles;

our international car rental business generated approximately 14 million rental days and time and mileage revenue per day of \$39.61 with an average rental fleet of 53,310 vehicles; and

our truck rental business generated approximately 4.6 million rental days and time and mileage revenue per day of \$86.28 with an average rental fleet of approximately 30,500 trucks.

For 2007, our objective is to enhance growth, profitability and our position as a leader in the vehicle rental industry. We expect to achieve our goals by focusing our efforts on the following core strategic initiatives:

*Optimizing Our Two-Brand Strategy.* We plan to continue to position our two distinct and well-recognized brands to capture different segments of customer demand. With Avis as a premium brand preferred by corporate and upscale leisure travelers and Budget as a value brand preferred by cost-conscious travelers, we believe we are able to target a broad range of demand, particularly since the two brands share the same operational and administrative infrastructure while providing differentiated though consistently high levels of customer service. We aim to provide products, service and pricing, and to maintain marketing affiliations and corporate account contracts, which complement each brand's positioning. In addition, we use various marketing channels as appropriate to each of our brands and seek to continue to grow the volume of reservations that we generate through our [avis.com](http://avis.com) and [budget.com](http://budget.com) websites, which are among our least-expensive sources of advance bookings.

*Expanding Our Revenue Sources.* We plan to expand the revenues we generate from sources beyond on-airport time and mileage rental fees. We seek to grow off-airport revenue for Avis and Budget by opening new locations and continuing our effort to identify and attract local demand. In particular, we plan to increase our revenues in the insurance replacement sector, in which we have historically had a more limited presence, and we have formed a dedicated local sales team to expand our insurance replacement, local truck rental and off-airport general-use rental volumes. Separately, we look to expand our revenue sources by offering additional products and services to existing on- and off-airport customers, including additional insurance coverages and insurance-related and ancillary products and services, such as our recently launched Where2 GPS navigation product.

*Capturing Incremental Profit Opportunities.* We plan to continue our focus on yield management and pricing optimization, rigorous cost controls and fleet diversification. We are developing technology that will allow us to strengthen our yield management and we have put in place technology to tailor our product/price offerings to specific customer segments. Specifically, we plan to continue to expand our technology that allows Avis and Budget to target customers with rates and prices based on past shopping and rental behavior. With respect to fleet diversification, in an effort to mitigate expected increases in fleet costs, we are seeking to adjust our relationships with vehicle manufacturers by moving to a more balanced multi-supplier model, increasing the risk-vehicle portion of our fleet, lengthening the average hold period, and reducing the average vehicle size and number of options. In addition, we believe the expansion of our revenue sources (discussed above) will permit us to generate incremental profits from our customer base, while at the same time enhancing their vehicle rental experience.

In 2006, we made considerable progress vis-à-vis our strategic objectives. We retained approximately 98% of our commercial contracts at Avis and Budget and, we believe, generated more U.S. rental car reservations

through our own websites than any other company. Budget entered into a marketing alliance with AARP, which is a long-time Avis marketing partner, and grew its award-winning small business program. We opened approximately 200 new off-airport locations in 2006, and off-airport revenues represented 19% of our domestic car rental revenues. We are now an approved or preferred provider for customers of a majority of the largest auto insurance companies in the United States. In 2006, we began offering Where2 GPS navigation system units. In the area of cost management, we have reduced our reliance on individual suppliers, such that our largest fleet supplier in 2007 is expected to represent only 38% of our vehicle purchases, versus 53% in 2005. We are utilizing sophisticated yield-management technology to optimize our pricing, and we continue to analyze and streamline our operations to gain efficiencies. And, most importantly, our more than 30,000 employees continue to provide reliable, high-quality vehicle rental services that foster customer satisfaction and customer loyalty.

### **Company History and Cendant Separation**

We were created through a merger with HFS Incorporated in December 1997 with the resultant corporation being renamed Cendant Corporation. On August 23, 2006, Cendant completed the separation (the Cendant Separation) into four separate companies, one for each of its former Real Estate Services businesses (Realogy Corporation), its former Hospitality Services (including Timeshare Resorts) businesses (Wyndham Worldwide Corporation), its former Travel Distribution Services businesses (Travelport) and its Vehicle Rental businesses (Cendant, now Avis Budget Group). The separation was effected through the pro rata distributions of all of the shares of common stock of Realogy Corporation and Wyndham Worldwide Corporation and the sale of Travelport to an affiliate of The Blackstone Group. In connection with the Cendant Separation, we entered into certain agreements with Realogy, Wyndham and Travelport governing our relationships following the separation, including the assumption by Realogy and Wyndham of 62.5% and 37.5%, respectively, of certain contingent and other liabilities of Cendant. In connection with the Cendant Separation, we also entered into various commercial arrangements with Realogy, Wyndham and Travelport. Following completion of the Cendant Separation, Cendant changed its name to Avis Budget Group, Inc. and our common stock began to trade on the New York Stock Exchange under the symbol CAR. With the completion of the Cendant Separation, Avis Budget Group's operations consist of two of the most recognized brands in the global vehicle rental industry through Avis Budget Car Rental, LLC, the parent of Avis Rent A Car System, LLC, Budget Rent A Car System, Inc. and Budget Truck Rental, LLC.

### **Ownership Structure**

The following diagram depicts the current ownership structure of our company:

Avis Budget Group, Inc. is a Delaware corporation. Avis Budget Car Rental, LLC is a Delaware limited liability company. Avis Budget Finance, Inc. is a Delaware corporation and a wholly-owned subsidiary of Avis Budget Car Rental, LLC that was formed to serve as co-issuer of the notes. Avis Budget Finance, Inc. does not have any material assets.

Our principal executive offices are located at 6 Sylvan Way, Parsippany, New Jersey 07054 and the telephone number at that address is (973) 496-4700. Our website is [www.avisbudgetgroup.com](http://www.avisbudgetgroup.com), and the web sites of Avis and Budget are [www.avis.com](http://www.avis.com) and [www.budget.com](http://www.budget.com), respectively. The foregoing Internet websites are inactive textual references only, meaning that the information contained on the websites is not a part of this prospectus and is not incorporated in this prospectus by reference.

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**SUMMARY DESCRIPTION OF THE EXCHANGE OFFER**

On April 19, 2006, the Issuers completed the private offering of \$250 million aggregate principal amount of Floating Rate Senior Notes due 2014, \$375 million aggregate principal amount of 7.625% Senior Notes due 2014 and \$375 million aggregate principal amount of 7.75% Senior Notes due 2016, which we refer to collectively as the Restricted Notes. As part of that offering, the Issuers, the Parent Guarantor and the Subsidiary Guarantors entered into a registration rights agreement with the initial purchasers of those Restricted Notes, and on February 9, 2007, Avis Budget Group executed a counterpart and became a party to that registration rights agreement. In the registration rights agreement, we agreed, among other things, to deliver a prospectus to you and to complete an exchange offer for the Restricted Notes. Below is a summary of the exchange offer.

