

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-3
REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933

CENDANT CORPORATION
(Exact name of Registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

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

9 WEST 57TH STREET
NEW YORK, NY 10019
(212) 413-1800
FAX: (212) 413-1922
(Address, Including Zip Code, and Telephone Number, Including
Area Code, of each Registrant's Principal Executive Offices)

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APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC:
FROM TIME TO TIME AFTER THE EFFECTIVE DATE OF THIS REGISTRATION STATEMENT.

If the only securities being registered on this Form are being offered
pursuant to dividend or interest reinvestment plans, check the following box.
/ /

If any of the securities being registered on this Form are to be offered on
a delayed or continuous basis pursuant to Rule 415 under the Securities Act of
1933, other than securities offered only in connection with dividend or interest
reinvestment plans, check the following box. /X/

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

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

If delivery of the prospectus is expected to be made pursuant to Rule 434,
please check the following box: / /

CALCULATION OF REGISTRATION FEE

PROPOSED MAXIMUM EACH CLASS OF AGGREGATE AMOUNT OF SECURITIES TO BE REGISTERED BE REGISTERED PER DEBENTURE OFFERING PRICE REGISTRATION FEE 3 7/8%	PROPOSED MAXIMUM TITLE OF AMOUNT TO OFFERING PRICE SECURITIES TO BE REGISTERED PER DEBENTURE REGISTRATION FEE 3 7/8%
2011.....	Convertible Senior Debentures due
\$1,200,000,000(1)	97.4375%(2)(3)
\$1,169,250,000(2)(3)	\$107,571 CD Common Stock, par value, \$0.01 per share.....
	49,896,050(4) -- -- (5)

- (1) Represents the aggregate principal amount at maturity of the debentures that were originally issued by the Registrant in November 2001.
- (2) This estimate is made pursuant to Rule 457(c) of the Securities Act of 1933, as amended, solely for purposes of determining the registration fee. The above calculation is based on the average bid and ask prices for the Registrant's debentures in secondary market transactions executed by the Initial Purchaser of the debentures on February 19, 2002, as reported to the Registrant by the Initial Purchaser.
- (3) Exclusive of accrued interest.
- (4) Represents the number of shares of CD common stock that are currently issuable upon conversion of the debentures registered hereby.
- (5) No separate consideration will be received for the shares of CD common stock issuable upon conversion of the debentures and, therefore, no registration fee is required pursuant to Rule 457(i) under the Securities Act.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. THE SELLING SECURITYHOLDERS MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND WE ARE NOT SOLICITING OFFERS TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

SUBJECT TO COMPLETION, DATED FEBRUARY 25, 2002

PROSPECTUS

\$1,200,000,000

[LOGO]

3 7/8% CONVERTIBLE SENIOR DEBENTURES DUE 2011 AND SHARES
OF CD COMMON STOCK ISSUABLE UPON CONVERSION OF THE DEBENTURES

We issued the debentures in a private placement in November 2001 at an issue price of \$1,000 per debenture. Under this prospectus, the selling securityholders named in this prospectus or in prospectus supplements may offer and sell their debentures and the shares of CD common stock issuable upon conversion of their debentures.

The debentures will mature on November 27, 2011. We will pay interest on the debentures on May 30 and November 30 of each year, beginning May 30, 2002. We will pay additional interest in the event of an upward interest adjustment as described below.

We may redeem for cash some or all of the debentures at any time on or after November 27, 2004 at a price equal to 100% of the principal amount of the debentures to be redeemed plus accrued and unpaid interest to the redemption

date.

Holders may convert their debentures into 41.58 shares of our CD common stock for each \$1,000 principal amount of debentures (equivalent to an initial conversion price of \$24.05 per share based on the principal amount of the debentures) under any of the following circumstances: (i) during any conversion period (as defined in this prospectus) if the closing sale prices of our CD common stock for at least 20 trading days in the 30 consecutive trading days ending on the first day of such conversion period is more than 120%, declining ratably to 110% as provided in this prospectus, of the accreted conversion price per share of CD common stock on the first day of the conversion period; (ii) if the debentures have been called for redemption; and (iii) upon the occurrence of specified corporate transactions. The conversion rate may be adjusted as described in this prospectus. The "accreted conversion price" as of any day will equal 100% of the principal amount of the debenture plus accrued and unpaid interest (excluding any accrued and unpaid interest payable as cash interest), if any, divided by the number of shares of our CD common stock issuable upon conversion of such debenture on that day.

The interest rate on the debentures will be 3 7/8% per year through November 27, 2004. If the average of the sale prices of our CD common stock is less than or equal to 45% of the accreted conversion price of the debentures for any 20 out of the last 30 trading days ending five business days prior to each May 30 and November 30 after November 27, 2004, then the interest rate on the debentures will be subject to an upward interest adjustment to the reset rate for the subsequent six-month period. The upward interest adjustment will result in the interest rate on the debentures being equivalent to the per year reset rate (as defined in this prospectus). If an upward interest adjustment is in effect for a particular six-month period, we will pay a portion of the interest adjustment as cash interest at a rate of 0.25% per year (0.125% per six-month period) of the principal amount, plus accrued and unpaid interest (excluding interest payable in cash), and the remaining additional interest will be accrued and payable at maturity. Following a tax event (as defined in this prospectus), we may elect to pay interest entirely in cash. After November 27, 2004, if the average of the sale prices of our CD common stock is not less than or equal to 45% of the accreted conversion price of the debentures for any 20 out of the last 30 trading days of the six-month period ending on the fifth business day preceding each May 30 and November 30, then the interest rate on the debentures for the subsequent six-month period will revert to 3 7/8% per year. For United States federal income tax purposes, holders will be required to treat the debentures as contingent payment debt instruments. You should read the discussion of certain United States federal income tax consequences relevant to the debentures beginning on page 40.

Holders may require us to purchase all or a portion of their debentures on November 27, 2004 and November 27, 2008 at a price equal to 100% of the principal amount of the debentures to be purchased plus accrued and unpaid interest to such purchase date. We may choose to pay the purchase price in cash, shares of our CD common stock or a combination of cash and shares of our CD common stock.

Holders may also require us to purchase debentures for cash upon a change in control. In the case of a purchase upon a change in control, the purchase price will be equal to 100% of the principal amount of the debentures plus accrued and unpaid interest.

The debentures are senior unsecured obligations and rank equally in right of payment with all of our existing and future senior unsecured indebtedness.

Our CD common stock is listed on the New York Stock Exchange under the symbol "CD." On February 22, 2002, the last reported sale price of our CD common stock was \$15.68.

INVESTING IN OUR DEBENTURES OR SHARES OF OUR CD COMMON STOCK INVOLVES RISKS. SEE "RISK FACTORS" BEGINNING ON PAGE 14 OF THIS PROSPECTUS.

