

CENDANT CORP
Form 8-K
March 15, 2006

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

Form 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) **March 15, 2006 (March 15, 2006)**

Cendant Corporation
(Exact name of Registrant as specified in its charter)

Delaware
(State or other
jurisdiction
of incorporation)

1-10308
(Commission File No.)

06-0918165
(I.R.S. Employer
Identification Number)

9 West 57th Street
New York, NY
(Address of principal
executive office)

10019
(Zip Code)

Registrant's telephone number, including area code **(212) 413-1800**

None
(Former name or former address if changed
since last report)

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

Written communications pursuant to Rule 425 under the Securities Act (17 CFR

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230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01 Regulation FD Disclosure.

Cendant Corporation anticipates that it will disclose to prospective lenders in connection with previously disclosed planned financings that the parent company of its vehicle rental business, Cendant Car Rental Group, LLC (“CCRG”), which is expected to change its name to Avis Budget Car Rental, LLC, had an intercompany receivable from Cendant Corporation of approximately \$800 million and stockholder’s equity of approximately \$2.9 billion at December 31, 2005. In addition, Cendant plans to disclose that it currently estimates that the replacement of general corporate overhead charges from Cendant with public company costs will not have a material effect on the post-separation results of CCRG following Cendant's previously announced plan to separate into four independent, publicly traded, pure-play companies — one each for Cendant’s real estate, travel distribution, hospitality and vehicle rental businesses. Cendant further anticipates the expected absence of intercompany interest income (which totaled approximately \$20 million in 2005) from Cendant, however, to reduce CCRG’s pretax income in future periods. Cendant also expects CCRG’s planned borrowings of \$1.875 billion, and the use of proceeds therefrom, to reduce CCRG’s vehicle-backed interest expense, but to increase CCRG’s non-vehicle-backed interest expense. The net increase in interest expense will depend on the rates at which the financings are effected, as well as future market interest rates.

Forward-Looking Statements

Certain statements in this report constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. 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 such as “will”, “should”, “would”, “may” and “could” are generally forward-looking in nature and not historical facts. A statements that refer to expectations or other characterizations of future events, circumstances or results are forward-looking statements. The Company cannot provide any assurances that the separation or any of the proposed transactions related thereto will be completed, nor can it give assurances as to the terms on which such transactions will be consummated. The separation transactions are subject to certain conditions precedent, including final approval by the Board of Directors of Cendant.

Various risks that could cause future results to differ from those expressed by the forward-looking statements included in this report include, but are not limited to: risks inherent in the contemplated separation and related transactions, including risks related to borrowings and costs related to the proposed transactions; increased demands on Cendant’s management teams as a result of the proposed transactions; changes in business, political and economic conditions in the U.S. and in other countries in which Cendant and its companies currently do business; changes in governmental regulations and policies and actions of regulatory bodies; changes in operating performance; and access to capital markets and changes in credit ratings, including those that may result from the proposed transactions. Other unknown or unpredictable factors also could have material adverse effects on Cendant’s and its companies’ performance or achievements. In light of these risks, uncertainties, assumptions and factors, the forward-looking events discussed in this report may not occur. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date stated, or if no date is stated, as of the date of this report. Important assumptions and other important factors that could cause actual results to differ materially from those in the forward looking statements are specified in Cendant’s 10-K for the year ended December 31, 2005, including under headings such as “Forward-Looking Statements”, “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Except for the Company’s ongoing obligations to disclose material information under the

federal securities laws, the Company undertakes 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.

SIGNATURE

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

CENDANT CORPORATION

By:/s/ David B. Wyshner
David B. Wyshner
Executive Vice President and Treasurer

Date: March 15, 2006