

Form 8-K

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

Commission File Number 1-10308

May 1, 2002 (May 1, 2002)
Date of Report (Date Of Earliest Event Reported)

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

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

06-0918165
(IRS Employer
Identification No.)

9 West 57th Street, New York, New York
(Address of Principal Executive Office)

10019
(Zip Code)

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

None
(Former name, former address and former fiscal year, if applicable)

Item 5. Other Events.

On May 4, 2001, Cendant Corporation (the "Company") and The Bank of New York, as trustee (the "Trustee") entered into an Indenture (the "Original Indenture") pursuant to which the Company issued Zero-Coupon Convertible Debentures due 2021 (the "Debentures"). On May 1, 2002, the Company and the Trustee entered into a First Supplemental Indenture under the Original Indenture (the "Supplemental Indenture") (the Original Indenture, as supplemented by the Supplemental Indenture, is hereinafter referred to as the "Indenture") to amend the terms of the Debentures to add cash interest payments of 3% per annum beginning May 5, 2002 through and including May 4, 2003 and to permit holders to require the Company to repurchase the Debentures on May 4, 2003. The Company will pay the cash interest semi-annually on November 4, 2002 and May 5, 2003 to holders of record at the close of business on October 4, 2002 and April 4, 2002, respectively. Holders may require the Company to repurchase the Debentures on May 4, 2002, 2003, 2004, 2006, 2008, 2011 and 2016.

A copy of the Supplemental Indenture is attached as Exhibit 4.1 and is incorporated by reference in its entirety. A copy of the press release regarding the amendment of the terms of the Debentures is attached as Exhibit 99.1 and is incorporated by reference in its entirety.

Certain United States Federal Income Tax Consequences

This discussion describes certain United States federal income tax consequences to holders of Debentures of the amendment to the terms of the Debentures. It applies only to holders that hold their Debentures as capital assets for United States federal income tax purposes at the effective time of the amendment. This section does not apply to holders that are members of a class of holders subject to special rules, such as dealers in securities or currencies, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, banks, life insurance companies, tax-exempt organizations, persons treated as partnerships for United States federal income tax purposes, persons that hold Debentures that are a hedge or that are hedged against interest rate risks, persons that hold Debentures as part of a straddle or conversion transaction for United States federal income tax purposes and persons whose

functional currency for United States federal income tax purposes is not the U.S. dollar. If a partnership holds the Debentures, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. A partner in a partnership that holds Debentures should consult its tax advisor. In addition, the summary below does not address all of the tax consequences, such as state, local and foreign tax consequences, that may be relevant to holders of the Debentures.

This discussion is based on the Internal Revenue Code of 1986, as amended (the "Code"), its legislative history, existing and proposed Treasury Regulations, published rulings and court decisions as currently in effect, all of which are subject to change and differing interpretations, possibly on a retroactive basis.

No statutory, administrative or judicial authority directly addresses the treatment of the amendment to the terms of the Debentures for United States federal income tax purposes. No rulings have been sought or are expected to be sought from the Internal Revenue Service (the "IRS") with respect to any of the United States federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. As a result, no assurance can be given that the IRS will agree with the tax characterizations and the tax consequences described below.

The Company urges holders of Debentures to consult their tax advisors with respect to the tax consequences to them of the amendment to the terms of the Debentures in light of their particular circumstances, including the tax consequences under state, local, foreign and other tax laws and the possible effects of changes in United States federal or other tax laws.

Consequences of the Amendment

The Company believes that the amendment to the terms of the Debentures will be treated as an exchange of the Debentures (the "Old Debentures") for new debentures (the "New Debentures") that qualifies as a reorganization within the meaning of Section 368(a)(1)(E) of the Code. The remainder of this discussion assumes that the amendment will be treated as such. Accordingly, a holder of Old Debentures will not recognize gain or loss as a result of the amendment. A holder's tax basis in the New Debentures will equal the holder's adjusted tax basis in the Old Debentures, and a holder's holding period in the New Debentures will include the holder's holding period in the Old Debentures.