Restricted Notes	\$250 million principal amount of Floating Rate Senior Notes due 2014, \$375 million principal amount of 7.625% Senior Notes due 2014 and \$375 million principal amount of 7.75% Senior Notes due 2016.
Exchange Notes	\$250 million principal amount of Floating Rate Senior Notes due 2014, \$375 million principal amount of 7.625% Senior Notes due 2014 and \$375 million principal amount of 7.75% Senior Notes due 2016, the issuance of each of which has been registered under the Securities Act of 1933, as amended (the Securities Act). The form and terms of each series of Exchange Notes are identical in all material respects to those of the applicable Restricted Notes, except that the transfer restrictions, registration rights and additional interest provisions relating to the Restricted Notes do not apply to the Exchange Notes.

Exchange Offer We are offering to issue up to

(i) \$250 million principal amount of the Floating Rate Exchange Notes, in exchange for a like principal amount of the Floating Rate Restricted Notes,

(ii) \$375 million principal amount of the 7.625% Exchange Notes, in exchange for a like principal amount of the 7.625% Restricted Notes,

and

(iii) \$375 million principal amount of the 7.75% Exchange Notes, in exchange for a like principal amount of the 7.75% Restricted Notes,

to satisfy our obligations under the registration rights agreement.

Expiration Date; Tenders The exchange offer will expire at 5:00 p.m., New York City time, on \_\_\_\_\_, 2007, unless extended in our sole and absolute discretion. By tendering your Restricted Notes, you represent to us that:

you are not our affiliate, as defined in Rule 405 under the Securities Act;

you are not engaged in, and do not intend to engage in, and have no arrangement or understanding with any person to participate in, a distribution of the Exchange Notes;

you are acquiring the Exchange Notes in your ordinary course of business;  
and

if you are a broker-dealer, you will receive the Exchange Notes for your own account in exchange for Restricted Notes that were acquired by you as a result of your market-making or other trading activities and that you will deliver a prospectus in connection with any resale of the Exchange Notes you receive. For further information regarding resales of the Exchange Notes by participating broker-dealers, see the discussion under the caption Plan of Distribution.

**Withdrawal** You may withdraw any Restricted Notes tendered in the exchange offer at any time prior to 5:00 p.m., New York City time, on \_\_\_\_\_, 2007.

**Conditions to the Exchange Offer** The exchange offer is subject to customary conditions, which we may waive. See the discussion below under the caption The Exchange Offer Conditions to the Exchange Offer for more information regarding the conditions to the exchange offer.

**Procedures for Tendering the Restricted Notes** Except as described in the section titled The Exchange Offer Procedures for Tendering Restricted Notes, a tendering holder must, on or prior to the expiration date, transmit an agent's message to the exchange agent at the address listed in this prospectus. In order for your tender to be considered valid, the exchange agent must receive a confirmation of book entry transfer of your Restricted Notes into the exchange agent's account at The Depository Trust Company (DTC) prior to the expiration or termination of the exchange offer.

**Special Procedures for Beneficial Owners** If you are a beneficial owner whose Restricted Notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, and you wish to tender your Restricted Notes in the exchange offer, you should promptly contact the person in whose name the Restricted Notes are registered and instruct that person to tender on your behalf. Any registered holder that is a participant in DTC's book-entry transfer facility system may make book-entry delivery of the Restricted Notes by causing DTC to transfer the Restricted Notes into the exchange agent's account.

**Use of Proceeds** We will not receive any proceeds from the exchange offer.

**Exchange Agent** The Bank of Nova Scotia Trust Company of New York is the exchange agent for the exchange offer. You can find the address and telephone number of the exchange agent below under the caption The Exchange Offer Exchange Agent.

**Resales** Based on interpretations by the staff of the SEC, as detailed in a series of no-action letters issued to third parties, we believe that the Exchange Notes issued in the exchange offer may be offered for

resale, resold or otherwise transferred by you without compliance with the registration and prospectus delivery requirements of the Securities Act as long as:

you are acquiring the Exchange Notes in the ordinary course of your business;

you are not participating, do not intend to participate and have no arrangement or understanding with any person to participate, in a distribution of the Exchange Notes; and

you are not an affiliate of ours.

If you are an affiliate of ours, are engaged in or intend to engage in or have any arrangement or understanding with any person to participate in the distribution of the Exchange Notes:

you cannot rely on the applicable interpretations of the staff of the SEC;

you will not be entitled to participate in the exchange offer; and

you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

See the discussion below under the caption **The Exchange Offer** **Consequences of Exchanging or Failing to Exchange Restricted Notes** for more information.

**Broker-Dealer**

Each broker or dealer that receives Exchange Notes for its own account in exchange for Restricted Notes that were acquired as a result of market-making or other trading activities must acknowledge that it will comply with the registration and prospectus delivery requirements of the Securities Act in connection with any offer to resell or other transfer of the Exchange Notes issued in the exchange offer, including the delivery of a prospectus that contains information with respect to any selling holder required by the Securities Act in connection with any resale of the Exchange Notes.

Furthermore, any broker-dealer that acquired any of its Restricted Notes directly from us:

may not rely on the applicable interpretation of the staff of the SEC's position contained in Exxon Capital Holdings Corp., SEC no-action letter (April 13, 1988), Morgan, Stanley & Co. Inc., SEC no-action letter (June 5, 1991) and Shearman & Sterling, SEC no-action letter (July 2, 1993); and

must also be named as a selling bondholder in connection with the registration and prospectus delivery requirements of the Securities Act relating to any resale transaction.



This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Notes received in exchange for Restricted Notes which were received by such broker-dealer as a result of market making activities or other trading activities. We have agreed that for a period of not less than 180 days after the consummation of the exchange offer, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See [Plan of Distribution](#) for more information.

Registration Rights Agreement

When the Restricted Notes were issued in April 2006, the Issuers, the Parent Guarantor and the Subsidiary Guarantors entered into a registration rights agreement with the initial purchasers of the Restricted Notes, and on February 9, 2007, Avis Budget Group executed a counterpart and became a party to that registration rights agreement. Under the terms of the registration rights agreement, we agreed to use our reasonable best efforts to:

file with the SEC and cause to become effective a registration statement relating to an offer to exchange the Restricted Notes for the Exchange Notes;

keep the exchange offer open for not less than 20 business days (or longer if required by applicable law) after the date of notice thereof is mailed to the holders of the Restricted Notes; and

complete the exchange offer within 405 days of the issue date of the Restricted Notes.

If we do not complete the exchange offer (or, if required, the shelf registration statement described below is not declared effective) on or before the date that is 405 days after the issuance of the Restricted Notes, subject to certain exceptions, or if we fail to meet certain other conditions described under [Description of the Exchange Notes - Additional Interest](#), the interest rate borne by the Restricted Notes will increase at a rate of 0.25% per annum every 90 days (but shall not exceed 0.50% per annum) until the condition which gave rise to the additional interest is cured.

Under some circumstances set forth in the registration rights agreement, holders of Restricted Notes, including certain holders who are not permitted to participate in the exchange offer, may require us to file and cause to become effective, a shelf registration statement covering resales of the Restricted Notes by these holders.

A copy of the registration rights agreement is as an exhibit to the registration statement of which this prospectus forms a part. See [Description of the Exchange Notes - Registration Rights](#).



