

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 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): February 9, 2007 (February 9, 2007)

Avis Budget Group, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

1-10308

(Commission File Number)

06-0918165

(IRS Employer Identification No.)

**6 Sylvan Way
Parsippany, NJ**

(Address of Principal Executive Offices)

07054

(Zip Code)

(973) 496-4700

(Registrant's telephone number, including area code)

N/A

(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))

Item 1.01. Entry into a Material Definitive Agreement.

On February 9, 2007, Avis Budget Group agreed to guarantee (the "Guarantee") the payment of principal of, premium, if any, and interest on the \$1.0 billion aggregate principal amount of senior notes issued by our Avis Budget Car Rental, LLC subsidiary on April 19, 2006 (the "Notes"). The Notes consist of Avis Budget Car Rental's 7.625% Senior Notes due 2014, 7.75% Senior Notes due 2016 and Floating Rate Senior Notes due 2014.

Avis Budget Group executed a Supplemental Indenture, dated February 9, 2007, to provide the Guarantee in accordance with the terms and limitations of the Notes and the indenture governing the Notes. A copy of the Supplemental Indenture and our press release announcing the Guarantee are attached hereto as [Exhibit 10.1](#) and [Exhibit 99.1](#), respectively, and are incorporated by reference herein.

In connection with the issuance of the Notes, we are required to file a registration statement with the SEC to enable holders of the Notes to exchange the Notes for registered notes. We have agreed to use our reasonable best efforts to cause the exchange to be completed within 405 days after the issuance of the Notes. As a result of issuing the Guarantee, Avis Budget Group will be a registrant of the exchange offer registration statement. Therefore, while Avis Budget Group will continue to file periodic reports with the Securities and Exchange Commission, we do not expect Avis Budget Car Rental, LLC or any of our other subsidiaries to file periodic reports. We expect to file the exchange offer registration statement in March 2007 following the filing of our 2006 Annual Report on Form 10-K and we expect to complete the exchange offer within the time period described above.

We expect to achieve cost savings as a result of filing periodic reports for just one entity. In consideration for the Guarantee, we received \$14 million, before fees and expenses, from certain institutional investors in a transaction arranged by Deutsche Bank.

Forward-Looking Statements

Certain statements in this Current Report on Form 8-K 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 verbs such as "will", "should", "would", "may" and "could" are generally forward-looking in nature and not historical facts. Any statements that refer to expectations or other characterizations of future events, circumstances or results are forward-looking statements.

Various risks that could cause future results, performance or achievements to differ from those expressed by the forward-looking statements included in this Form 8-K include, but are not limited to our ability to cause the exchange offer registration statement to be declared effective. Other unknown or unpredictable factors also could have material adverse effects on Avis Budget Group's performance or achievements. In light of these risks, uncertainties, assumptions and factors, the forward-looking events discussed in this Form 8-K 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 Form 8-K. Important assumptions and other important factors that could cause actual results to differ materially from those in the forward-looking statements are specified in Avis Budget Group's Quarterly Reports on Form 10-Q for the period ended June 30, 2006 and September 30, 2006, included 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 publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events unless required by law.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The following exhibits are filed as part of this report:

<u>Exhibit No.</u>	<u>Description</u>
10.1	Supplemental Indenture, dated February 9, 2007, among Avis Budget Car Rental, LLC and Avis Budget Finance, Inc., the Guarantors parties thereto and The Bank of Nova Scotia Trust Company of New York, as trustee.
99.1	Press Release dated February 9, 2007

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.

AVIS BUDGET GROUP, INC.

By: /s/ Jean M. Sera
Jean M. Sera
Senior Vice President and Secretary

Date: February 9, 2007

EXHIBIT INDEX

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99.1	Press Release dated February 9, 2007.

