
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) **June 20, 2006 (June 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 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01**Entry into a Material Definitive Agreement.**

On June 15, 2006, the Compensation Committee of our Board of Directors approved a long-term equity incentive grant for Richard A. Smith, one of our five most highly compensated executive officers, with a value of \$5 million. Upon the completion of the distribution by Cendant to its stockholders of all of its shares of common stock of Realogy Corporation, our wholly owned subsidiary that holds the assets and liabilities associated with our Real Estate Services businesses, the grant will convert into two equity incentive awards relating to Realogy's common stock.

As described in Realogy's Registration Statement on Form 10, one of these awards will be in the form of stock-settled stock appreciation rights with a per share exercise price equal to the value of a share of Realogy's common stock as of the date of grant (the closing price on the first day of trading following the date of Realogy's distribution), will have a value on the date of grant of \$3 million, and will vest (or not vest) on such date or dates and subject to Realogy's attainment of pre-established performance goals relating to Realogy's financial success, in each case as determined by Realogy's Board of Directors or Compensation Committee prior to the distribution date, and further subject to Mr. Smith's continued employment with Realogy through such vesting date(s). The other of these awards will be in the form of restricted stock units, will have a value on the grant date of \$2 million and will vest in equal installments on each of the first four anniversaries of May 2, 2006, subject to Mr. Smith's continued employment with Realogy through each such vesting date. The number of shares of Realogy common stock covered by Mr. Smith's grant will equal the aggregate value of each such grant divided by (i) in the case of restricted stock units, the fair market value of Realogy common stock and (ii) in the case of stock appreciation rights, the Black-Scholes value of a right, in each case as of the date of grant of such award (the closing price on the first day of trading following the date of Realogy's distribution). The award will be granted under Realogy's 2006 Equity and Incentive Plan.

If, however, Realogy's distribution does not occur, the grant will become an award relating to Cendant common stock on December 31, 2006, and the terms of the grant will be determined by the Compensation Committee of our Board of Directors.

On June 15, 2006, the Compensation Committee of our Board of Directors also approved an employment agreement between Realogy and Mr. Smith, which will become effective as of the date of Realogy's distribution.

As described in Realogy's Registration Statement on Form 10, the employment agreement will have a term ending on the third anniversary of the distribution; provided, that such term will automatically extend for one additional year unless Realogy or Mr. Smith provides notice to the other party of non-renewal at least six months prior to such third anniversary. Pursuant to Realogy's by-laws, its Board of Directors may terminate Mr. Smith's employment at any time. Upon expiration of the employment agreement, Mr. Smith will be an employee at will unless the agreement is renewed or a new agreement is executed. In addition to providing for a minimum base salary of \$1 million and employee benefit plans generally available to Realogy's executive officers, Mr. Smith's agreement will provide for an annual incentive award with a target amount equal to 200% of his base salary, subject to attainment of performance goals, and grants of long-term incentive awards, upon such terms and conditions as determined by Realogy's Board of Directors or Compensation Committee. Mr. Smith's agreement will provide that if his employment with Realogy is terminated by Realogy without "cause" or due to a "constructive discharge" (each term as defined in Mr. Smith's agreement), he will be entitled to a lump sum payment equal to 299% of the sum of his then-current base salary plus his then-current target annual bonus. In addition, in this event, all of Mr. Smith's then-outstanding Realogy equity awards will become fully vested (and any Realogy stock options and stock appreciation rights granted on or after the distribution date will remain exercisable until the earlier of three years following his termination of employment and the original expiration date of such awards). Options granted prior to the distribution

will remain exercisable in accordance with Mr. Smith's prior agreement with Cendant. Mr. Smith's employment agreement will also provide him and his dependents with medical benefits through his age 75. The employment agreement will provide Mr. Smith with the right to claim a constructive discharge if, among other things, (i) a person other than Mr. Silverman becomes Realogy's Chief Executive Officer, (ii) prior to December 31, 2007, Mr. Smith does not report to the Chief Executive Officer, (iii) following December 31, 2007, Mr. Smith is not the Chief Executive Officer or does not report directly to Realogy's Board of Directors, (iv) Realogy fails to nominate Mr. Smith to be a member of Realogy's Board of Directors, or (v) Realogy notifies Mr. Smith that Realogy will not extend the term of the employment agreement for an additional fourth year. Mr. Smith's agreement will provide for post-termination non-competition and non-solicitation covenants which will last for two years following Mr. Smith's employment with Realogy.