We will not receive any of the proceeds from the sale of the debentures or the shares of CD common stock by any of the selling securityholders. The debentures and the shares of CD common stock may be offered in negotiated transactions or otherwise, at market prices prevailing at the time of sale or at negotiated prices. The timing and amount of any sale are within the sole discretion of the selling securityholders. In addition, the shares of CD common stock may be offered from time to time through ordinary brokerage transactions on the New York Stock Exchange. See "Plan of Distribution." The selling securityholders may be deemed to be "underwriters" as defined in the Securities Act of 1933, as amended. Any profits realized by the selling securityholders may be deemed to be underwriting commissions. If the selling securityholders use any broker-dealers, any commission paid to broker-dealers and, if broker-dealers purchase any debentures or shares of CD common stock as principals, any profits received by such broker-dealers on the resale of the debentures or shares of CD common stock may be deemed to be underwriting discounts or commissions under the

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS OR THE ACCOMPANYING PROSPECTUS SUPPLEMENT IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is , 2002.

NO DEALER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS IN CONNECTION WITH THE OFFER CONTAINED IN THIS PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY CENDANT. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF CENDANT SINCE THE DATE HEREOF. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY SECURITIES OTHER THAN THOSE SPECIFICALLY OFFERED HEREBY OR OF ANY SECURITIES OFFERED HEREBY IN ANY JURISDICTION WHERE, OR TO ANY PERSON TO WHOM, IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. THE INFORMATION CONTAINED IN THIS PROSPECTUS SPEAKS ONLY AS OF THE DATE OF THIS PROSPECTUS UNLESS THE INFORMATION SPECIFICALLY INDICATES THAT ANOTHER DATE APPLIES.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

Forward-looking statements in this prospectus about Cendant are subject to known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements were based on various factors and were derived utilizing numerous important assumptions and other important factors that could cause actual results to differ materially from those in the forward-looking statements. Forward-looking statements include the information concerning our future financial performance, business strategy, projected plans and objectives.

Statements preceded by, followed by or that otherwise include the words "believes", "expects", "anticipates", "intends", "project", "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. You should understand that the following important factors and assumptions could affect our future results and could cause actual results to differ materially from those expressed in such forward-looking statements:

- the impacts of the September 11, 2001 terrorist attacks on New York City and Washington D.C. on the travel industry in general, and our travel businesses in particular, are not known at this time, but are expected to include negative impacts on financial results due to reduced demand for travel in the near term; other attacks, acts of war or measures taken by governments in response thereto may negatively affect the travel industry, our financial results and could also result in a disruption of our business;
- the impact of the anthrax attacks through the United States mail system on the marketing programs of our FISD Madison/BCI subsidiaries and on Trilegiant are not known at this time, but may have negative impacts on the financial results of such businesses if consumers become reluctant to open and respond to such programs;
- the effect of economic conditions and interest rate changes on the economy on a national, regional or international basis and the impact thereof on our businesses;
- the effects of a decline in travel, due to political instability, adverse economic conditions or otherwise, on our travel related business;
- the effects of changes in current interest rates, particularly on our real estate franchise and mortgage businesses;
- the resolution or outcome of our unresolved pending litigation relating to the previously announced accounting irregularities and other related litigation;
- our ability to develop and implement operational, technological and financial systems to manage growing operations and to achieve enhanced earnings or effect cost savings;
- competition in our existing and potential future lines of business and the financial resources of, and products available to, competitors;
- failure to reduce quickly our substantial technology costs in response to a reduction in revenue, particularly in our computer reservations and global distribution systems businesses;
- our failure to provide fully integrated disaster recovery technology solutions in the event of a disaster;
- our ability to integrate and operate successfully acquired and merged businesses and risks associated with such businesses, including the acquisitions of Avis Group Holdings, Inc., Fairfield Resorts, Inc., Galileo International Inc. and Cheap Tickets, Inc., the compatibility of the

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operating systems of the combining companies, and the degree to which our existing administrative and back-office functions and costs and those of the acquired companies are complementary or redundant;

- our ability to obtain financing on acceptable terms to finance our growth strategy and to operate within the limitations imposed by financing arrangements and rating agencies;
- competitive and pricing pressures in the vacation ownership and travel industries, including the car rental industry;
- changes in the vehicle manufacturer repurchase arrangements in our Avis car rental business in the event that used vehicle values decrease; and
- changes in laws and regulations, including changes in accounting standards and privacy policy regulation.

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

You should consider the areas of risk described above in connection with any forward-looking statements that may be made by us and our businesses generally. Except for our ongoing obligations to disclose material information under the federal securities laws, we undertake no obligation to release publicly any revisions to forward-looking statements, to report events or to report the occurrence of unanticipated events unless required by law. You are advised, however, to consult any additional disclosures we make in our Quarterly Reports on Form 10-Q, Annual Report on Form 10-K and Current Reports on Form 8-K to the Securities and Exchange Commission (the "Commission"). See "Where You Can Find More Information." Also note that we provide a cautionary discussion of risks and uncertainties under "Risk factors" on page 14 of this prospectus. These are factors that we think could cause our actual results to differ materially from expected results. Other factors besides those listed here could also adversely affect us. This discussion is provided as permitted by the Private Securities Litigation Reform Act of 1995.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Commission allows us to "incorporate by reference" the information we file with the Commission, which means that we can disclose important information to you by referring to another document filed separately with the Commission. The information that Cendant files after the date of this prospectus with the Commission will automatically update and supersede this information. Cendant incorporates by reference into this prospectus the documents listed below and any future filings made with the Commission under sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), until all of the securities offered by this prospectus are sold.

- Annual Report on Form 10-K/A for the year ended December 31, 2000, filed on July 3, 2001;
- Quarterly Report on Form 10-Q for the quarter ended September 30, 2001, filed on November 14, 2001;
- Quarterly Report on Form 10-Q for the quarter ended June 30, 2001, filed on August 14, 2001;
- Quarterly Report on Form 10-Q/A for the quarter ended March 31, 2001, filed on July 3, 2001;
- Current Reports on Form 8-K dated January 9, 2001, January 18, 2001, February 7, 2001 (filed on February 8, 2001), February 8, 2001, February 20, 2001, March 1, 2001 (filed on March 9, 2001), March 12, 2001, April 2, 2001 (filed on April 3, 2001), April 18, 2001 (filed on April 19, 2001), April 18, 2001 (filed on April 19, 2001), May 2, 2001, May 4, 2001, May 10, 2001 (filed on

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May 11, 2001), May 24, 2001 (filed on May 25, 2001), June 13, 2001 (filed on June 15, 2001), June 15, 2001 (filed on June 18, 2001), July 2, 2001 (filed on July 3, 2001), July 10, 2001, July 18, 2001 (filed on July 19, 2001), July 19, 2001, July 23, 2001, July 30, 2001 (filed on July 31, 2001), July 31, 2001 (filed on August 1, 2001), August 1, 2001 (filed on August 2, 2001), August 16, 2001, August 24, 2001 (filed on August 27, 2001), August 30, 2001, October 1, 2001 (filed on October 2, 2001), October 15, 2001, October 17, 2001 (filed on October 18, 2001), October 23, 2001, December 6, 2001, January 31, 2002, February 6, 2002 (filed on February 7, 2002) and February 14, 2002;

- Current Reports on Form 8-K/A dated January 19, 2001, March 21, 2001 and July 23, 2001 (filed on July 24, 2001); and
- The description of Cendant's CD common stock contained in the Proxy Statement dated February 10, 2000, filed on February 11, 2000.