AVIS BUDGET CAR RENTAL, LLC

and

AVIS BUDGET FINANCE, INC.,
as Issuers,

The GUARANTORS from time to time parties hereto

and

THE BANK OF NOVA SCOTIA TRUST COMPANY OF NEW YORK
as Trustee

SUPPLEMENTAL INDENTURE
DATED as of FEBRUARY 9, 2007
TO THE INDENTURE
DATED as of APRIL 19, 2006

FLOATING RATE SENIOR NOTES DUE 2014

7.625% SENIOR NOTES DUE 2014

7.75% SENIOR NOTES DUE 2016

SUPPLEMENTAL INDENTURE, dated as of February 9, 2007 (this "Supplemental Indenture"), by and among Avis Budget Group, Inc., a corporation organized under the laws of the State of Delaware ("Avis Budget Group"), Avis Budget Car Rental, LLC, a limited liability company organized under the laws of the State of Delaware (the "Company"), and Avis Budget Finance, Inc., a corporation organized under the laws of the State of Delaware (together with the Company, "the Issuers"), the other guarantors parties hereto (the "Existing Guarantors") and The Bank of Nova Scotia Trust Company of New York, as trustee (the "Trustee") under the Indenture referred to below.

WHEREAS, the Issuers, the Existing Guarantors and the Trustee are parties to an indenture, dated as of April 19, 2006 (the "Indenture"), providing for the issuance of Floating Rate Senior Notes due 2014, 7.625% Senior Notes due 2014 and 7.75% Senior Notes due 2016 of the Issuers (collectively, the "Notes"); and

WHEREAS, Section 901(4) of the Indenture provides that the Company may enter into a supplemental indenture to the Indenture with the Trustee to add Guarantees (as such term is defined in the Indenture) with respect to the Notes, without the consent of the Holders; and

WHEREAS, all conditions and requirements necessary to make this Supplemental Indenture a valid and binding agreement have been duly performed and complied with.

NOW, THEREFORE, for and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, it is mutually covenanted and agreed, for the benefit of all Holders of the Notes as follows:

ARTICLE I

DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.1 Unless the context otherwise requires:

- (a) a term not defined herein that is defined in the Indenture has the same meaning when used in this Supplemental Indenture;
- (b) a term defined anywhere in this Supplemental Indenture has the same meaning throughout;
- (c) the singular includes the plural and vice versa;
- (d) unless otherwise specified, any reference to a Section or Article is to a Section or Article of this Supplemental Indenture;
- (e) headings are for convenience of reference only and do not affect interpretation;

and

Section 1.2 The definition of "Guarantor" contained in Section 101 of the Indenture is hereby amended to read in its entirety as follows:

"Guarantor" means Avis Budget Group, Inc., a corporation organized under the laws of the State of Delaware, Avis Budget Holdings, LLC, a limited liability company organized under the laws of the State of Delaware, and each Subsidiary Guarantor.

ARTICLE II

REGISTRATION RIGHTS AGREEMENT

Section 2.1 Promptly following the execution and delivery of this Supplemental Indenture, Avis Budget Group will execute a counterpart to the Registration Rights Agreement, dated April 19, 2006, by and among the Issuers, the guarantors party thereto and J.P. Morgan Securities Inc., on behalf of itself and the other initial purchasers listed on schedule 2 thereto (the "Initial Purchasers"), in the form attached thereto as Annex A, and will deliver such counterpart to the Initial Purchasers no later than five Business Days following the execution thereof.

ARTICLE III

MISCELLANEOUS

Section 3.1 The Trustee accepts the trusts created by the Indenture, as amended and supplemented by this Supplemental Indenture, and agrees to perform the same upon the terms and conditions of the Indenture, as amended and supplemented by this Supplemental Indenture. The Trustee makes no representation or warranty as to the validity or sufficiency of this Supplemental Indenture or as to the accuracy of the recitals to this Supplemental Indenture.

Section 3.2 All covenants and agreements in this Supplemental Indenture by the Issuers, the Guarantors and the Trustee shall bind their respective successors and assigns, whether so expressed or not.

Section 3.3 In case any provisions in this Supplemental Indenture 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 3.4 Nothing in this Supplemental Indenture is intended or shall be construed to give any Person, other than the Holders and the Trustee, any legal or equitable right, remedy or claim under or in respect of any Guarantee by Avis Budget Group or any provision contained herein or in Article XIII of the Indenture.

Section 3.5 The parties hereto may sign one or more copies of this Supplemental Indenture in counterparts, all of which together shall constitute one and the same agreement.

Section 3.6 THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. THE TRUSTEE, THE COMPANY, ANY OTHER OBLIGOR IN RESPECT OF THE NOTES AND (BY THEIR ACCEPTANCE OF THE NOTES) THE HOLDERS AGREE TO SUBMIT TO THE JURISDICTION OF ANY UNITED STATES FEDERAL OR STATE COURT LOCATED IN THE BOROUGH OF MANHATTAN, IN THE CITY OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SUPPLEMENTAL INDENTURE.