Mr. Smith's employment agreement and the plan used in connection with Mr. Smith's grant are set forth below as Exhibits 10.1 and 10.2 and incorporated by reference herein.

Item 7.01 Regulation FD Disclosure.

On June 20, 2006, we announced the commencement of meetings with institutional investors in connection with the planned spin-off of Wyndham Worldwide Corporation.

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

The slides to be presented during the investor meetings may be accessed on Cendant's website at www.cendant.com.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

| | |
|------|--|
| 10.1 | Employment Agreement Between Realogy Corporation and Richard A. Smith. |
| 10.2 | 2006 Equity and Incentive Plan of Realogy Corporation (incorporated by reference to Exhibit 10.5 to Realogy Corporation's Registration Statement on Form 10 (File No. 001-32852)). |
| 99.1 | Press Release dated June 20, 2006. |

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 hereunto duly authorized.

CENDANT CORPORATION

By: /s/ Eric J. Bock

Eric J. Bock
Executive Vice President, Law
and Corporate Secretary

Date: June 20, 2006

CENDANT CORPORATION
CURRENT REPORT ON FORM 8-K
Report Dated June 20, 2006 (June 15, 2006)

EXHIBIT INDEX

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EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is dated as of the Effective Date (as hereinafter defined), by and between Realogy Corporation, a Delaware corporation (the "Company") and Richard A. Smith (the "Executive").

WHEREAS, Cendant Corporation, a Delaware corporation ("Cendant"), and the Executive are parties to an Amended and Restated Employment Agreement dated as of June 30, 2004 (the "Prior Agreement").

WHEREAS, Cendant has determined to distribute the Company directly to its stockholders pursuant to a spin-off transaction (the "Proposed Transaction").

WHEREAS, the Company desires to employ the Executive, and the Executive desires to serve the Company, in accordance with the terms and conditions of this Agreement;

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

SECTION I
EFFECTIVENESS

Subject to and upon the consummation of the Proposed Transaction (the "Effective Date") (i) the Prior Agreement shall terminate and be of no further force or effect and (ii) this Agreement shall become effective.

SECTION II
EMPLOYMENT; POSITION AND RESPONSIBILITIES

The Company agrees to employ the Executive, and the Executive agrees to be employed by the Company, for the Period of Employment as provided in Section III below and upon the terms and conditions provided in this Agreement. The Executive shall serve as President of the Company from the Effective Time through December 31, 2007 (the "Initial Period"), and shall thereafter serve as Chief Executive Officer of the Company through the remainder of the Period of Employment (the "Remaining Period"). During the Initial Period, the Executive shall report to, and be subject to the direction of, the Chief Executive Officer of

the Company (the "CEO"), and during the Remaining Period shall report to, and be subject to the direction of, the Board of Directors of the Company (the "Board"). The Executive shall perform such duties and exercise such supervision with regard to the business of the Company as are associated with his respective positions, as well as such additional duties as may be prescribed from time to time by the Board. The Executive shall, during the Period of Employment, devote substantially all of his time and attention during normal business hours to the performance of services for the Company. The Executive shall maintain a primary office and conduct his business in Parsippany, New Jersey (the "Business Office"), except for normal and reasonable business travel in connection with his duties hereunder.

In addition, effective upon the Effective Date, the Executive shall serve as Vice Chairman, and a member, of the Board; provided, that the Executive's continued service as a member of the Board shall at all times remain subject to any and all nomination and election procedures in accordance with the Company's by-laws. Following the Effective Date, any failure by the shareholders of the Company to re-elect the Executive to membership on the Board shall not constitute a breach by the Company of this Agreement.

The Company agrees to provide the Executive with periodic updates regarding Company plans for his succession to the Chief Executive Officer position, and will use reasonable efforts, subject to corporate governance procedures, to notify the Executive of any changes in succession plans by no later than June 30, 2007.

SECTION III PERIOD OF EMPLOYMENT

The period of the Executive's employment under this Agreement (the "Period of Employment") shall begin on the Effective Date and shall end on the third anniversary of the Effective Date (the "Term"), subject to earlier termination as provided in this Agreement. Effective upon the expiration of the Term, Executive's employment hereunder shall be deemed to be automatically extended, upon the same terms and conditions, for an additional period of one year (the "Additional Term") commencing upon the expiration of the Term unless either party shall have given written notice to the other, at least six (6) months prior to the expiration of the Term of its intention not to extend the Period of Employment Period hereunder; provided that any such notice of non-extension delivered by the Company to Executive shall be deemed to constitute a Constructive Discharge (as defined below) of the Executive. As of the Effective Date, Executive shall cease to be employed by Cendant.