All documents filed by Cendant with the Commission from the date of this prospectus to the end of the offering of the debentures and shares of CD common stock shall also be deemed to be incorporated herein by reference.

Any statement contained in a document incorporated or considered to be incorporated by reference in this registration statement shall be considered to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this registration statement or in any subsequently filed document that is or is considered to be incorporated by reference modifies or supersedes such statement. Any statement that is modified or superseded shall not, except as so modified or superseded, constitute a part of this prospectus.

You may request a copy of any of the documents which are incorporated by reference in this prospectus, other than exhibits which are not specifically incorporated by reference into such documents and our Certificate of

Incorporation and By-laws, at no cost, by writing or telephoning Cendant at the following:

Investor Relations
Cendant Corporation
9 West 57th Street
New York, NY 10019
Telephone: (212) 413-1800

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PROSPECTUS SUMMARY

This prospectus constitutes part of a registration statement on Form S-3 that we filed with the Commission using a "shelf" registration process. Under this shelf process, any selling securityholder may sell any combination of the securities described in this prospectus in one or more offerings. This prospectus provides you with a general description of the securities the selling securityholders may offer. All references to "we," "us," "our," or "Cendant" in this prospectus are to Cendant Corporation.

CENDANT

We are one of the foremost providers of travel and real estate services in the world. We currently operate in five business segments: Real Estate Services, Hospitality, Vehicle Services, Travel Distribution and Financial Services. Our businesses provide a wide range of consumer and business services which are intended to complement one another and create cross-marketing opportunities both within each segment and between segments.

- Our Real Estate Services segment franchises real estate brokerage businesses, provides home buyers with mortgages and assists in employee relocations.
- Our Hospitality segment franchises hotel businesses and facilitates the sale and exchange of vacation ownership interests.
- Our Vehicle Services segment operates and franchises car rental businesses, provides fleet management services to corporate clients and government agencies and operates parking facilities in the United Kingdom.
- Our Travel Distribution segment, created through the acquisitions of Galileo International, Inc. and Cheap Tickets, Inc. in October 2001, provides travel agencies, internet travel sites, corporations and consumers with the ability to electronically access schedule and fare information, book reservations and issue tickets for more than 500 airlines utilizing our computerized reservation system and provides corporations and consumers with travel agency services.
- Our Financial Services segment provides marketing strategies primarily to financial institutions by offering an array of financial and insurance-based products to consumers, franchises tax preparation service businesses and provides consumers with access to a variety of discounted products and services.

Our principal executive offices are located at 9 West 57th Street, New York, New York 10019. Our telephone number is (212) 413-1800. Our web site is www.cendant.com. The information contained on our web site is not incorporated by reference in this prospectus.

We continually explore and conduct discussions with regard to acquisitions and other strategic corporate transactions in our industries and in other franchise, franchisable or service businesses in addition to the transactions previously announced. As part of our regular on-going evaluation of acquisition opportunities, we currently are engaged in a number of separate, unrelated preliminary discussions concerning possible acquisitions. The purchase price for the possible acquisitions may be paid in cash, through the issuance of CD common stock or other of our securities, borrowings, or a combination thereof. Prior to consummating any such possible acquisition, we will need to, among other things, initiate and complete satisfactorily our due diligence investigations; negotiate the financial and other terms (including price) and conditions of such acquisitions; obtain appropriate Board of Directors, regulatory and other necessary consents and approvals; and, if necessary, secure financing. No assurance can be given with respect to the timing, likelihood or business effect of any possible

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transaction. In the past, we have been involved in both relatively small

acquisitions and acquisitions which have been significant.

In addition, we continually review and evaluate our portfolio of existing businesses to determine if they continue to meet our business objectives. As part of our ongoing evaluation of such businesses, we intend from time to time to explore and conduct discussions with regard to joint ventures, divestitures and related corporate transactions. However, we can give no assurance with respect to the magnitude, timing, likelihood or financial or business effect of any possible transaction. We also cannot predict whether any divestitures or other transactions will be consummated or, if consummated, will result in a financial or other benefit to us. We intend to use a portion of the proceeds from any such dispositions and cash from operations to retire indebtedness, make acquisitions and for other general corporate purposes.

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THE OFFERING

DEBENTURES..... \$1,200,000,000 aggregate principal amount of 3 7/8% convertible senior debentures due 2011.

MATURITY..... November 27, 2011.

RANKING..... The debentures are senior unsecured obligations and rank equally in right of payment with all of our existing and future senior unsecured indebtedness. However, we are a holding company and the debentures are effectively subordinated to all existing and future obligations of our subsidiaries.

INTEREST..... 3 7/8% per year on the principal amount payable semiannually on May 30 and November 30 of each year. We will pay additional interest in the event of an upward interest adjustment described below. See "Description of Debentures--Interest."

INTEREST ADJUSTMENT..... The interest rate on the debentures is 3 7/8% per year through November 27, 2004. If the average of the sale prices of our CD common stock is less than or equal to 45% of the accreted conversion price of the debentures for any 20 out of the last 30 trading days ending five business days prior to each May 30 and November 30, as applicable, commencing after November 27, 2004, then the interest rate on the debentures will be subject to an upward interest adjustment to the applicable reset rate (as defined below) for the subsequent six-month period. If an upward interest adjustment is in effect and the average of the sale prices of our CD common stock is not less than or equal to 45% of the accreted conversion price of the debentures for any 20 out of the last 30 trading days of any six-month period ending on the fifth business day preceding each May 30 and November 30, as applicable, then the interest rate on the debentures for the subsequent six-month period will revert to 3 7/8% per year. If an upward interest adjustment is in effect for a particular six-month period, we will pay a portion of the interest adjustment as cash interest at an annualized rate of 0.25% per year (0.125% per six-month period) of the principal amount, plus any accrued and unpaid non-cash interest, and the remaining interest will be accrued and payable at maturity. Following a tax event (as described below), we may elect to pay interest entirely in cash.