Classification of the New Debentures

Pursuant to the terms of the Indenture, each holder of the Debentures has agreed, for United States federal income tax purposes, to treat the New Debentures as indebtedness for United States federal income tax purposes subject to the Treasury Regulations that govern contingent payment debt instruments and to be bound by our application of those regulations to the New Debentures, including our determination of the rate at which interest will be deemed to accrue on the New Debentures for United States federal income tax purposes. The remainder of this discussion assumes that the New Debentures will be treated in accordance with that agreement and our determinations. However, the proper application of the Treasury Regulations that govern contingent payment debt instruments to a holder of New Debentures is uncertain in a number of respects, and no assurance can be given that the IRS will not assert that the New Debentures should be treated differently or that such an assertion would not prevail. Such treatment could affect the amount, timing and character of income, gain or loss in respect of the New Debentures. In particular, it might be determined that a holder should have accrued interest income at a lower rate, should not have recognized income or gain upon a conversion, and should have recognized capital gain upon a taxable disposition of its New Debentures.

Interest Accruals

Provided that a substantial amount of the New Debentures are traded on an established market, as defined in the relevant Treasury Regulations, as the Company expects to be the case, the issue price of the New Debentures will be the fair market value of the New Debentures on the effective date of the amendment. Pursuant to the contingent payment debt regulations, a holder of New Debentures will not recognize income as a result of the receipt of the cash interest payments referred to above. For purposes of calculating original issue discount on the New Debentures, the Company has determined that the comparable yield will be 9.2% compounded semi-annually. The Company's determination of the projected payment schedule for the New Debentures may be obtained by submitting a written request for it to the Company at the address set forth in the Indenture.

A holder whose tax basis in the New Debentures differs from the issue price of the New Debentures must reasonably allocate any difference between the issue price and the holder's tax basis in the New Debentures to daily portions of interest or projected payments over the term of the New Debentures. If a holder's tax basis in the New Debentures is greater than the issue price of the New Debentures, the amount of the difference allocated to a daily portion of interest or to a projected payment is treated as a "negative adjustment" on the day the daily portion accrues or the payment is made, respectively. If a holder's tax basis in the New Debentures is less than the issue price of the New Debentures, the amount of the difference allocated to a daily portion of interest or to a projected payment is treated as a "positive adjustment" on the day the daily portion accrues or the payment is made, respectively. Any such negative or positive adjustment will decrease or increase, respectively, the holder's adjusted tax basis in the New Debentures. Any Forms 1099-OID received by holders will not reflect the effect of any such positive or negative adjustments.

Except as set forth above, the United States federal income tax consequences to a holder of Debentures of the amendment to the terms of the Debentures do not differ from those set forth in the prospectus relating to the Debentures which forms part of the Registration Statement on Form S-3 filed by the Company with the Securities and Exchange Commission (File No. 333-65578).

Because the proper federal income tax treatment of the amendment to the terms of the Debentures is uncertain in a number of respects, holders of Debentures should consult their tax advisors regarding the United States federal, state, local and foreign tax consequences of the amendment to the terms of the Debentures.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(c) Exhibits

Exhibit No.	Description
- - - - -	- - - - -
4.1	First Supplemental Indenture, dated as of May 1, 2002, between Cendant Corporation and The Bank of New York, as trustee.
99.1	Press Release issued by Cendant Corporation dated May 1, 2002.

SIGNATURE

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

CENDANT CORPORATION

By: /s/ Eric J. Bock

Eric J. Bock
Executive Vice President,
Law and Secretary

Date: May 1, 2002

CENDANT CORPORATION
CURRENT REPORT ON FORM 8-K
Report Dated May 1, 2002 (May 1, 2002)

EXHIBIT LIST

Exhibit No. -----	Description -----
4.1	First Supplemental Indenture, dated as of May 1, 2002, between Cendant Corporation and The Bank of New York, as trustee.
99.1	Press Release issued by Cendant Corporation dated May 1, 2002.