SECTION IV COMPENSATION AND BENEFITS

For all services rendered by the Executive pursuant to this Agreement during the Period of Employment, including services as an executive officer, director or committee member of the Company or any subsidiary or affiliate of the Company, the Executive shall be compensated as follows:

(a) Base Salary

The Company shall initially pay the Executive a fixed base salary ("Base Salary") of not less than \$1,000,000, per annum, and thereafter the Executive shall be eligible to receive annual increases as the Board deems appropriate, in accordance with the Company's customary procedures regarding salaries of senior officers. Base Salary shall be payable according to the customary payroll practices of the Company, but in no event less frequently than once each month.

(b) Annual Incentive Awards

The Executive shall be eligible to earn a Target Annual Bonus for each fiscal year of the Company ending during the Employment Period (each, an "Annual Bonus") equal to 200% of the Executive's Base Salary for such fiscal year, if the Company achieves the target performance goals established by the Incentive Compensation Committee (the "Committee") for such fiscal year. The Committee may establish such metrics whereby the Executive may earn an Annual Bonus in excess of the Target Annual Bonus or an Annual Bonus less than the Target Annual Bonus.

Any Annual Bonus that becomes payable to the Executive pursuant to this Section shall be paid to the Executive as soon as reasonably practicable following receipt by the Board of the audited consolidated financial statements of the Company for the relevant fiscal year, but in no event later than two and a half (2 ½) months following the end of the applicable fiscal year in which such Annual Bonus was earned. The Executive shall be entitled to receive any Annual Bonus that becomes payable in a lump sum cash payment, or, at his election, in any form that the Board generally makes available to the Company's executive management team; provided that any such election is made by the Executive in compliance with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations promulgated thereunder.

(c) Long-Term Incentive Awards

Upon the Effective Date, the Company shall grant the Executive a long-term incentive equity award with a grant date value equal to \$5 million (the "Initial Realogy Grant"). The Initial Realogy Grant shall be subject to the terms and conditions of the Company's 2006 Equity and Incentive Plan and the applicable agreement evidencing such award, including such vesting provisions as determined by the Committee (subject to accelerated vesting in accordance with Section VIII below). Thereafter, the Executive shall be eligible for long term incentive awards as determined by the Committee in its discretion.

(d) Additional Benefits

The Executive shall be entitled to participate in all other compensation and employee benefit plans or programs and receive all benefits and perquisites for which salaried employees of the Company generally are eligible under any plan or program now in effect, or later established by the Company, on the same basis as similarly situated senior executives of the Company with comparable duties and responsibilities. The Executive shall participate to the extent permissible under the terms and provisions of such plans or programs, and in accordance with the terms of such plans and program.

(e) Further Consideration

The Company acknowledges and agrees to provide the Executive the following benefits notwithstanding anything herein to the contrary. Upon the Executive's termination of employment from the Company and its subsidiaries for any reason, including, without limitation, due to or following any non-renewal of this Agreement, Resignation, or termination by the Company with or without Cause, the Executive and each person who is his covered dependent at such time under each applicable plan sponsored by the Company, shall remain eligible to continue to participate in all of such plans (as they may be modified from time to time with respect to all senior executive officers), or such other plans subsequently made available to senior executive officers of the Company or any successor Company (the "Post-Employment Plans") until the end of the plan year in which the Executive reaches, or would have reached, age seventy-five (75) (such benefits, the "Post-Employment Benefits"). The Executive is currently eligible to participate in the following plans: Executive Physical Exams, Medical Expense Reimbursement Plan (MERP), Medical Insurance, Dental Insurance, Group Life Insurance (up to \$1 million coverage on