The "applicable reset rate" for any six-month period in which there is an upward interest adjustment will be set as of each November 27 beginning on November 27, 2004 (each, a "purchase date") and will be equal to the rate (the "reference fixed rate") that would, in the sole and reasonable judgment of the reset rate agent (as defined in this prospectus) and one other nationally recognized investment bank, result in a trading price of par for a hypothetical issue of senior, non-convertible, fixed-rate, callable debt securities of Cendant with (i) a final maturity equal to the term from such purchase date until the earlier of the next purchase date or maturity, (ii) an aggregate principal amount equal to the then principal amount of the debentures plus accrued and unpaid non-cash interest and (iii) provisions that are, insofar as would be practicable for an issue of senior, nonconvertible,

fixed-rate, callable debt securities, substantially identical to those of the debentures; provided that the reset rate from and after November 27, 2004 shall not exceed 10% per year. If the reset rate agent determines in its reasonable judgment that there is no suitable reference fixed rate, the applicable rate of accretion for that period will be the applicable rate of accretion then in effect, such rate of accretion to remain in effect until the reset rate agent determines that there is a suitable reference fixed rate at which time the reset rate agent shall determine a new applicable reset rate for the period ending on the next reset rate determination date. The applicable reset rate for a debenture that is subject to an upward interest adjustment shall be determined as to any period for which such adjustment is applicable until a new applicable reset rate is in effect or until the original interest rate is again in effect. See "Description of Debentures--Interest Adjustment."

TAX EVENT..... We can elect to pay all the interest on the debentures in cash upon the occurrence of a tax event from and after the date a tax event occurs instead of allowing that interest on the debentures to accrete. If that happens, the principal amount on which we pay interest will be restated and will be equal to the principal amount of the debentures plus accrued and unpaid non-cash interest on the date of restatement. See "Description of Debentures--Tax Event."

CONVERSION RIGHTS..... Holders may convert their debentures prior to stated maturity under any of the following circumstances:

- (i) during any conversion period if the closing sale prices of our CD common stock for a period of at least 20 trading days in the period of 30 consecutive trading days ending on the first day of such conversion period is more than 120%, declining ratably to 110% as provided in this prospectus, of the accreted conversion price per share of CD common stock on the first day of the conversion period. A conversion period will be the period from and including the twelfth trading day in a fiscal quarter to but not including the twelfth trading day in the immediately following fiscal quarter; or
- (ii) if the debentures have been called for redemption; or
- (iii) upon the occurrence of specified corporate transactions described under "Description of Debentures--Conversion Rights."

For each debenture surrendered for conversion, a holder will receive 41.58 shares of our CD common stock. This represents an initial conversion price of \$24.05 per share of CD common stock based on the principal amount of the debentures. As described in this prospectus, the conversion rate may be adjusted for certain reasons, but it will not be adjusted for accrued interest. Upon conversion, holders will not receive any cash payment representing accrued and unpaid interest. Instead, accrued and unpaid interest will be deemed paid by the CD common stock received by holders on conversion. Debentures called for redemption may be surrendered for conversion until the close of business two business days prior to the redemption date. See "Description of Debentures--Conversion Rights."

OPTIONAL REDEMPTION..... On or after November 27, 2004, we may redeem for cash all or part of the debentures at any time, upon not less than 30 nor more than 60 days notice by mail to holders of debentures, for a price equal to 100% of the principal

amount of the debentures to be redeemed plus any accrued and unpaid interest to the redemption date. See "Description of Debentures--Optional Redemption."

PURCHASE OF DEBENTURES BY
CENDANT AT THE OPTION OF THE
HOLDER.....

You have the right to require us to purchase all or a portion of the debentures on November 27, 2004 and November 27, 2008. In each case, the purchase price payable will be equal to 100% of the principal amount of the debentures to be purchased plus any accrued and unpaid interest to the purchase date. We may choose to pay the purchase price in cash or shares of our CD common stock, or a combination of cash and shares of our CD common stock, provided that we will pay accrued and unpaid cash interest in cash. See "Description of Debentures--Purchase of Debentures by Cendant at the Option of the Holder."

CHANGE IN CONTROL.....

If we undergo a change in control (as described in this prospectus), you will have the option to require us to purchase for cash all or any portion of your debentures not previously called for redemption. We will pay a purchase price equal to 100% of the principal amount of the debentures to be purchased plus any accrued and unpaid interest to the purchase date. See "Description of Debentures--Change in Control."

EVENTS OF DEFAULT.....

If there is an event of default on the debentures, an amount equal to 100% of the principal amount plus any accrued and unpaid interest may be declared immediately due and payable. These amounts automatically become due and payable in some circumstances.

The following are events of default with respect to the debentures:

- our failure for 30 days to pay when due any cash interest (including additional interest payable pursuant to an upward interest adjustment) on the debentures;
- our failure to pay the principal amount, plus accrued and unpaid interest on the debentures, at maturity, upon redemption, purchase at the option of the holder or following a change in control, when the same becomes due and payable;
- our default under any of our other instruments of indebtedness with an outstanding principal amount of \$50,000,000 or more, individually or in the aggregate, which has caused the holders of such indebtedness to declare such indebtedness due and payable prior to its stated maturity;
- our default in the payment of principal or premium under any of our other instruments of indebtedness, which default is in an aggregate principal amount exceeding \$50,000,000 and continues unremedied or unwaived for more than 30 business days;

- our failure to comply with any of our covenants or agreements in the debentures or the indenture for 60 days after written notice is given by the trustee or by the holders of at least 25% in principal amount of all outstanding debentures; and

- some events involving bankruptcy, insolvency or reorganization of Cendant.

See "Description of Debentures--Events of Default."

TAX.....

Pursuant to the indenture, for U.S. federal income tax purposes, each holder has agreed to treat the debentures as "contingent payment debt instruments" and be bound by our application of the Treasury regulations that govern contingent payment debt instruments, including our determination that the rate at which interest will be deemed

to accrue for federal income tax purposes will be 9.29% per year, which is the rate comparable to the rate we would have to pay as of the initial issue date, on a fixed nonconvertible debt security with no contingent payments, both with terms and conditions otherwise comparable to those of the debentures. Based on this agreement, (i) each holder will be required to accrue interest on a constant yield to maturity basis at that rate, with the result that a holder will recognize taxable income significantly in excess of cash received while the debentures are outstanding, and (ii) a holder will recognize ordinary income upon a conversion of a debenture into our CD common stock equal to the excess, if any, between the value of the CD common stock received on the conversion and the sum of the original purchase price of the holder's debenture and accrued but unpaid interest.

The proper application of the regulations that govern contingent payment debt instruments to a holder of a debenture is uncertain in a number of respects, and if our treatment were successfully challenged by the Internal Revenue Service, it might be determined that, among other differences, a holder should have accrued interest income at a lower rate, should not have recognized income or gain upon the conversion, and should not have recognized ordinary income upon a taxable disposition of its debenture.

HOLDERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF AN INVESTMENT IN THE DEBENTURES AND WHETHER AN INVESTMENT IN THE DEBENTURES IS ADVISABLE IN LIGHT OF THE AGREED UPON TAX TREATMENT AND THE HOLDER'S PARTICULAR TAX SITUATION. See "Certain United States Federal Income Tax Consequences."

USE OF PROCEEDS..... We will not receive any of the proceeds from the sale by any selling securityholder of the debentures or shares of CD common stock offered under this prospectus.

BOOK-ENTRY FORM..... The debentures were issued in book-entry form and are represented by permanent global certificates deposited with, or on behalf of, DTC and registered in the name of a nominee of DTC. Beneficial interests in any of the debentures are shown on, and transfers will be effected only through, records maintained by DTC or its nominee and any such interest may not be exchanged for certificated securities, except in limited circumstances.

TRADING..... The debentures issued in the initial private placement are eligible for trading in The Portal Market. However, debentures sold using this prospectus will no longer be eligible for trading in The Portal Market. Our shares of CD common stock are traded on the New York Stock Exchange under the symbol "CD."

RISK FACTORS

An investment in the debentures or shares of our CD common stock involves significant risks. You should carefully consider all of the information in this prospectus. In particular, you should evaluate the specific risk factors set forth under "Risk Factors" beginning on page 14.

RISK FACTORS

YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING FACTORS AND OTHER INFORMATION CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS BEFORE DECIDING TO PURCHASE ANY DEBENTURES OR SHARES OF CD COMMON STOCK.

WE HAVE HAD ACCOUNTING IRREGULARITIES AND RELATED LITIGATION AND GOVERNMENTAL INVESTIGATIONS.

Cendant was created in December 1997, through the merger of HFS Incorporated into CUC International, Inc. with CUC surviving and changing its name to Cendant Corporation. On April 15, 1998, Cendant announced that in the course of

transferring responsibility for Cendant's accounting functions from Cendant personnel associated with CUC prior to the merger to Cendant personnel associated with HFS before the merger and preparing for the report of first quarter 1998 financial results, Cendant discovered accounting irregularities in some of the CUC business units. As a result, Cendant, together with its counsel and assisted by auditors, immediately began an intensive investigation. As a result of the findings of the investigations, Cendant restated its previously reported financial results for 1997, 1996 and 1995 and the six months ended June 30, 1998.

Following the April 15, 1998 announcement of the discovery of accounting irregularities in the former business units of CUC, approximately 70 lawsuits claiming to be class actions, three lawsuits claiming to be brought derivatively on Cendant's behalf and several individual lawsuits and arbitration proceedings were commenced in various courts and other forums against Cendant and other defendants by or on behalf of persons claiming to be stockholders of Cendant and persons claiming to have purchased or otherwise acquired securities or options issued by CUC or Cendant between May 1995 and August 1998.

The SEC and the United States Attorney for the District of New Jersey have conducted investigations relating to the matters referenced above. As a result of the findings from our internal investigations, we made all adjustments considered necessary by Cendant, which are reflected in our previously filed restated financial statements for the years ended December 31, 1997, 1996 and 1995 and for the six months ended June 30, 1998. On June 14, 2000, pursuant to an offer of settlement made by Cendant, the SEC issued an Order Instituting Public Administrative Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings and Imposing a Cease and Desist Order. In such Order, the SEC found that we had violated certain financial reporting provisions of the Exchange Act and ordered us to cease and desist from committing any future violations of such provisions. No financial penalties were imposed against us.

On December 7, 1999, we announced that we had reached a preliminary agreement to settle the principal securities class action pending against Cendant in the U.S. District Court in Newark, New Jersey, brought on behalf of purchasers of all Cendant and CUC publicly traded securities, other than PRIDES, between May 1995 and August 1998. A portion of the PRIDES litigation had previously been settled through the issuance of rights. Under the settlement agreement, we would pay the class members approximately \$2.85 billion in cash and 50% of any recovery we may obtain in connection with claims we have asserted against CUC's former public auditor. The definitive settlement document was approved by the U.S. District Court by order dated August 14, 2000. Certain parties in the class action appealed various aspects of the District Court's orders approving the settlement. In August 2001, the U.S. Court of Appeals for the Third Circuit affirmed the judgment of the District Court approving the settlement (but remanded the case back to the District Court for further proceedings concerning an award of fees to the class attorneys, a matter in which we have no interest). One party in the class action has petitioned the U.S. Supreme Court to hear her challenge to the plan of allocation of the settlement funds among the class members. That petition is pending. The settlement agreement required us to post collateral in the form of credit facilities and/or surety bonds by November 13, 2000, which we have done.

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The settlement does not encompass all litigations asserting claims against us associated with the accounting irregularities. We do not believe that it is feasible to predict or determine the final outcome or resolution of these unresolved proceedings. An adverse outcome from such unresolved proceedings could be material with respect to earnings in any given reporting period. However, we do not believe that the impact of such unresolved proceedings should result in a material liability to us in relation to our financial position or liquidity.

OUR HOLDING COMPANY STRUCTURE RESULTS IN STRUCTURAL SUBORDINATION AND MAY AFFECT OUR ABILITY TO MAKE PAYMENTS ON THE DEBENTURES.

The debentures are obligations exclusively of Cendant. We are a holding company and, accordingly, substantially all of our operations are conducted through our subsidiaries. As a result, our cash flow and our ability to service our debt, including the debentures, depends upon the earnings of our subsidiaries. In addition, we depend on the distribution of earnings, loans or other payments by our subsidiaries to us.

Our subsidiaries are separate and distinct legal entities. Our subsidiaries have no obligation to pay any amounts due on the debentures or to provide us with funds for our payment obligations, whether by dividends, distributions, loans or other payments. In addition, any payment of dividends, distributions, loans or advances by our subsidiaries to us could be subject to statutory or contractual restrictions. Payments to us by our subsidiaries will also be

contingent upon our subsidiaries' earnings and business considerations.

Our right to receive any assets of any of our subsidiaries upon their liquidation or reorganization, and therefore the right of the holders of the debentures to participate in those assets, will be effectively subordinated to the claims of that subsidiary's creditors, including trade creditors. In addition, even if we were a creditor of any of our subsidiaries, our rights as a creditor would be subordinate to any security interest in the assets of our subsidiaries and any indebtedness of our subsidiaries senior to that held by us.

At September 30, 2001, our subsidiaries had \$10.3 billion of indebtedness (including debt under management and mortgage programs) and \$375 million of mandatorily redeemable preferred securities outstanding, without giving effect to the use of proceeds from the offering of the debentures, in addition to other liabilities, to which the debentures would have been structurally subordinated.

AN ACTIVE TRADING MARKET FOR THE DEBENTURES MAY NOT DEVELOP.