Cendant Corporation

Zero-Coupon Convertible Debentures due 2021

FIRST SUPPLEMENTAL INDENTURE

Dated as of May 1, 2002

TO

INDENTURE

Dated as of May 4, 2001

The Bank of New York

TRUSTEE

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FIRST SUPPLEMENTAL INDENTURE, dated as of May 1, 2002 (herein called the "Supplemental Indenture") between CENDANT CORPORATION, a Delaware corporation (the "Company"), and THE BANK OF NEW YORK, a New York banking corporation, as trustee (the "Trustee"), to the Indenture dated as of May 4, 2001, between the Company and the Trustee (hereinafter called the "Original Indenture"). Capitalized terms used in this Supplemental Indenture and not otherwise defined herein shall have the meanings set forth in the Original Indenture.

RECITALS

WHEREAS, the Company has duly authorized the issuance from time to

time of its Zero-Coupon Convertible Debentures due 2021 (the "Securities") pursuant to the Original Indenture;

WHEREAS, in accordance with Section 9.1 of the Original Indenture, the Company and the Trustee may enter into supplemental indentures to the Original Indenture without the consent of the Holders of Securities to, among other things, add to the Company's covenants for the benefit of the Securityholders or to surrender any right or power conferred upon the Company, so long as such changes do not materially and adversely affect the interests of any Securityholder;

WHEREAS, the Company desires to amend and supplement the Original Indenture in accordance with the terms thereof; and

WHEREAS, the Company has determined that the requirements of Article IX of the Original Indenture have been satisfied and has requested the Trustee to join with it in the execution and delivery of this Supplemental Indenture; all requirements necessary to make this Supplemental Indenture a valid instrument in accordance with its terms have been met; and the execution and delivery hereof have been in all respects duly authorized by the Company;

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, each party agrees as follows for the benefit of the other party and for the equal and ratable benefit of the Holders of the Securities:

ARTICLE 1

AMENDMENTS TO TERMS OF THE ORIGINAL INDENTURE

Section 1.1 Amendment to Section 3.7(a).

Section 3.7(a) of the Original Indenture is hereby amended by inserting the words "May 4, 2003," following the words "May 4, 2002," which appear in the first sentence thereof.

Section 1.2 Amendment to Exhibit A-1.

The first paragraph of Paragraph 6 of the Form of Global Security attached as Exhibit A-1 to the Original Indenture is hereby amended by inserting the words "May 4, 2003," following the words "May 4, 2002," which appear in the third line of such paragraph.

Section 1.3 Interest.

Notwithstanding anything to the contrary in the Original Indenture and the Form of Global Security attached as Exhibit A-1 thereto, the Company will pay cash interest on the Securities at a rate of 3% per annum beginning May 5, 2002 through and including May 4, 2003. Cash interest will be paid semi-annually on November 4, 2002 and May 5, 2003 to Holders of record at the close of business on October 4, 2002 and April 4, 2003, respectively.

Section 1.4 Amendment to Section 6.1.

Section 6.1 of the Original Indenture is hereby amended by deleting and removing the words "(after an Upward Interest Adjustment or any election by the Company to pay cash interest on the Securities following a Tax Event)," which appear in clause (2) thereof.

ARTICLE 2

MISCELLANEOUS

Section 2.1 Execution of Supplemental Indenture.

This Supplemental Indenture is executed and shall be construed as an indenture supplemental to the Original Indenture and, as provided in Section 9.7 of the Original Indenture, this Supplemental Indenture forms a part thereof. The Original Indenture, as supplemented and amended by this Supplemental Indenture, is in all respects hereby adopted, ratified and confirmed.

Section 2.2 Trust Indenture Act Controls. If any provision of this Supplemental Indenture limits, qualifies, or conflicts with another provision which is required to be included in this Indenture by the TIA, the required provision shall control.

Section 2.3 Notices. Any request, demand, authorization, notice, waiver, consent or communication shall be in writing and delivered in person or mailed by first-class mail, postage prepaid, addressed as follows or transmitted by facsimile transmission (confirmed by guaranteed overnight courier) to the following facsimile numbers:

if to the Company:

Cendant Corporation
9 West 57th Street
New York, New York 10019
Attn: Secretary
Telephone No.: (212) 413-1800
Facsimile No.: (212) 413-1922

if to the Trustee:

The Bank of New York
101 Barclay Street
New York, New York 10286
Telephone No.: (212) 328-7629
Facsimile No.: (212) 896-7294
Attn: Corporate Trust Administration

The Company or the Trustee by notice given to the other in the manner provided above may designate additional or different addresses for subsequent notices or communications.