Executive's life), Vision Service Plan. Coverage under such Post-Employment Plans shall be subject to the Executive and/or such dependents, as applicable, continuing to pay the applicable employee portion of any premiums, co-payments, deductibles and similar costs Solely with respect to the Executive's dependents, such coverage shall terminate upon such earlier date if and when they become ineligible for any such benefits under the terms of such plans and provided, that once the Executive or his dependents become eligible for Medicare or any other government-sponsored medical insurance plan, or if the Executive is eligible to participate in any other company's medical insurance plan as an employee after the termination of his employment, the Executive or his dependents shall utilize such government plan or other company plan, and the Company's insurance obligations as part of the Post-Employment Benefits hereunder shall become secondary to such government plan or other company plan. Notwithstanding the foregoing, the Company may meet any of its foregoing obligations under the Post-Employment Plans by paying for, or providing for the payment of, such benefits directly or through alternative plans or individual policies which are no less favorable in all material respects (with respect to both coverage and cost to the Executive) to the Post-Employment Plans, provided that the Company shall use its best efforts to assure that provision of the Post-Employments Benefits complies with Code Section 409A.

SECTION V
BUSINESS EXPENSES

The Company shall reimburse the Executive for all reasonable travel and other expenses incurred by the Executive in connection with the performance of his duties and obligations under this Agreement. The Executive shall comply with such limitations and reporting requirements with respect to expenses as may be established by the Company from time to time and shall promptly provide all appropriate and requested documentation in connection with such expenses. Further, the Executive will receive access to Company aircraft or alternative air transportation, subject to applicable Company policies.

SECTION VI
DEATH AND DISABILITY

The Period of Employment shall end upon the Executive's death. If the Executive becomes Disabled (as defined below) during the Period of Employment, the Period of Employment may be terminated at the option of the Executive upon no-tice of resignation to the Company, or at the option of the Company upon notice of termination to the Executive. For purposes of this Agreement, "Disability"

shall have the meaning set forth in Section 409A ("Code Section 409A") of the Code. The Company's obligation to make payments to the Executive under this Agreement shall cease as of such date of termination, except for Base Salary and any Incentive Compensation Awards earned but unpaid as of the date of such termination, and, in such event (a) each of the Executive's then outstanding options to purchase shares of Cendant common stock (including options to purchase shares of common stock of entities resulting from the adjustment to such Cendant options in connection with the Cendant's plan to separate into 2 or more public companies (the "Adjusted Options")) which were granted on or after September 3, 1998 shall become immediately and fully vested and exercisable and, in accordance with the terms and conditions applicable to such options set forth in the Prior Agreement, shall remain exercisable until the first to occur of the fifth (5th) anniversary of the Executive's termination of employment and the original expiration date of such option, (b) each option to purchase shares of the Company common stock granted on or after the Effective Date (excluding any Adjusted Option to acquire the Company common stock) shall become immediately and fully vested and exercisable and, notwithstanding any term or provision thereof to the contrary, shall remain exercisable until the first to occur of the third (3rd) anniversary of the Executive's termination of employment and the original expiration date of such option, and (c) all other long-term equity awards (including, without limitations, restricted stock units) then outstanding shall become immediately vested.

SECTION VII
EFFECT OF TERMINATION OF EMPLOYMENT

(a) Without Cause Termination and Constructive Discharge. If the Executive's employment terminates during the Period of Employment due to either a Without Cause Termination or a Constructive Discharge (each as defined below): (i) the Company shall pay the Executive (or his surviving spouse, estate or personal representative, as applicable), in accordance with paragraph (d) below, an amount equal to 299% multiplied by the sum of (A) the Executive's then current Base Salary, plus (B) the Executive's then current target Incentive Compensation Award; (ii) each of the Executive's then outstanding options, including the Adjusted Options, to purchase shares of common stock which were granted on or after June 1, 2001 and prior to the Effective Date shall become immediately and fully vested and exercisable and in accordance with the terms and conditions applicable to such options set forth in the Prior Agreement, shall remain exercisable until the first to occur of the fifth (5th) anniversary of the Executive's termination of employment and the original expiration date of such option; (iii) each option to purchase shares of the Company common stock or stock appreciation right granted on or after the Proposed Transaction

(excluding any Adjusted Option to acquire the Company common stock) shall become immediately and fully vested and exercisable and, notwithstanding any term or provision thereof to the contrary, shall remain exercisable until the first to occur of the third (3rd) anniversary of the Executive's termination of employment and the original expiration date of such option or stock appreciation right, and (iv) all other long-term equity awards (including, without limitation, the restricted stock units) shall become immediately vested.