**CONSEQUENCES OF NOT EXCHANGING RESTRICTED NOTES**

If you do not exchange your Restricted Notes in the exchange offer, your Restricted Notes will continue to be subject to the restrictions on transfer currently applicable to the Restricted Notes. In general, you may offer or sell your Restricted Notes only:

if they are registered under the Securities Act and applicable state securities laws;

if they are offered or sold under an exemption from registration under the Securities Act and applicable state securities laws; or

if they are offered or sold in a transaction not subject to the Securities Act and applicable state securities laws.

We do not currently intend to register the Restricted Notes under the Securities Act. Under some circumstances, however, holders of the Restricted Notes, including holders who are not permitted to participate in the exchange offer or who may not freely resell Exchange Notes received in the exchange offer, may require us to file, and to cause to become effective, a shelf registration statement covering resales of Restricted Notes by these holders. For more information regarding the consequences of not tendering your Restricted Notes and our obligation to file a shelf registration statement, see [The Exchange Offer](#) [Consequences of Exchanging or Failing to Exchange Restricted Notes](#) and [Description of the Exchange Notes](#) [Registration Rights](#).

**SUMMARY DESCRIPTION OF THE EXCHANGE NOTES**

*The summary below describes the principal terms of the Exchange Notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The Description of the Exchange Notes section of this prospectus contains a more detailed description of the terms and conditions of the Exchange Notes. As used in this Summary Description of the Exchange Notes section, except as expressly indicated or unless the context otherwise requires, the Company, ABCR, we, us or our means Avis Budget Car Rental, LLC.*

**Issuers** Avis Budget Car Rental, LLC and its wholly-owned subsidiary, Avis Budget Finance, Inc. The Issuers will be jointly and severally liable for all obligations under the Exchange Notes.

*Securities*

**Floating Rate Exchange Notes** \$250,000,000 aggregate principal amount of Floating Rate Senior Notes due 2014 which will bear interest at a rate per annum equal to LIBOR (as defined) plus 2.50%.

**7.625% Exchange Notes** \$375,000,000 aggregate principal amount of 7.625% Senior Notes due 2014.

**7.75% Exchange Notes** \$375,000,000 aggregate principal amount of 7.75% Senior Notes due 2016.

**Maturity** The Floating Rate Exchange Notes: May 15, 2014.  
The 7.625% Exchange Notes: May 15, 2014.

The 7.75% Exchange Notes: May 15, 2016.

**Interest payment dates** The Floating Rate Exchange Notes: February 15, May 15, August 15 and November 15 of each year.

The 7.625% Exchange Notes: May 15 and November 15 of each year.

The 7.75% Exchange Notes: May 15 and November 15 of each year.

**Optional redemption** We may redeem some or all of the Floating Rate Notes at any time on or after May 15, 2008; some or all of the 7.625% Notes on or after May 15, 2010; and some or all of the 7.75% Notes on or after May 15, 2011 at the redemption prices set forth in this prospectus, together with accrued and unpaid interest, if any, to, but not including, the redemption date.

At any time prior to May 15, 2008 for the Floating Rate Notes and prior to May 15, 2009 for the 7.625% Notes and the 7.75% Notes, we may also redeem up to 35% of the original aggregate principal amount of the applicable series of notes using the proceeds of one or more equity offerings at a redemption price (expressed as a percentage of principal amount thereof) of 100% plus the applicable rate of interest per annum on the date on which notice of redemption is given for the Floating Rate Notes, 107.625% for the 7.625% Notes and 107.75% for the 7.75% Notes, in each case together with accrued and unpaid interest, if any, to, but not including, the redemption date.

Mandatory offers to purchase

The occurrence of a change of control will be a triggering event requiring us to offer to purchase all or a portion of the notes at a price equal to 101% of their principal amount, together with accrued and unpaid interest, if any, to, but not including, the date of repurchase.

Certain asset dispositions will be triggering events which may require us to use the proceeds from those asset dispositions to make an offer to purchase the notes at 100% of their principal amount, together with accrued and unpaid interest, if any, to, but not including, the date of purchase, if such proceeds are not otherwise used within the time periods specified herein to, among other things, repay indebtedness of our company or any Restricted Subsidiary, as defined in the indenture governing the notes, (other than disqualified stock or any subordinated obligations of our company or any guarantor), repay indebtedness under our senior credit facility (with a corresponding reduction in commitment) or invest in additional assets related to our business.

Guarantees

The Exchange Notes will be guaranteed on a senior unsecured basis by our indirect parent company, Avis Budget Group, Inc., our direct parent company, Avis Budget Holdings, LLC, and all of our existing and future direct and indirect domestic subsidiaries that guarantee our senior credit facility.

Ranking

The Exchange Notes will be unsecured senior indebtedness of the Issuers, rank equally in right of payment with all existing and future senior indebtedness of the Issuers, and be senior in right of payment to all existing and future subordinated obligations of the Issuers.

Covenants

The indenture governing the notes contains covenants that, among other things, restrict our ability and the ability of our restricted subsidiaries to:

incur, assume or guarantee additional indebtedness;

pay dividends or redeem or repurchase capital stock;

make other restricted payments;

incur liens;

redeem debt that is junior in right of payment to the notes;

sell or otherwise dispose of assets, including capital stock of subsidiaries;

enter into mergers or consolidations;

enter into transactions with affiliates; and

enter into new lines of business.

These covenants will be subject to a number of important exceptions and qualifications. For more details, see Description of the Exchange Notes .



**Risk Factors**

You should carefully consider all of the information contained in this prospectus prior to participating in the exchange offer. In particular, we urge you to carefully consider the information set forth under **Risk Factors** beginning on page 13, for a discussion of risks and uncertainties relating to us, our subsidiaries, our business, the exchange offer and holding the Exchange Notes.

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## RISK FACTORS

*Participating in the exchange offer involves a number of risks. You should consider carefully the following information about these risks, together with the other information included in this prospectus before tendering your Restricted Notes in the exchange offer. Additional risks and uncertainties not presently known to us, or that we currently deem immaterial, may also impair our business operations. We cannot assure you that any of the events discussed in the risk factors below will not occur. If they do, our business, financial condition or results of operations could be materially and adversely affected.*

### **Risks Related to the Exchange Offer and Holding the Exchange Notes**

***We have a substantial amount of debt, which could impair our financial condition and adversely affect our ability to react to changes in our business and fulfill our obligations under the notes.***

As of December 31, 2006, our total debt was approximately \$7.1 billion and we had approximately \$1.2 billion of available borrowing capacity under ABCR's senior secured credit facility.

Our substantial indebtedness could have important consequences to you, including:

making it more difficult for us to satisfy our obligations with respect to the notes;

limiting our ability to borrow additional amounts to fund working capital, capital expenditures, debt service requirements, execution of our business strategy, acquisitions and other purposes;

requiring us to dedicate a substantial portion of our cash flow from operations to pay principal and interest on our debt, which would reduce the funds available to us for other purposes;

making us more vulnerable to adverse changes in general economic, industry and competitive conditions, in government regulation and in our business by limiting our flexibility in planning for, and making it more difficult for us to react quickly to, changing conditions; and

exposing us to risks inherent in interest rate fluctuations because some of our borrowings are at variable rates of interest, which could result in higher interest expenses in the event of increases in interest rates.