The debentures are a new issue of securities for which there currently is no active trading market. We cannot assure you that an active trading market for the debentures will develop or as to the liquidity or sustainability of any such market, the ability of the holders to sell their debentures or the price at which holders of the debentures will be able to sell their debentures. Future trading prices of the debentures will depend on many factors, including, among other things, trading prices of our CD common stock, prevailing interest rates, the market for similar securities, our performance and other factors. In addition, the debentures have a number of features, including conditions to conversion, which, if not satisfied, could result in a holder receiving less than the value of the CD common stock into which a debenture is otherwise convertible. These features could adversely affect the value and trading price for the debentures.

WE MAY NOT HAVE THE ABILITY TO RAISE THE FUNDS NECESSARY TO FINANCE THE CHANGE IN CONTROL PURCHASE OR ANY PURCHASE AT THE OPTION OF THE HOLDERS.

On November 27, 2004 and November 27, 2008, and upon the occurrence of a change in control of Cendant, holders of the debentures may require us to purchase their debentures. However, it is possible that we would not have sufficient funds at that time to make the required purchase of

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debentures. In addition, certain important corporate events, such as leveraged recapitalizations that would increase the level of our indebtedness, may not constitute a change in control under the indenture. See "Description of Debentures--Purchase of Debentures by Cendant at the Option of the Holder" and "--Change in Control."

YOU SHOULD CONSIDER THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF OWNING THE DEBENTURES.

While the proper tax treatment of a holder of the debentures is uncertain, we and each holder have agreed in the indenture to treat the debentures as "contingent payment debt instruments" and to be bound by our application of the Treasury regulations that govern contingent payment debt instruments. Pursuant to this agreement, a holder is required to accrue interest on a constant yield to maturity basis at the rate as of the initial issue date on a fixed rate nonconvertible debt security with no contingent payments but with terms and conditions otherwise comparable to those of the debentures (9.29%). A holder will recognize taxable income significantly in excess of cash received while the debentures are outstanding. In addition, under the indenture, a holder will recognize ordinary income, if any, upon a sale, exchange, conversion or redemption of the debentures at a gain. See "Certain United States Federal Income Tax Consequences."

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USE OF PROCEEDS

We will not receive any of the proceeds from the sale by any selling securityholder of the debentures or the shares of CD common stock.

DIVIDEND POLICY

We have never paid a cash dividend on our capital stock. We do not anticipate paying cash dividends on our capital stock in the foreseeable future and intend to retain all earnings to finance the operations and expansion of our business and to reduce debt. The payment of cash dividends in the future will depend on our earnings, financial condition and capital needs and on other factors deemed relevant by our board of directors at that time. For further information regarding our payment of dividends, see "Summary Comparison of Terms

GENERAL

The debentures are senior unsecured obligations of ours and are limited to an aggregate principal amount of \$1,200,000,000. The debentures will mature on November 27, 2011. The debentures rank equally with all of our existing and future senior unsecured indebtedness.

The debentures were initially offered at a price to investors of \$1,000 per debenture. The debentures accrue interest at a rate of 3 7/8% per year from the most recent interest payment date to which interest has been paid or duly provided, payable semiannually on May 30 and November 30 of each year, beginning May 30, 2002. In addition, we will pay an upward interest adjustment (as defined below) if it becomes payable. The maturity value of each debenture may exceed \$1,000 in the event an upward interest adjustment becomes payable on the debentures. The debentures will be issued only in denominations of \$1,000 principal amount and multiples of \$1,000 principal amount.

Interest, including additional amounts in the event of an upward interest adjustment, will be paid to the person in whose name a debenture is registered at the close of business on May 15 or November 15, as the case may be, immediately preceding the relevant interest payment date. Interest on the debentures will be computed on the basis of a 360-day year composed of twelve 30-day months.

You have the option to convert your debentures into shares of our CD common stock at a conversion rate of 41.58 shares of CD common stock per debenture. This is equivalent to an initial conversion price of \$24.05 per share of CD common stock. The conversion rate is subject to adjustment if certain events occur. Upon conversion, you will receive only shares of our CD common stock. You will not receive any cash payment for interest accrued to the conversion date.

If any interest payment date, maturity date, redemption date or purchase date of a debenture falls on a day that is not a business day, the required payment of principal and interest will be made on the next succeeding business day as if made on the date that the payment was due and no interest will accrue on that payment for the period from and after the interest payment date, maturity date, redemption date or purchase date, as the case may be, to the date of that payment on the next succeeding business day. The term "business day" means, with respect to any debenture, any day other than a Saturday, a Sunday or a day on which banking institutions in The City of New York are authorized or required by law, regulation or executive order to close.

Each holder has agreed in the indenture, for United States federal income tax purposes, to treat the debentures as "contingent payment debt instruments" and to be bound by our application of the Treasury regulations that govern contingent payment debt instruments, including our determination that the rate at which interest will be deemed to accrue for United States federal income tax purposes will be 9.29%, which is the rate as of the initial issue date on a fixed rate nonconvertible debt security with

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no contingent payments but with terms and conditions otherwise comparable to those of the debentures. Accordingly, each holder is required to accrue interest on a constant yield to maturity basis at that rate, with the result that a holder will recognize taxable income significantly in excess of cash received while the debentures are outstanding. In addition, a holder will recognize ordinary income upon a conversion of a debenture into shares of our CD common stock equal to the excess, if any, of the value of the shares of CD common stock received on the conversion and the sum of the original purchase price of the holder's debenture and accrued but unpaid interest. However, the proper application of the regulations that govern contingent payment debt instruments to a holder of a debenture is uncertain in a number of respects, and if our treatment were successfully challenged by the Internal Revenue Service, it might be determined that, among other differences, a holder should have accrued interest income at a lower rate, should not have recognized income or gain upon the conversion, and should not have recognized ordinary income upon a taxable disposition of its debenture.

EACH INVESTOR SHOULD CONSULT ITS TAX ADVISOR REGARDING THE TAX TREATMENT OF AN INVESTMENT IN THE DEBENTURES AND WHETHER AN INVESTMENT IN THE DEBENTURES IS ADVISABLE IN LIGHT OF THE AGREED UPON TAX TREATMENT AND THE INVESTOR'S PARTICULAR TAX SITUATION.

INTEREST ADJUSTMENT

The interest rate on the debentures is 3 7/8% per year through November 27, 2004. If the average of the sale prices of our CD common stock is less than or equal to 45% of the accreted conversion price of the debentures for any 20 out of the last 30 trading days ending five business days prior to each May 30 and

November 30, as applicable, commencing after November 27, 2004, then the interest rate on the debentures will be subject to an upward interest adjustment to the applicable reset rate for the subsequent six-month period. If an upward interest adjustment is then in effect and the average of the sale prices of our CD common stock is not less than or equal to 45% of the accreted conversion price of the debentures for any 20 out of the last 30 trading days of any six-month period ending on the fifth business day preceding each May 30 and November 30, then the interest rate on the debentures for the subsequent six-month period will revert to 3 7/8% per year. If an upward interest adjustment is in effect for a particular six-month period, we will pay a portion of the interest adjustment as cash interest at a rate of 0.25% per annum (0.125% per six-month period) of the principal amount, plus any accrued and unpaid non-cash interest, and the remaining interest will be accrued and payable at maturity. Following a tax event, we may elect to pay interest entirely in cash.