Further, if the Executive's employment terminates by reason of Without Cause Termination or Constructive Discharge during the Period of Employment or a Resignation at any time during or after the expiration of the Period of Employment, each of the Executive's then outstanding options to purchase shares of Cendant common stock, including the Adjusted Options, which were granted on or after September 3, 1998 and prior to December 31, 2000, in accordance with the terms and conditions applicable to such options set forth in the Prior Agreement, shall remain exercisable until the first to occur of the fifth (5th) anniversary of the Executive's termination of employment and the original expiration date of such option.

(b) Termination for Cause; Resignation. If the Executive's employment terminates due to a Termination for Cause or a Resignation, Base Salary and any Incentive Compensation Awards earned but unpaid as of the date of such termination shall be paid to the Executive in accordance with paragraph (d) below. Outstanding stock options and other equity awards held by the Executive as of the date of termination shall be treated in accordance with their terms (except as provided in paragraph (a) above). Except as provided in this paragraph, the Company shall have no further obligations to the Executive hereunder.

(c) For purposes of this Agreement, the following terms have the following meanings:

i. "Termination for Cause" means (a) the Executive's willful failure to substantially perform his duties as an employee of the Company or any subsidiary (other than any such failure resulting from incapacity due to physical or mental illness), (b) any act of fraud, misappropriation, dishonesty, embezzlement or similar conduct against the Company or any subsidiary, (c) the Executive's conviction of a felony or any crime involving moral turpitude (which conviction, due to the passage of time or otherwise, is not subject to further appeal), (d) the Executive's gross negligence in the performance of his duties or (e) the Executive purposefully or negligently makes (or has been found to have made) a false certification to the Company pertaining to its financial statements.

ii. "Constructive Discharge" means (a) any material failure of the Company to fulfill its obligations under this Agreement (including without limitation any reduction of the Base Salary, as the same may be increased during the Period of Employment, or other element of compensation), (b) the Business Office is relocated to any location which is more than 30 miles from the city limits of Parsippany, New Jersey, (c) a person, other than Henry R. Silverman, becoming the Chief Executive Officer of the Company, (d) during the Initial Period, the Executive no longer reports directly to Henry R. Silverman as the Chief Executive Officer of the Company, (e) during the Remaining Period the Executive is not the Chief Executive Officer and the most senior executive officer of the Company, (f) during the Remaining Period the Executive does not report directly to the board of directors of the Company, (g) the Company provides notification under Section III of this Agreement that it is not extending the Agreement for an Additional Term, or (h) the Executive is not nominated to be a member of the Board of the Company. The Executive shall provide the Company a written notice of his intention to resign within 60 days after the Executive knows or has reason to know of the occurrence of any such event which notice describes the circumstances being relied on for the termination with respect to this Agreement. With respect to clauses (a) and (b) of this paragraph, the Company shall have ten (10) days after receipt of such notice to remedy the event prior to the termination for Constructive Discharge and, upon the timely remedy of such event, such event shall no longer constitute a basis for Constructive Discharge.

iii. "Without Cause Termination" or "Terminated Without Cause" means termination of the Executive's employment by the Company other than due to death, dis-ability, or Termination for Cause.

iv. "Resignation" means a termination of the Executive's employment by the Executive, other than in connection with a Constructive Discharge.

(d) Conditions to Payment and Acceleration. All payments due to the Executive under this Section VII shall be made as soon as practicable, but in no event earlier than the date permitted under Section 409A of the Code, to the extent such payment is subject to Section 409A of the Code; provided, however, that such payments shall be subject to, and contingent upon, the execution by the Executive (or his beneficiary or estate) of a release of claims against the Company and its affiliates in such reasonable form determined by the Company in its sole discretion. The payments due to the Executive under this Section VII shall be in lieu of any other severance benefits otherwise payable to the Executive under any severance plan of the Company or its affiliates.

SECTION VIII
OTHER DUTIES OF THE EXECUTIVE
DURING AND AFTER THE PERIOD OF EMPLOYMENT

(a) The Executive shall, with reasonable notice during or after the Period of Employment, furnish information as may be in his possession and fully cooperate with the Company and its affiliates as may be requested in connection with any claims or legal action in which the Company or any of its affiliates is or may become a party. After the Period of Employment, the Executive shall cooperate as reasonably requested with the Company and its affiliates in connection with any claims or legal actions in which the Company or any of its affiliates is or may become a party. The Company agrees to reimburse the Executive for any reasonable out-of-pocket expenses incurred by Executive by reason of such cooperation, including any loss of salary, and the Company shall make reasonable efforts to minimize interruption of the Executive's life in connection with his cooperation in such matters as provided for in this paragraph.