See Description of Other Indebtedness and Description of the Exchange Notes .

***Despite our current indebtedness levels, we may still be able to incur substantially more debt. This could further exacerbate the risks associated with our substantial indebtedness.***

Subject to specified limitations, the indenture governing the notes limits, but does not prohibit, us from incurring additional indebtedness in the future. As of December 31, 2006, ABCR's senior secured credit facility provided us commitments for additional borrowings of up to \$1.2 billion, in the aggregate. All of those borrowings would be secured and the lenders under ABCR's senior secured credit facility would have a prior claim to the assets that secure such indebtedness. The subsidiaries that guarantee the notes also are guarantors under ABCR's senior secured credit facility. In addition, if we incur any additional unsecured indebtedness that ranks equally with the notes, the holders of that debt will be entitled to share ratably with you in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up of us. If new debt is added to our current debt levels, the risks described above in the previous risk factor could intensify. See Description of the Exchange Notes and Description of Other Indebtedness .

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***Restrictive covenants in agreements and instruments governing our debt, including the indenture governing the notes, may adversely affect our ability to operate our business.***

The indenture governing the notes and the agreement governing ABCR's senior secured credit facility contain, and our future debt instruments may contain, various provisions that limit our ability to, among other things:

incur additional debt;

provide guarantees in respect of obligations of other persons;

issue redeemable stock and preferred stock;

pay dividends or distributions or redeem or repurchase capital stock;

prepay, redeem or repurchase debt;

make loans, investments and capital expenditures;

incur liens;

make distributions from our subsidiaries;

sell assets and capital stock of our subsidiaries; and

consolidate or merge with or into, or sell substantially all of our assets to, another person.

***The notes and the guarantees are unsecured and effectively rank behind our existing and future secured creditors to the extent of the value of the collateral securing their claims, including lenders under ABCR's senior secured credit facility, and holders of the guarantors existing and future secured indebtedness have a prior claim on our assets that secure such indebtedness.***

Holders of our secured indebtedness have claims that are prior to your claims as holders of the notes to the extent of the value of the assets securing such indebtedness. The Issuers, the Parent Guarantor and the Subsidiary Guarantors are party to a senior secured credit facility, which is secured by a significant portion of our assets, including a pledge of all of ABCR's capital stock and the capital stock of all of ABCR's direct and indirect subsidiaries (limited, in the case of foreign subsidiaries, to 66% of the capital stock of the first tier foreign subsidiaries and excluding securitization subsidiaries). In the event of any distribution or payment of our assets in any foreclosure, dissolution, winding-up, liquidation, reorganization or other bankruptcy proceeding, holders of our secured indebtedness will have prior claim to our assets that constitute their collateral. Holders of the notes will participate ratably with all holders of our unsecured indebtedness that is deemed to be of the same class as the notes. In that event, because the notes and the guarantees will not be secured by any of our assets, it is possible that our remaining assets might be insufficient to satisfy your claims in full.

In addition, the restrictive covenants in ABCR's senior secured credit facility requires ABCR to maintain specified financial ratios and satisfy other financial condition tests. Our ability to meet those financial ratios and tests can be affected by events beyond our control, and we may be unable to meet those tests. A breach of any of these covenants could result in a default under ABCR's senior secured credit facility. Upon the occurrence of an event of default under ABCR's senior secured credit facility, the lenders could elect to declare all amounts outstanding under ABCR's senior secured credit facility to be immediately due and payable and terminate all commitments to extend further credit. If we were

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unable to repay those amounts, the lenders under ABCR's senior secured credit facility could proceed against the collateral granted to them to secure that indebtedness.

As of December 31, 2006, the aggregate amount of our secured indebtedness, on a consolidated basis, was approximately \$6.1 billion, and approximately \$1.2 billion was available for additional borrowing under ABCR's senior secured credit facility. We will be permitted to borrow substantial additional secured indebtedness in the future under the terms of the indenture governing the notes. See Description of the Exchange Notes .



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***We will require a significant amount of cash to service all of our indebtedness, including the notes, and our ability to generate sufficient cash depends on many factors, some of which are beyond our control.***

Our ability to make payments on and refinance our debt, including the notes, will depend on our ability to generate cash flow in the future. To some extent, this is subject to prevailing economic and competitive conditions and to certain financial, business and other factors, some of which are beyond our control. Our business may not generate cash flow from operations at levels sufficient to permit us to pay principal, premium, if any, and interest on our indebtedness, and our cash needs may increase. If we are unable to generate sufficient cash flow from operations to service our debt and meet our other cash needs, we may be forced to reduce or delay capital expenditures, sell assets or operations, seek additional capital or restructure or refinance our indebtedness, including the notes. We may not be able to take any of these actions. We may not be able to refinance our debt or sell additional debt or equity securities or our assets on favorable terms, if at all, particularly because of our anticipated high levels of debt and the restrictions imposed by the agreement governing ABCR's senior secured credit facility and the indenture governing the notes on our ability to incur additional debt and use the proceeds from asset sales. If we must sell our assets, it may negatively affect our ability to generate revenue. The inability to obtain additional financing could have a material adverse effect on our financial condition and on our ability to meet our obligations to you under the notes.

If we cannot make scheduled payments on our debt, we would be in default and, as a result:

our debt holders could declare all outstanding principal and interest to be due and payable;

the lenders under ABCR's senior secured credit facility could terminate their commitments to lend us money and foreclose against the assets securing their borrowings; and

we could be forced into bankruptcy or liquidation, which could result in you losing your investment in the notes.

***We may not be able to repurchase the notes upon a change of control.***

Upon the occurrence of specific kinds of change of control events, ABCR will be required to offer to repurchase all outstanding notes at 101% of their principal amount, plus any accrued and unpaid interest. ABCR may not be able to repurchase the notes upon a change of control because ABCR may not have sufficient funds. Further, ABCR may be contractually restricted under the terms of its senior secured credit facility or other future senior indebtedness from repurchasing all of the notes tendered by holders upon a change of control. Accordingly, ABCR may not be able to satisfy its obligations to purchase your notes unless ACRR is able to refinance or obtain waivers under its senior secured credit facility. ABCR's failure to repurchase the notes upon a change of control would cause a default under the indenture and a cross-default under ABCR's senior secured credit facility.

***Federal and state statutes could allow courts, under specific circumstances, to void the guarantees and require note holders to return payments received from the guarantors.***

Under the federal bankruptcy law and comparable provisions of state fraudulent transfer laws, a guarantee could be voided or claims in respect of a guarantee could be subordinated to all other debts of the applicable guarantor if, among other things, the guarantor, at the time it incurred the indebtedness evidenced by its guarantee received less than reasonably equivalent value or fair consideration for the incurrence of such guarantee and either:

was insolvent or rendered insolvent by reason of such incurrence;

was engaged or about to engage in a business or transaction for which the guarantor's remaining assets constituted unreasonably small capital; or

intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.