In the event of an upward interest adjustment, the maturity value of the debentures will exceed their initial maturity value of \$1,000.

The "sale price" of our CD common stock on any date means the closing per share sale price (or if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on that date as reported on the New York Stock Exchange or, if our CD common stock is not listed on the New York Stock Exchange, then as reported by the Nasdaq system.

In the event of any upward interest adjustment, we will disseminate a press release through Dow Jones & Company, Inc. or Bloomberg Business News containing this information or publish the information on our Web site or through such other public medium as we may use at that time.

The "applicable reset rate" for any six-month period in which there is an upward interest adjustment will be set as of the purchase date on which such adjustment is required or, if the adjustment is required as of a date that is not a purchase date, the immediately preceding purchase date, as determined by the reset rate agent (as defined below). The applicable reset rate will be equal to the rate (the "reference fixed rate") that would, in the sole and reasonable judgment of the reset

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rate agent, result in a trading price of par for a hypothetical issue of senior, nonconvertible, fixed-rate, callable debt securities of Cendant with:

- (i) a final maturity equal to the term from the most recent purchase date until the earlier of the next purchase date or maturity;
- (ii) an aggregate principal amount equal to the then principal amount of the debentures plus accrued and unpaid interest (other than interest payable in cash); and
- (iii) provisions that are, insofar as would be practicable for an issue of senior, nonconvertible, fixed-rate, callable debt securities, substantially identical to those of the debentures.

In no case, however, will the applicable reset rate for the period from and after November 27, 2004 be greater than 10% per year without the prior written consent of Cendant. Also, if the reset rate agent determines in its reasonable judgment that there is no suitable reference fixed rate, the applicable rate for that period will be the applicable rate then in effect such rate to remain in effect until the reset rate agent determines that there is a suitable reference fixed rate at which time the reset rate agent shall determine a new applicable reset rate for the period ending on the next reset rate determination date. The applicable reset rate for a debenture that is subject to an upward interest adjustment shall be determined as to any period for which such adjustment is applicable until a new applicable reset rate is in effect or until the original interest rate is again in effect.

RESET RATE AGENT; DETERMINATIONS CONCLUSIVE

J.P. Morgan Securities Inc. will act as the reset rate agent. For the determination of the applicable reset rate, the reset rate agent shall seek indicative reference rates from one other nationally recognized investment bank. The determination of any applicable reset rate shall be made by the reset rate agent by averaging the indicative reference rates of J.P. Morgan Securities Inc. and obtained from such other investment bank. The determination of any applicable reset rate by the reset rate agent will be conclusive and binding upon the reset rate agent, Cendant, the trustee and the holders of the debentures, in the absence of manifest error.

The reset rate agent may be removed at any time with or without cause by Cendant giving at least sixty (60) days' written notice to the reset rate agent.

The reset rate agent may resign at any time upon giving at least thirty (30) days' written notice to Cendant. A successor reset rate agent will be appointed by Cendant.

INTEREST

We will pay interest on the debentures at a rate of 3 7/8% per year. In addition, we will pay additional interest in the event of an upward interest adjustment. Interest will be based on a 360-day year comprised of twelve 30-day months, and will be payable semiannually on May 30 and November 30. Cash interest as a result of an upward interest adjustment will be paid at the rate of 0.25% per year (0.125% per six-month period). The record date for the payment of interest to holders will be May 15 and November 15 of each year. Following a tax event, we may elect to pay interest entirely in cash. We will give notice to the holders of the debentures, no later than 30 days prior to each record date, of the amount of cash interest to be paid as of the next interest payment date. We will pay interest on the debentures by wire transfer or by check mailed to the address of the registered holders of the debentures as of the record date relating to each interest payment date.

You should be aware that interest that accrues for the period you hold the debentures must be included in your gross income for United States federal income tax purposes in accordance with the Treasury regulations that govern debt instruments providing for contingent payments. For more information, see the discussion below in the section captioned "Certain United States Federal Income Tax Consequences."

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TAX EVENT

We can elect to pay the entire interest adjustment on the debentures in cash from and after the date a tax event (as defined below) occurs instead of allowing that interest to accrete. If that happens, the principal amount on which we pay interest will be restated and will be equal to the principal amount of the debentures as of the day of restatement plus accrued and unpaid non-cash interest. This restated principal amount will be the amount due at maturity. If we elect this option, interest will be based on a 360-day year comprised of twelve 30-day months. Cash interest at the higher rate will accrue from our option exercise date and will be payable semiannually on May 30 and November 30 (each, an "Interest Payment Date").

The term "tax event" means the receipt by us of an opinion of a nationally recognized independent tax counsel experienced in such matters to the effect that, as a result of:

- any amendment to or change (including any announced prospective change (which will not include a proposed change)) in the laws (or any regulations thereunder) of the United States or any political subdivision or taxing authority of the United States or any political subdivision, provided that a tax event will not occur more than 90 days before the effective date of any prospective change in such laws or regulations; or
- any judicial decision or official administrative pronouncement, ruling, regulatory procedure, notice or announcement, including any notice or announcement of intent to adopt such procedures or regulations (an "administrative action"); or
- any amendment to or change in the administrative position or interpretation of any administrative action or judicial decision that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental agency or regulatory body, irrespective of the manner in which such amendment or change is made known,

which amendment or change is effective or such administrative action or decision is announced, in each case, on or after the date of this prospectus; there is more than an insubstantial risk that interest on the debentures, including interest pursuant to an upward interest adjustment, either:

- would not be deductible on a current accrual basis; or
- would not be deductible under any other method, in whole or in part, by us for United States federal income tax purposes.

OPTIONAL REDEMPTION

No sinking fund is provided for the debentures. Prior to November 27, 2004, the debentures are not redeemable. On or after November 27, 2004, at our option, we may redeem the debentures for cash at any time in whole, or from time to time in part, for a cash price equal to 100% of the principal amount of the

debentures to be redeemed, plus any accrued and unpaid interest. We will give not less than 30 days' or more than 60 days' notice of redemption by mail to debenture holders.

If we decide to redeem fewer than all of the outstanding debentures, the trustee will select the debentures to be redeemed by lot, or on a pro rata basis or by another method the trustee considers fair and appropriate.

If the trustee selects a portion of your debenture for partial redemption and you convert a portion of the same debenture, the converted portion will be deemed to be from the portion selected for redemption.