(b) The Executive recognizes and acknowledges that all information pertaining to this Agreement or to the affairs; business; results of operations; accounting methods, practices and procedures; members; acquisition candidates; financial condition; clients; customers or other relationships of the Company or any of its affiliates ("Information") is confidential and is a unique and valuable asset of the Company or any of its affiliates. Access to and knowledge of certain of the Information is essential to the performance of the Executive's duties under this Agreement. The Executive shall not during the Period of Employment or thereafter, except to the extent reasonably necessary in performance of his duties under this Agreement, give to any person, firm, association, corporation, or governmental agency any Information, except as may be required by law. The Executive shall not make use of the Information for his own purposes or for the benefit of any person or organization other than the Company or any of its affiliates. The Executive shall also use his best efforts to prevent the disclosure of this Information by others. All records, memoranda, etc. relating to the business of the Company or its affiliates, whether made by the Executive or otherwise coming into his possession, are confidential and shall remain the property of the Company or its affiliates.

(c) (i) During the Period of Employment and for a two (2) year period thereafter (the "Restricted Period"), irrespective of the cause, manner or time of any termination, the Executive shall not use his status with the Company or any of its affiliates to obtain loans, goods or services from another organization on

terms that would not be available to him in the absence of his relationship to the Company or any of its affiliates.

(ii) During the Restricted Period, the Executive shall not make any statements or perform any acts intended to have the effect of advancing the interest of any existing competitors (or any entity the Executive knows to be a prospective competitor) of the Company or any of its affiliates or in any way injuring the interests of the Company or any of its affiliates. During the Restricted Period, the Executive, without prior express written approval by the Board, shall not engage in, or directly or indirectly (whether for compensation or otherwise) own or hold proprietary interest in, manage, operate, or control, or join or participate in the ownership, management, operation or control of, or furnish any capital to or be connected in any manner with, any party which competes in any way or manner with the business of the Company or any of its affiliates, as such business or businesses may be conducted from time to time, either as a general or limited partner, proprietor, common or preferred shareholder, officer, director, agent, employee, consultant, trustee, affiliate, or otherwise. The Executive acknowledges that the Company's and its affiliates' businesses are conducted nationally and internationally and agrees that the provisions in the foregoing sentence shall operate throughout the United States and the world.

(iii) During the Restricted Period, the Executive, without express prior written approval from the Board, shall not solicit any members or the then current clients of the Company or any of its affiliates for any existing business of the Company or any of its affiliates or discuss with any employee of the Company or any of its affiliates information or operation of any business intended to compete with the Company or any of its affiliates.

(iv) During the Restricted Period, the Executive shall not interfere with the employees or affairs of the Company or any of its affiliates or solicit or induce any person who is an employee of the Company or any of its affiliates to terminate any relationship such person may have with the Company or any of its affiliates, nor shall the Executive during such period directly or indirectly engage, employ or compensate, or cause or permit any person with which the Executive may be affiliated, to engage, employ or compensate, any employee of the Company or any of its affiliates. The Executive hereby represents and warrants that the Executive has not entered into any agreement, understanding or arrangement with any employee of the Company or any of its affiliates pertaining to any business in which the Executive has participated or plans to participate, or to the employment, engagement or compensation of any such employee.

(v) For the purposes of this Agreement, proprietary interest means legal or equitable ownership, whether through stock holding or otherwise, of an equity interest in a business, firm or entity or ownership of more than 5% of any class of equity interest in a publicly-held company and the term "affiliate" shall include without limitation all subsidiaries and licensees of the Company.

(d) The Executive hereby acknowledges that damages at law may be an insufficient remedy to the Company if the Executive violates the terms of this Agreement and that the Company shall be entitled, upon making the requisite showing, to preliminary and/or permanent injunctive relief in any court of competent jurisdiction to restrain the breach of or otherwise to specifically enforce any of the covenants contained in this Section VIII without the necessity of showing any actual damage or that monetary damages would not provide an adequate remedy. Such right to an injunction shall be in addition to, and not in limitation of, any other rights or remedies the Company may have. Without limiting the generality of the foregoing, neither party shall oppose any motion the other party may make for any expedited discovery or hearing in connection with any alleged breach of this Section VIII.