In addition, any payment by that guarantor pursuant to its guarantee could be voided and required to be returned to the guarantor or to a fund for the benefit of the creditors of the guarantor.

The measures of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, a guarantor would be considered insolvent if, at the relevant time, the sum of its debts and other liabilities, including contingent liabilities, was greater than the sum of its assets at a fair valuation, and a guarantor that generally was not then paying its debts as they became due would be presumed to be insolvent.

***There is no public market for the Exchange Notes, and we do not know if a market will ever develop or, if a market does develop, whether it will be sustained.***

The Exchange Notes are a new issue of securities for which there is no existing trading market. Accordingly, we cannot assure you that a liquid market will develop for the Exchange Notes, that you will be able to sell your Exchange Notes at a particular time or that the prices that you receive when you sell the Exchange Notes will be favorable.

We do not intend to apply for listing or quotation of any series of bonds on any securities exchange or stock market, although our Restricted Notes trade on the PORTAL Market. The liquidity of any market for the Exchange Notes will depend on a number of factors, including:

the number of holders of Exchange Notes;

our operating performance and financial condition;

our ability to complete the offer to exchange the Restricted Notes for the Exchange Notes;

the market for similar securities;

the interest of securities dealers in making a market in the Exchange Notes; and

prevailing interest rates.

***Holders of Restricted Notes who fail to exchange their Restricted Notes in the exchange offer will continue to be subject to restrictions on transfer.***

If you do not exchange your Restricted Notes for Exchange Notes in the exchange offer, you will continue to be subject to the restrictions on transfer applicable to the Restricted Notes. The restrictions on transfer of your Restricted Notes arise because we issued the Restricted Notes under exemptions from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws. In general, you may only offer or sell the Restricted Notes if they are registered under the Securities Act and applicable state securities laws, or offered and sold under an exemption from these requirements. We do not plan to register the Restricted Notes under the Securities Act. For further information regarding the consequences of tendering your Restricted Notes in the exchange offer, see the discussion below under the caption *The Exchange Offer Consequences of Exchanging or Failing to Exchange Restricted Notes*.

***You must comply with the exchange offer procedures in order to receive new, freely tradable Exchange Notes.***

Delivery of Exchange Notes in exchange for Restricted Notes tendered and accepted for exchange pursuant to the exchange offer will be made only after timely receipt by the exchange agent of book-entry transfer of Restricted Notes into the exchange agent's account at DTC, as depositary, including an agent's message (as defined herein). We are not required to notify you of defects or irregularities in tenders of Restricted Notes for exchange. Restricted Notes that are not tendered or that are tendered but we do not accept for exchange will, following consummation of the exchange offer, continue to be subject to the existing transfer restrictions under the Securities Act and, upon consummation of the exchange offer, certain registration and other rights under the registration rights agreement will terminate. See *The Exchange Offer Procedures for Tendering Restricted Notes* and *The Exchange Offer Consequences of Exchanging or Failing to Exchange Restricted Notes*.



*Some holders who exchange their Restricted Notes may be deemed to be underwriters, and these holders will be required to comply with the registration and prospectus delivery requirements in connection with any resale transaction.*

If you exchange your Restricted Notes in the exchange offer for the purpose of participating in a distribution of the Exchange Notes, you may be deemed to have received restricted securities and, if so, will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

#### **Risks Related to our Business**

*The high level of competition in the vehicle rental industry may lead to reduced rental volumes, downward pricing or an inability to increase our prices, which could have a material adverse impact on our results of operations.*

The vehicle rental industry in which we operate is highly competitive. We believe that price is one of the primary competitive factors in the vehicle rental industry. Our competitors, some of whom may have access to substantial capital, may seek to compete aggressively on the basis of pricing. To the extent that we match competitors' downward pricing, it could have a material adverse impact on our results of operations. To the extent that we do not match or remain within a reasonable competitive margin of our competitors' pricing, it could also have a material adverse impact on our results of operations, as we may lose rental volume. The Internet has increased pricing transparency among vehicle rental companies by enabling cost-conscious customers to more easily obtain and compare the rates available from various vehicle rental companies for any given rental. This transparency may increase the prevalence and intensity of price competition in the future.

*We face risks of increased fleet costs, both generally and due to the possibility that automobile manufacturers could change or cease their repurchase or guaranteed depreciation programs.*

Fleet costs represented approximately 27% of our aggregate expenses for 2006 and can vary from year to year based on the prices at which we are able to purchase and dispose of rental vehicles. For 2006 and 2005, approximately 88% and 95%, respectively, of the rental cars purchased for our domestic car fleet were the subject of agreements requiring automobile manufacturers to repurchase them or guarantee the depreciation rate for a specified period of time. We refer to cars subject to such agreements as program cars. Under these repurchase and guaranteed depreciation programs, automobile manufacturers agree to repurchase cars at a specified price during a specified time period or guarantee the rate of depreciation for a specified period of time, typically subject to certain car condition and mileage requirements. Repurchase and guaranteed depreciation programs, therefore, enable us to determine, in advance, our depreciation expense, which is a significant cost factor in our car rental operations. Repurchase and guaranteed depreciation programs also limit the risk to us that the market value of a car, at the time of its disposition, will be less than its estimated residual (or depreciated) value.

Automobile manufacturers may not continue to sell cars to us subject to repurchase or guaranteed depreciation programs at all or on terms consistent with past practice. In addition, we intend to reduce the number of program cars we purchase to mitigate anticipated increases in fleet costs. Should any such decrease in the percentage of our car rental fleet subject to repurchase or guaranteed depreciation programs occur, we would expect to bear increased risk relating to the residual market value of our car rental fleet and the depreciation of rental vehicles, each of which could have a material adverse effect on our results of operations and financial condition. The overall cost of cars subject to repurchase or guaranteed depreciation programs could also increase if the manufacturers were to make changes to these programs, particularly if such changes were to result in a decrease in the repurchase price or guaranteed depreciation without a corresponding decrease to the original purchase price. Repurchase or guaranteed depreciation programs also generally provide us with flexibility to reduce the size of our fleet rapidly in response to an economic downturn or changes in demand by returning cars

sooner than originally expected. This flexibility may be reduced in the future to the extent the percentage of program cars in our car rental fleet decreases or this feature of repurchase or guaranteed depreciation programs is altered.

During 2006, approximately 74% of the cars acquired for our U.S. car rental fleet were manufactured by either General Motors Corporation or Ford Motor Company. A default on any repurchase or guaranteed depreciation agreement, particularly with respect to GM or Ford, might leave us with a substantial unpaid claim against the manufacturer with respect to program cars that were either (a) sold for an amount less than the amount guaranteed under the applicable agreement or (b) sold and returned to the car manufacturer but for which we were not paid, as well as potential additional expenses if the prices at which we were able to dispose of program cars were less than the specified prices under the repurchase or guaranteed depreciation program. Any increased risk with respect to the likelihood of these defaults or a decline in the results of operations or financial condition of the manufacturers of the cars we purchase could also impact our ability to finance the purchase of cars to maintain our car rental fleet.