Any notice or communication given to a Securityholder shall be mailed to the Securityholder, by first-class mail, postage prepaid, at the Securityholder's address as it appears on the registration books of the Registrar and shall be sufficiently given if so mailed within the time prescribed.

Failure to mail a notice or communication to a Securityholder or any defect in it shall not affect its sufficiency with respect to the Securityholders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not received by the addressee.

If the Company mails a notice or communication to the Securityholders, it shall mail a copy to the Trustee and each Registrar, Paying Agent, Conversion Agent or co-registrar.

Section 2.4 Separability Clause. In case any provision in the Supplemental Indenture, the Original Indenture or in the Securities shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 2.5 GOVERNING LAW. THE LAWS OF THE STATE OF NEW YORK SHALL GOVERN THIS SUPPLEMENTAL INDENTURE.

Section 2.6 Successors. All agreements of the Company in this Supplemental Indenture shall bind its successor. All agreements of the Trustee in this Supplemental Indenture shall bind its successor.

Section 2.7 Multiple Originals. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Supplemental Indenture.

IN WITNESS WHEREOF, the undersigned, being duly authorized, have executed this First Supplemental Indenture on behalf of the respective parties hereto as of the date first above written.

CENDANT CORPORATION

By: /s/ Eric J. Bock

Name: Eric J. Bock
Title: Executive Vice President,
Law and Secretary

THE BANK OF NEW YORK

By: /s/ Julie Salovitch-Miller

Name: Julie Salovitch-Miller

CENDANT CORPORATION TO AMEND TERMS
OF ITS ZERO-COUPON CONVERTIBLE DEBENTURES DUE MAY 2021

Will Add Cash Interest Payments through May 2003
and "Put" Right Exercisable in May 2003

New York, NY, May 1, 2002--Cendant Corporation (NYSE: CD) announced that it intends to add cash interest payments of 3% per annum beginning May 5, 2002 and continuing through May 4, 2003 to its outstanding Zero-Coupon Convertible Debentures due May 2021, as well as an additional option for holders to "put" the debentures to Cendant at par on May 4, 2003. The aggregate face value of the outstanding debentures is \$1.0 billion.

The additional interest will be paid on a semi-annual basis to holders who retain their debentures past May 4, 2002. The interest payments will be made on November 4, 2002 and May 5, 2003 to holders of record at the close of business on October 4, 2002 and April 4, 2003, respectively. The specific terms of the payments and the additional holders' right to require redemption - commonly known as a "put" option - are expected to be set forth in a supplemental indenture. A form of that supplemental indenture will be filed shortly with the Securities and Exchange Commission on Form 8-K. The Form 8-K will also include a summary of certain U.S. federal income tax consequences of the proposed amendments to the terms of the debentures.

Each holder of the debentures has the right to require Cendant to repurchase on May 4, 2002 all or any part of such holder's debentures for cash at a price equal to 100% of the principal amount thereof. In order to exercise this repurchase right, a holder must provide notice (a "Purchase Notice") on or before the close of business on May 3, 2002 to the Trustee in accordance with the procedures of The Depository Trust Company. Any holder who delivers a Purchase Notice to the Trustee as set forth above may withdraw such Purchase Notice at any time prior to the close of business on May 3, 2002 also in accordance with the procedures of The Depository Trust Company.

The debentures are convertible in certain circumstances into 39.0755 shares of Cendant common stock per \$1,000 principal amount of debentures, subject to adjustment under certain circumstances. The debentures are not currently convertible.

Additionally, the Company has consulted with investment advisors with respect to the debentures, and such advisors may make a market in, purchase or sell such debentures in the open market from time to time.

The terms of Cendant's other outstanding securities, including its Zero Coupon Senior Convertible Contingent Debt Securities due February 2021, are unchanged.

Cendant Corporation is primarily a provider of travel and residential real estate services. With approximately 70,000 employees, New York City-based Cendant provides these services to businesses and consumers in over 100 countries. More information about Cendant, its companies, brands and current SEC filings may be obtained by visiting the Company's Web site at www.Cendant.com or by calling 877-4INFO-CD (877-446-3623).

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