(e) The period of time during which the provisions of this Section VIII shall be in effect shall be extended by the length of time during which the Executive is in breach of the terms hereof as determined by any court of competent jurisdiction on the Company's application for injunctive relief.

(f) The Executive agrees that the restrictions contained in this Section VIII are an essential element of the compensation the Executive is granted hereunder and but for the Executive's agreement to comply with such restrictions, the Company would not have entered into this Agreement.

SECTION IX INDEMNIFICATION

The Company shall indemnify the Executive to the fullest extent permitted by the laws of the state of the Company's incorporation in effect at that time, or the certificate of incorporation and by-laws of the Company, whichever affords the greater protection to the Executive (including payment of expenses in advance of final disposition of a proceeding).

SECTION X
CERTAIN TAXES

Anything in this Agreement or in any other plan, program or agreement to the contrary notwithstanding and except as set forth below, in the event that (i) the Executive becomes entitled to any benefits or payments under Section VII hereof and (ii) it shall be determined that any payment or distribution by the Company to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section X) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended, or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. Notwithstanding the foregoing provisions of this Section X, if it shall be determined that the Executive is entitled to a Gross-Up Payment, but that the Payments do not exceed 110% of the greatest amount (the "Reduced Amount") that could be paid to the Executive such that the receipt of Payments would not give rise to any Excise Tax, then no Gross-Up Payment shall be made to the Executive and the Payments, in the aggregate, shall be reduced to the Reduced Amount, provided, however, that the payments or benefits to be eliminated in effecting such reduction shall be agreed upon between the Company and the Executive. All determinations required to be made under this Section X, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Deloitte & Touche LLP or such other certified public accounting firm as may be designated by the Company.

SECTION XI
MITIGATION

The Executive shall not be required to mitigate the amount of any payment provided for hereunder by seeking other employment or otherwise, nor

shall the amount of any such payment be reduced by any compensation earned by the Executive as the result of employment by another employer after the date the Executive's employment hereunder terminates.

SECTION XII
WITHHOLDING TAXES

The Executive acknowledges and agrees that the Company may directly or indirectly withhold from any payments under this Agreement all federal, state, city or other taxes that shall be required pursuant to any law or governmental regulation.

SECTION XIII
EFFECT OF PRIOR AGREEMENTS

This Agreement shall supersede any prior agreements between Cendant, the Company, and the Executive (including but not limited to the Prior Agreement) hereof, and any such prior agreement shall be deemed terminated without any remaining obligations of either party thereunder.

SECTION XIV
CONSOLIDATION, MERGER OR SALE OF ASSETS

Nothing in this Agreement shall preclude the Company from consolidating or merging into or with, or transferring all or substantially all of its assets to, another corporation which assumes this Agreement and all obligations and undertakings of the Company hereunder. If (i) there is a merger, consolidation or other business combination involving the Company, or (ii) all or substantially all of the voting stock of the Company is held by another public company, the term "the Company" shall mean the successor to the Company's business or assets referred to in (i) above or such public company referred to in (ii) above, and this Agreement shall continue in full force and effect. Notwithstanding the foregoing, the Company shall require any successor thereto, by agreement in form and substance reasonably satisfactory to the Executive to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such agreement prior to the effectiveness of any such succession shall be a breach of the Agreement and shall entitle the Executive to compensation from the Company in the same amount and on the same terms as Executive would be entitled hereunder if the Company had terminated Executive's employment Without Cause as described

herein, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the date of termination.

SECTION XV
MODIFICATION

This Agreement may not be modified or amended except in writing signed by the parties. No term or condition of this Agreement shall be deemed to have been waived except in writing by the party charged with waiver. A waiver shall operate only as to the specific term or condition waived and shall not constitute a waiver for the future or act on anything other than that which is specifically waived.

SECTION XVI
GOVERNING LAW

This Agreement has been executed and delivered in the State of New Jersey and its validity, interpretation, performance and enforcement shall be governed by the internal laws of that state.