The relative strength of the used vehicle marketplace materially impacts the costs of our rental cars and trucks not covered by repurchase or guaranteed depreciation programs or trade-in agreements. We currently sell these used vehicles through auctions, third party resellers and other channels. These markets may not produce stable used vehicle pricing in the future. Based on the number of used trucks and non-program cars produced by our rental operations annually, and our intent to increase this number, any downturn in the used vehicle marketplace could have a material impact on our fleet holding costs and profitability.

***Our car rental business is dependent on airline passenger traffic, and disruptions in travel patterns could harm our business.***

In 2006, we generated approximately 81% of our domestic car rental revenue from our corporate owned on-airport locations. As a result, a decline in airline passenger traffic could have a material adverse effect on our results of operations. Events that affect air travel could include economic downturns, work stoppages, military conflicts, terrorist incidents or threats, pandemic diseases, natural disasters or the response of governments to any of these events. We also face increased costs of maintaining our positions on-airport through increased competitive bidding and minimum airport guarantees.

***We are dependent on third party distribution channels, and the success of our business depends in significant part on these relationships.***

The operators of third party distribution channels, through which we generate approximately 44% of our domestic reservations, generally can cancel or modify their agreements with us upon relatively short notice. Changes in our pricing agreements, commission schedules or arrangements with third party distribution channels, the termination of any of our relationships or a reduction in the transaction volume of such channels could have a material adverse effect on our business, financial condition and results of operations. Most of these reservations are made in connection with GDS (Amadeus, Galileo, Sabre and Worldspan), which aggregate reservations from various sources. Our largest third party source of reservations (other than from GDS) in 2006 was responsible for less than 2% of our domestic reservations.

***Our business is seasonal, and a disruption in rental activity during our peak season could materially adversely affect our results of operations.***

In our business, the third quarter of the year has historically been our strongest quarter due to the increased level of leisure travel and household moving activity. In 2006, the third quarter accounted for approximately 28% of our vehicle rental revenue and 36% of ABCR's income before income taxes. Any occurrence that disrupts rental activity during the third quarter could have a disproportionately material adverse effect on our liquidity and/or our results of operations.

***An increase in interest rates would increase the cost of servicing our debt and could reduce our profitability.***

A significant amount of our borrowings, primarily our seasonal borrowings, bear interest at variable rates and expose us to interest rate risk. If interest rates increase, whether because of an increase in market interest rates or an increase in our own cost of borrowing, our debt service obligations for our variable rate indebtedness would increase even though the amount of borrowings remained the same, and our net income could be materially adversely affected. As of December 31, 2006, our total outstanding debt of approximately \$7.1 billion included interest rate sensitive debt of approximately \$500 million (either by its original terms or through the use of interest rate derivatives), which had a weighted average interest rate of approximately 6% per annum. During our seasonal borrowing peak in 2006, outstanding interest rate sensitive debt totaled approximately \$1.5 billion, with a weighted average interest rate of approximately 6% per annum.

***We face risks arising from our heavy reliance on communications networks and centralized information systems.***

We rely heavily on information systems, including our reservation system, to accept reservations, process rental and sales transactions, manage our fleet of vehicles, account for our activities and otherwise conduct our business. We have centralized our information systems, and we rely on communications services providers to link our systems with the business locations these systems serve. A failure of a major system, or a major disruption of communications between the system and the locations it serves, could cause a loss of reservations, interfere with our ability to manage our fleet, slow rental and sales processes and otherwise materially adversely affect our ability to manage our business effectively. Our systems business continuity plans and insurance programs are designed to mitigate such a risk, not eliminate it.

In addition, because our systems contain personally identifiable non-public information about millions of individuals and businesses, our failure to maintain the security of the data we hold, whether the result of our own error or the malfeasance of others, could harm our reputation or give rise to legal liabilities leading to lower revenue, increased costs and other material adverse effects on our results of operations.

***We face risks related to liability and insurance.***

Our businesses expose us to claims for personal injury, death and property damage related to the use of our vehicles and for workers compensation claims and other employment-related claims by our employees. We may become exposed to uninsured liability at levels in excess of our historical levels resulting from unusually high losses or otherwise. In addition, liabilities in respect of existing or future claims may exceed the level of our reserves and/or our insurance, and we may not have sufficient capital available to pay any uninsured claims. Furthermore, insurance with unaffiliated carriers may not continue to be available to us on economically reasonable terms or at all.

***Environmental regulations could subject us to liability for fines or damages.***

We are subject to federal, state, local and foreign environmental laws and regulations in connection with our operations, including, among other things, with respect to the ownership and operation of tanks for the storage of petroleum products, such as gasoline, diesel fuel and motor and waste oils. We have established a compliance program for our tank systems that is intended to ensure that the tanks are properly registered with the state or other jurisdiction in which the tanks are located and have been either replaced or upgraded to meet applicable leak detection and spill, overfill, corrosion protection and vapor recovery requirements. These tank systems may not at all times remain free from undetected leaks, and the use of these tanks may result in significant spills.

We have made, and will continue to make, expenditures to comply with environmental laws and regulations, including, among others, expenditures for the cleanup of contamination at our owned and leased properties, as well as contamination at other locations at which our wastes have reportedly been identified. Our compliance

with existing or future environmental laws and regulations may, however, require material expenditures by us or otherwise have a material adverse effect on our consolidated financial position, results of operations or cash flows.

***Changes in the U.S. and foreign legal and regulatory environment that affect our operations, including laws and regulations relating to the insurance products we sell, consumer privacy, data security, automobile-related liability and insurance rates, could disrupt our business, increase our expenses or otherwise have a material adverse effect on our results of operations.***

We are subject to a wide variety of laws and regulations in the United States and the other countries and jurisdictions in which we operate, and changes in the level of government regulation of our business have the potential to materially alter our business practices or our profitability. Depending on the jurisdiction, those changes may come about through new legislation, the issuance of new laws and regulations or changes in the interpretation of existing laws and regulations by a court, regulatory body or governmental official.

The optional insurance products, including, but not limited to, supplemental liability insurance, personal accident insurance and personal effects protection, offered to renters providing various insurance coverages in our domestic vehicle rental operations are regulated under state laws governing the licensing of such products. In our international car rental operations, our offering of optional products providing insurance coverage historically has not been regulated.

Any changes in U.S. or foreign law that change our operating requirements with respect to optional insurance products could increase our costs of compliance or make it uneconomical to offer such products, which would lead to a reduction in revenue. If customers decline to purchase supplemental liability insurance products through us as a result of any changes in these laws or otherwise, our results of operations could be materially adversely affected.

In almost every state, we recover various costs associated with the title and registration of our vehicles. In addition, where permitted, we also recover the concession cost imposed by an airport authority or the owner and/or operator of the premises from which our vehicle is rented. Our long standing business practice has been to separately state these additional surcharges in our rental agreements and invoices and disclose the existence of these surcharges to consumers together with an estimated total price, inclusive of these surcharges, in all distribution channels. This standard practice comports with the Federal Trade Commission Act and has been upheld by several courts. However, there are several legislative proposals which, if enacted, would define which surcharges are permissible and establish calculation formulas which may differ from the manner in which we set our surcharges. We cannot assure you that if any of these proposals were to be enacted there will not be an adverse impact or limitation on our ability to recover all of the surcharges we currently charge.