Section 3.7 Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

Section 3.8 The Section headings herein are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first written above.

AVIS BUDGET CAR RENTAL, LLC
AVIS BUDGET FINANCE, INC.

By: /s/ David B. Wyshner
Name: David B. Wyshner
Title: Executive Vice President,
Chief Financial Officer and
Treasurer

AVIS BUDGET GROUP, INC.
AVIS BUDGET HOLDINGS, LLC

By: /s/ David B. Wyshner
Name: David B. Wyshner
Title: Executive Vice President,
Chief Financial Officer and
Treasurer

AVIS ASIA AND PACIFIC, LIMITED
AVIS CAR RENTAL GROUP, LLC
AVIS CARIBBEAN, LIMITED
AVIS ENTERPRISES, INC.
AVIS GROUP HOLDINGS, LLC
AVIS INTERNATIONAL, LTD.
AVIS LEASING CORPORATION
AVIS RENT A CAR SYSTEM, LLC
PF CLAIMS MANAGEMENT, LTD.
WIZARD CO., INC.

By: /s/ F. Robert Salerno
Name: F. Robert Salerno
Title: President

AB CAR RENTAL SERVICES, INC.

By: /s/ David B. Wyshner
Name: David B. Wyshner
Title: Treasurer

ARACS LLC
AVIS OPERATIONS, LLC

By: /s/ F. Robert Salerno
Name: F. Robert Salerno
Title: President

BGI LEASING, INC.
BUDGET RENT A CAR SYSTEM, INC.

By: /s/ David B. Wyshner
Name: David B. Wyshner
Title: Executive Vice President,
Chief Financial Officer and
Treasurer

BUDGET TRUCK RENTAL LLC

By: /s/ David B. Wyshner
Name: David B. Wyshner
Title: Executive Vice President,
Chief Financial Officer and
Treasurer

Signature Page to Supplemental Indenture

THE BANK OF NOVA SCOTIA TRUST
COMPANY OF NEW YORK, as Trustee

By: /s/ Warren Goshine
Authorized Officer



**AVIS BUDGET GROUP ANNOUNCES GUARANTEE OF
SENIOR NOTES ISSUED BY AVIS BUDGET CAR RENTAL**

PARSIPPANY, N.J., February 9, 2007 - Avis Budget Group, Inc. (NYSE: CAR) announced today that it has agreed to guarantee the principal of, and interest on, the \$1.0 billion aggregate principal amount of senior notes issued by its Avis Budget Car Rental subsidiary in April 2006. Accordingly, Avis Budget Car Rental's 7.625% Senior Notes due 2014, 7.75% Senior Notes due 2016 and Floating Rate Senior Notes due 2014 will now have the benefit of a parent-company guarantee.

As a result of the guarantee, under applicable rules of the Securities and Exchange Commission, the Company will continue to file periodic reports with the SEC for Avis Budget Group but does not expect that periodic reports will be required for any of its subsidiaries, including Avis Budget Car Rental. The Company expects to achieve cost savings as a result of filing periodic reports for just one entity. In consideration of Avis Budget Group's agreement to guarantee the notes, the Company received \$14 million, before fees and expenses, from certain institutional investors in a transaction arranged by Deutsche Bank Securities Inc.

The guarantee has not been registered under the Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements.

About Avis Budget Group, Inc.

Avis Budget Group is a leading provider of vehicle rental services, with operations in more than 70 countries. Through its Avis and Budget brands, the Company is the largest general-use vehicle rental company in each of North America, Australia, New Zealand and certain other regions. Avis Budget Group is headquartered in Parsippany, N.J. and has more than 30,000 employees. For more information about Avis Budget Group, visit www.avisbudgetgroup.com.

Forward-Looking Statements

Certain statements in this press release 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 verbs such as "will", "should", "would", "may" and "could" are generally forward-looking in nature and not historical facts. Any statements that refer to expectations or other characterizations of future events, circumstances or results are forward-looking statements.

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 press release. Important risks, assumptions, uncertainties and important factors that could cause actual results, performance or achievements to differ materially from those in the forward-looking statements are specified in Avis Budget Group's Quarterly Reports on Form 10-Q for the period ended June 30, 2006 and September 30, 2006, included 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 publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events unless required by law.

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