SECTION XVII
ARBITRATION

(a) Any controversy, dispute or claim arising out of or relating to this Agreement or the breach hereof which cannot be settled by mutual agreement (other than with respect to the matters covered by Section VIII for which the Company may, but shall not be required to, seek injunctive relief) shall be finally settled by binding arbitration in accordance with the Federal Arbitration Act (or if not applicable, the applicable state arbitration law) as follows: Any party who is aggrieved shall deliver a notice to the other party setting forth the specific points in dispute. Any points remaining in dispute twenty (20) days after the giving of such notice may be submitted to arbitration in New York, New York, to the American Arbitration Association, before a single arbitrator appointed in accordance with the arbitration rules of the American Arbitration Association, modified only as herein expressly provided. After the aforesaid twenty (20) days, either party, upon ten (10) days notice to the other, may so submit the points in dispute to arbitration. The arbitrator may enter a default decision against any party who fails to participate in the arbitration proceedings.

(b) The decision of the arbitrator on the points in dispute shall be final, unappealable and binding, and judgment on the award may be entered in any court having jurisdiction thereof.

(c) Except as otherwise provided in this Agreement, the arbitrator shall be authorized to apportion its fees and expenses and the reasonable attorneys' fees and ex-penses of any such party as the arbitrator deems appropriate. In the absence of any such apportionment, the fees and expenses of the arbitrator shall be borne equally by each party, and each party shall bear the fees and expenses of its own attorney.

(d) The parties agree that this Section XVII has been included to rapidly and inexpensively resolve any disputes between them with respect to this Agreement, and that this Section XVII shall be grounds for dismissal of any court action commenced by either party with respect to this Agreement, other than post-arbitration actions seeking to enforce an arbitration award. In the event that any court determines that this arbitration procedure is not binding, or otherwise allows any litigation regarding a dispute, claim, or controversy covered by this Agreement to proceed, the parties hereto hereby waive any and all right to a trial by jury in or with respect to such litigation.

(e) The parties shall keep confidential, and shall not disclose to any person, except as may be required by law, the existence of any controversy hereunder, the referral of any such controversy to arbitration or the status or resolution thereof.

SECTION XVIII
SURVIVAL

Sections VIII, IX, X, XI, XII and XIII shall continue in full force in accordance with their respective terms notwithstanding any termination of the Period of Employment.

SECTION XIX
SEPARABILITY

All provisions of this Agreement are intended to be severable. In the event any provision or restriction contained herein is held to be invalid or unenforceable in any respect, in whole or in part, such finding shall in no way affect the validity or enforceability of any other provision of this Agreement. The parties hereto

further agree that any such invalid or unenforceable provision shall be deemed modified so that it shall be enforced to the greatest extent permissible under law, and to the extent that any court of competent jurisdiction determines any restriction herein to be unreasonable in any respect, such court may limit this Agreement to render it reasonable in the light of the circumstances in which it was entered into and specifically enforce this Agreement as limited.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the Effective Date.

REALOGY CORPORATION

/s/ Henry R. Silverman

By: Henry R. Silverman
Title: Chief Executive Officer

RICHARD A. SMITH

/s/ Richard A. Smith



**Cendant Corporation Announces Launch of Investor Meetings
Related To Spin-Off of Wyndham Worldwide Corporation**

NEW YORK, June 20, 2006 - Cendant Corporation (**NYSE: CD**) today announced the commencement of meetings with institutional investors in connection with the planned spin-off of Wyndham Worldwide Corporation.

The slides and related materials to be presented during the investor meetings may be accessed on Cendant's and Wyndham's websites at www.cendant.com and www.wyndhamworldwide.com, respectively.

About Cendant Corporation

Cendant is primarily a provider of travel and residential real estate services. With approximately 85,000 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 Cendant's Web site at www.cendant.com.

About Wyndham Worldwide Corporation

As one of the world's largest hospitality companies, Wyndham Worldwide offers individual consumers and business-to-business customers a broad suite of hospitality products and services across various accommodation alternatives and price ranges through its premier portfolio of world-renowned brands. Wyndham Worldwide encompasses more than 6,300 franchised hotels with approximately 525,000 hotel rooms worldwide. It serves more than three million members of RCI's vacation exchange networks, offering its members and rental customers access to approximately 55,000 vacation properties comprised of approximately 51,000 vacation rental properties and approximately 4,000 vacation ownership resorts located in over 100 countries. In addition, Wyndham Worldwide develops, markets and sells vacation ownership interests and provides consumer financing to owners through its network, which includes over 140 vacation ownership resorts serving more than 750,000 owners throughout North America, the Caribbean and the South Pacific. Wyndham Worldwide is headquartered in Parsippany, NJ, and is supported by approximately 28,800 employees around the world.

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