***We may be held responsible by third parties, regulators or courts for the actions of, or failures to act by, our licensees, which exposes us to possible fines, other liabilities and bad publicity.***

Our car and truck rental licensee locations, which include both franchisees and dealers, are independently owned and operated. Our agreements with our licensees require that they comply with all laws and regulations applicable to their businesses, including our internal policies and standards. Under these licensee agreements, licensees retain control over the employment and management of all personnel. Third parties, regulators or courts may seek to hold us responsible for the actions of, or failures to act by, our licensees. Although we maintain the right to monitor the operations of licensees and have the ability to terminate licensee agreements for failure to adhere to contracted operational standards, we are unlikely to detect all problems. Moreover, there are occasions when our and our licensees' activities may not be clearly distinguishable. It is our policy to vigorously seek to be dismissed from any such claims and to pursue indemnity for any adverse decisions. Failure to comply with laws and regulations by our licensees may expose us to liability and damages that may adversely affect our business.



***Significant increases in fuel costs or limitations in fuel supplies could harm our business.***

We could be adversely affected by limitations in fuel supplies or significant increases in fuel prices. A severe or protracted disruption in fuel supplies or significant increases in fuel prices could have a material adverse effect on our financial condition and results of operations, either by directly discouraging consumers from renting cars and trucks or by causing a decline in airline passenger traffic.

**Risks Related to the Separation**

***We have little recent operating history as a stand-alone vehicle rental company.***

The financial information included in this prospectus does not reflect the financial condition, results of operations or cash flows we would have achieved as a stand-alone vehicle rental company during the periods presented or those that we will achieve in the future. This is primarily a result of the following factors:

Prior to the completion of the Cendant Separation, the vehicle rental business was operated by Cendant as part of its broader corporate organization, rather than as an independent company. Cendant or one of its affiliates performed various corporate functions for our vehicle rental business, including, but not limited to, tax administration, certain governance functions (including compliance with the Sarbanes-Oxley Act of 2002 and internal audit) and external reporting. Our financial results for all periods other than fourth quarter 2006 for our operating segments reflect allocations of corporate expenses from Cendant for these and similar functions. These allocations may be more or less than the comparable expenses we would have incurred had we operated as a stand-alone vehicle rental company during those periods.

Generally, prior to completion of the Cendant Separation, working capital requirements and capital for general corporate purposes for the vehicle rental business, including acquisitions and capital expenditures, were historically satisfied as part of the corporate-wide cash management policies of Cendant's broader corporate organization. With the completion of the Cendant Separation, we will not have access to the cash generated by the businesses of Realogy, Wyndham Worldwide or Travelport in order to finance our working capital or other cash requirements (except for obligations of these entities to make payments to us for certain specified items). Without access to the cash generated by these companies, we may need to obtain additional financing from banks, or through public offerings or private placements of debt or equity securities, strategic relationships or other arrangements.

With the completion of the Cendant Separation, the cost of capital for our business may be higher than our cost of capital prior to the completion of the Cendant Separation.

While we have entered into short-term transition agreements that govern certain commercial and other relationships among us, Realogy, Wyndham Worldwide and Travelport, those temporary arrangements may not capture the benefits (including economies of scope and scale in customer and vendor relationships) our business has enjoyed as a result of being integrated with those companies. The loss of these benefits could have an adverse effect on our business, results of operations and financial condition.

Other significant changes may occur in our cost structure, management, financing and business operations as a result of our operating as a company separate from Realogy, Wyndham Worldwide and Travelport.

***We may be unable to make, on a timely or cost-effective basis, the changes necessary to operate now that the Cendant Separation is complete, and we may experience increased costs as a result of the Cendant Separation.***

Realogy, Wyndham Worldwide and Travelport are contractually obligated to provide to us only those services specified in the transition services agreement and the other agreements we entered into with them in connection with the separation. We may be unable to replace, in a timely manner or on comparable terms, the services that Realogy, Wyndham Worldwide or Travelport previously provided to us that are not specified in the

transition services agreement or the other agreements. In addition, if Realogy, Wyndham Worldwide or Travelport do not continue to perform effectively the transition services and other services that are called for under the transition services agreement and the other agreements, we may not be able to operate our business effectively and our profitability may decline. Furthermore, after the expiration of the transition services and other agreements, we may be unable to replace, in a timely manner or on comparable terms, the services specified in such agreements.

***Our agreements with Realogy, Wyndham Worldwide and Travelport may not reflect terms that would have resulted from arm's-length negotiations among unaffiliated parties.***

The agreements related to the separation, including the Separation and Distribution Agreement, Tax Sharing Agreement, Transition Services Agreement and other agreements, were not the result of arm's-length negotiations and thus may not reflect terms that would have resulted from arm's-length negotiations among unaffiliated parties. Such terms include, among other things, those related to allocation of assets, liabilities, rights, indemnifications and other obligations among the companies.

***We are relying on Realogy, Wyndham Worldwide and Travelport to fulfill their obligations under the Separation and Distribution Agreement and other agreements.***

Pursuant to the Separation and Distribution Agreement, Realogy and Wyndham Worldwide are responsible for 62.5% and 37.5%, respectively of certain contingent and other of our corporate liabilities including those relating to unresolved tax and legal matters. More specifically, Realogy and Wyndham Worldwide have generally assumed and are responsible for the payment of their allocated percentage of (i) all taxes imposed on us and certain of our subsidiaries and (ii) certain of our contingent and other corporate liabilities and/or our subsidiaries to the extent incurred prior to August 23, 2006. These contingent and other corporate liabilities include liabilities relating to (i) Cendant's terminated or divested businesses, including among others, the former PHH and Marketing Services (Affinion) businesses, (ii) liabilities relating to the Travelport sale, if any, (iii) the Securities Action and related litigation (for a further description of these litigation matters, see "Legal Proceedings") and (iv) generally any actions with respect to the Cendant Separation or the distributions brought by any third party. If any party responsible for such liabilities were to default in its payment, when due, of any such assumed obligations, each non-defaulting party, including us, would be required to pay an equal portion of the amounts in default.

Moreover, the Separation and Distribution Agreement provides for cross-indemnities designed to place financial responsibility of certain liabilities and other obligations with the proper company. Any failure by Realogy, Wyndham Worldwide or Travelport to pay any of their assumed liabilities when due or to indemnify us when required may cause a material adverse affect on our results of operations.

**FORWARD-LOOKING STATEMENTS**

The forward-looking statements contained herein are subject to known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on various facts and were derived utilizing numerous important assumptions and other important factors that could cause actual results to differ materially from those in the forward-looking statements. Forward-looking statements include the information concerning our future financial performance, business strategy, projected plans and objectives. Statements preceded by, followed by or that otherwise include the words believes, expects, anticipates, intends, projects, estimates, plans, may increase, may fluctuate and similar expressions or future or conditional verbs such as will, should, would, may are generally forward-looking in nature and not historical facts. You should understand that the following important factors and assumptions could affect our future results and could cause actual results to differ materially from those expressed in such forward-looking statements:

the high level of competition in the vehicle rental industry and the impact such competition may have on pricing and rental volume;

an increase in the cost of new vehicles;

a decrease in our ability to acquire or dispose of cars generally through repurchase or guaranteed depreciation programs and/or dispose of vehicles through sales of vehicles in the used car market;

a decline in the results of operations or financial condition of the manufacturers of our cars;

a downturn in airline passenger traffic in the United States or in the other international locations in which we operate;

an occurrence or threat of terrorism, pandemic disease, natural disasters or military conflict in the markets in which we operate;

our dependence on third-party distribution channels;

a disruption or decline in rental activity, particularly during our peak season or in key market segments;

a disruption in our ability to obtain financing for our operations, including the funding of our vehicle fleet via the asset-backed securities and lending market;

a significant increase in interest rates or in borrowing costs;

our failure to increase or decrease appropriately the size of our fleet due to the seasonal nature of our business;

our ability to accurately estimate our future results;

our ability to implement our strategy for growth;

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a major disruption in our communication or centralized information networks;

our failure or inability to comply with regulations or any changes in regulations;

our failure or inability to make the changes necessary to operate effectively now that we operate independently from the former real estate, hospitality and travel distribution businesses following the separation of those businesses from us during third quarter 2006, when we were known as Cendant Corporation;

other business, economic, competitive, governmental, regulatory, political or technological factors affecting our operations, pricing or services;

risks inherent in the restructuring of the operations of Budget Truck Rental;

risks inherent in the separation and related transactions, including risks related to our new borrowings, and costs of the separation;  
and

the terms of agreements among the separated companies, including the allocations of assets and liabilities, including contingent liabilities and guarantees, commercial arrangements and the performance of each of the separated companies obligations under these agreements.

Other factors and assumptions not identified above, including those described under Risk Factors , were also involved in the derivation of these forward-looking statements, and the failure of such other assumptions to be realized, as well as other factors, may also cause actual results to differ materially from those projected. Most of these factors are difficult to predict accurately and are generally beyond our control.

You should consider the areas of risk described above, as well as those described under Risk Factors , in connection with any forward-looking statements that may be made by us and our businesses generally. Except for our ongoing obligations to disclose material information under the federal securities laws, we undertake no obligation to release any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events unless required by law. For any forward-looking statements contained in any document, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

#### USE OF PROCEEDS

We will not receive any proceeds from the exchange offer. Any Restricted Notes that are properly tendered and exchanged pursuant to the exchange offer will be retired and cancelled.

#### RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our ratio of earnings to fixed charges on a historical basis for the periods indicated.

	For the Year Ended December 31,				
	2002	2003	2004	2005	2006
<b>Ratio of Earnings to Fixed Charges</b>					1.01x
For the purpose of computing the ratio of earnings to fixed charges, earnings consist of income (loss) before provision for income taxes and before adjustment for losses from equity investments plus fixed charges. Fixed charges consist of interest expense on all indebtedness (including amortization of deferred financing costs) and the portion of operating lease rental expense that is representative of the interest factor. For the years ended December 31, 2002, 2003, 2005 and 2006, earnings were less than fixed charges by \$375,000,000, \$263,000,000, \$62,000,000 and \$677,000,000, respectively.					

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**SELECTED HISTORICAL FINANCIAL INFORMATION**

The selected historical consolidated financial data and other statistical data presented below should be read in conjunction with our Consolidated Financial Statements and accompanying notes and Management's Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this prospectus.

**SELECTED FINANCIAL DATA**

	2006	At or For the Year Ended December 31,			2002
		2005	2004	2003	
		(In millions, except per share data)			
<b>Results of Operations</b>					
Net revenues	\$ 5,689	\$ 5,400	\$ 4,820	\$ 4,682	\$ 3,015
Income (loss) from continuing operations	\$ (451)	\$ (11)	\$ 71	\$ (149)	\$ (241)
Income (loss) from discontinued operations, net of tax	(1,479)	1,637	2,020	1,558	1,012
Cumulative effect of accounting changes, net of tax	(64)	(8)		(329)	
Net income (loss)	\$ (1,994)	\$ 1,618	\$ 2,091	\$ 1,080	\$ 771
<b>Per Share Data</b>					
Income (loss) from continuing operations:					
Basic	\$ (4.48)	\$ (0.10)	\$ 0.69	\$ (1.46)	\$ (2.37)
Diluted	(4.48)	(0.10)	0.67	(1.46)	(2.37)
Income (loss) from discontinued operations:					
Basic	\$ (14.71)	\$ 15.74	\$ 19.60	\$ 15.32	\$ 9.94
Diluted	(14.71)	15.74	18.99	15.32	9.94
Cumulative effect of accounting changes:					
Basic	\$ (0.63)	\$ (0.08)	\$	\$ (3.24)	\$
Diluted	(0.63)	(0.08)		(3.24)	
Net income (loss):					
Basic	\$ (19.82)	\$ 15.56	\$ 20.29	\$ 10.62	\$ 7.57
Diluted	(19.82)	15.56	19.66	10.62	7.57
Cash dividends declared(a)	\$ 1.10	\$ 4.00	\$ 3.20	\$	\$
<b>Financial Position</b>					
Total assets	\$ 13,271	\$ 34,493	\$ 42,698	\$ 39,551	\$ 36,337
Assets of discontinued operations		20,512	29,452	27,232	24,469
Assets under vehicle programs	7,700	8,500	7,072	6,485	6,379
Long-term debt, including current portion	1,842	3,508	4,234	5,900	6,396
Debt under vehicle programs(b)	5,270	7,909	6,727	6,295	6,138
Stockholders' equity	2,443	11,342	12,464	9,946	9,167

(a) Cash dividends declared have been adjusted to reflect the 1-for-10 reverse stock split of our common stock, which became effective in September 2006. See Note 1 to our Consolidated Financial Statements.

(b) Includes related-party debt due to Avis Budget Rental Car Funding (AESOP) LLC. See Note 15 to our Consolidated Financial Statements. In presenting the financial data above in conformity with generally accepted accounting principles, we are required to make estimates and assumptions that affect the amounts reported. See Critical Accounting Policies included elsewhere herein for a detailed discussion of the accounting policies that we believe require subjective and complex judgments that could potentially affect reported results.

Income (loss) from discontinued operations, net of tax, includes the after tax results of the following disposed businesses for all periods presented (through their dates of disposition): (i) Travelport, which we sold in August 2006, (ii) Realogy and Wyndham, which were spun-off on July 31, 2006, (iii) our former Marketing Services division, which we sold in October 2005, (iv) Wright Express Corporation, which we sold in February 2005, (v) our former mortgage, fleet leasing and appraisal businesses, which were included in the spin-off of PHH Corporation on January 31, 2005, (vi) Jackson Hewitt Tax Service Inc., which we sold in June 2004, and (vii) National Car Parks ( NCP ), which we sold in May 2002