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In the event of any redemption in part, we will not be required to:

- issue, register the transfer of or exchange any debenture during a period beginning at the opening of business 15 days before any selection of debentures for redemption and ending at the close of business on the earliest date on which the relevant notice of redemption is deemed to have been given to all holders of debentures to be so redeemed; and
- register the transfer of or exchange any debenture so selected for redemption, in whole or in part, except the unredeemed portion of any debenture being redeemed in part.

CONVERSION RIGHTS

Subject to the conditions described below, holders may convert each of their debentures into shares of our CD common stock at a conversion ratio of 41.58 shares of our CD common stock per \$1,000 principal amount of debentures (equivalent to an initial conversion price of \$24.05 per share of CD common stock based on the principal amount of the debentures). The conversion rate and the equivalent conversion price in effect at any given time are referred to in this prospectus as the applicable conversion rate and the applicable conversion price, respectively, and will be subject to adjustment as described below. A holder may convert fewer than all of such holder's debentures so long as the debentures converted are an integral multiple of \$1,000 principal amount.

Holders may surrender their debentures for conversion into shares of our CD common stock prior to stated maturity if any of the following conditions is satisfied:

- during any conversion period (as defined below) if the closing sale prices of our CD common stock for at least 20 trading days in the 30 trading day period ending on the first day of such conversion period is more than 120%, declining ratably to 110% as provided below, of the accreted conversion price per share of the CD common stock on the first day of the conversion period;
- if we have called the debentures for redemption; or
- upon the occurrence of specified corporate transactions.

CONVERSION UPON SATISFACTION OF MARKET PRICE CONDITION

A holder may surrender any of its debentures for conversion into shares of our CD common stock during any conversion period if the closing sale prices of our CD common stock on the principal national securities exchange on which the CD common stock is listed, for a period of at least 20 trading days in the period of 30 consecutive trading days ending on the first day of such conversion period is more than a specified percentage of the accreted conversion price per share of CD common stock on the first day of the conversion period. The "accreted conversion price" per share of our CD common stock as of any day will equal 100% of the principal amount of the debentures, plus accrued and unpaid non-cash interest, divided by the number of shares of CD common stock issuable upon conversion of such debenture on that day. A conversion period will be the period from and including the twelfth trading day in a fiscal quarter to but not including the twelfth trading day in the immediately following fiscal quarter.

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From the date of initial issuance of the debentures through November 27, 2002, the specified percentage is 120% of the accreted conversion price. Such percentage will decline ratably to 110% as set forth below:

PERIOD	PERCENTAGE
- - - - -	- - - - -
11/28/02-	- - - - -

11/27/03
118.88%
11/28/03-
11/27/04
117.76%
11/28/04-
11/27/05
116.64%
11/28/05-
11/27/06
115.52%
11/28/06-
11/27/07
114.40%
11/28/07-
11/27/08
113.28%
11/28/08-
11/27/09
112.16%
11/28/09-
11/27/10
111.04%
11/28/10-
11/27/11
110.00%

CONVERSION UPON REDEMPTION

A holder may surrender for conversion any of the debentures called for redemption at any time prior to the close of business two business days prior to the redemption date, even if it is not otherwise convertible at such time. If a holder has already delivered a purchase notice or a change in control purchase notice with respect to a debenture, however, the holder may not surrender that debenture for conversion until the holder has withdrawn the notice in accordance with the indenture.

CONVERSION UPON SPECIFIED CORPORATE TRANSACTIONS

Even if the market price condition described above has not occurred, if we elect to:

- distribute to all holders of our CD common stock certain rights entitling them to purchase, for a period expiring within 60 days, shares of our CD common stock at less than the sale price at the time, or
- distribute to all holders of our CD common stock our assets, debt securities or certain rights to purchase our securities, which distribution has a per share value exceeding 10% of the sale price of our CD common stock on the day preceding the declaration date for such distribution,

we must notify the holders of the debentures at least 20 days prior to the ex-dividend date for such distribution. Once we have given such notice, holders may surrender their debentures for conversion at any time until the earlier of the close of business on the business day prior to the ex-dividend date or our announcement that such distribution will not take place. No adjustment to the ability of a holder to convert will be made if the holder will otherwise participate in the distribution without conversion.

In addition, if we are party to a consolidation, merger or binding share exchange pursuant to which our CD common stock would be converted into cash, securities or other property, a holder may surrender debentures for conversion at any time from and after the date which is 15 days prior to the anticipated effective date of the transaction until 15 days after the actual date of such transaction. If we are a party to a consolidation, merger or binding share exchange pursuant to which our CD common stock is converted into cash, securities or other property, then at the effective time of the transaction, the right to convert a debenture into CD common stock will be changed into a right to convert it into the kind and amount of cash, securities or other property which the holder would have received if the holder had converted its debentures immediately prior to the transaction. If the transaction also constitutes a "Change in Control," as defined below, a holder can require us to purchase all or a portion of its debentures as described below under "--Change in Control."

We will determine at the end of each quarter if the debentures are convertible and notify the trustee and the conversion agent, which is The Bank of Nova Scotia Trust Company of New York.

The initial conversion rate is 41.58 shares of CD common stock for each debenture. This is equivalent to an initial conversion price of \$24.05 per share of CD common stock based on the principal amount of the debentures. You will not receive any cash payment representing accrued and unpaid interest upon conversion of a debenture. However, if debentures are converted after the record date for payment of interest, holders of such debentures at the close of business on the record date will receive the interest payable on such debentures on the corresponding interest payment date notwithstanding the conversion. In such case, the debentures upon surrender must be accompanied by funds equal to the amount of interest payable on the principal amount of the debentures so converted, unless such debentures have been called for redemption, in which case no such payment shall be required. Upon conversion we will deliver to you a fixed number of shares of our CD common stock and any cash payment to account for fractional shares. The cash payment for fractional shares will be based on the sale price of our CD common stock on the trading day immediately prior to the conversion date. Delivery of shares of CD common stock will be deemed to satisfy our obligation to pay the principal amount of the debentures, including accrued interest. Accrued and unpaid interest will be deemed paid in full rather than canceled, extinguished or forfeited. We will not adjust the conversion rate to account for the accrued interest.

If you wish to exercise your conversion right, you must deliver an irrevocable conversion notice, together, if the debentures are in certificated form, with the certificated security, to the conversion agent who will, on your behalf, convert the debentures into shares of our CD common stock. You may obtain copies of the required form of the conversion notice from the conversion agent.

Based on our treatment of the debentures for United States federal income tax purposes, as discussed above, a holder would be required to recognize ordinary income upon a conversion of a debenture into shares of our CD common stock equal to the excess, if any, between the value of the shares of our CD common stock received on the conversion and the sum of the original purchase price of the holder's debenture and accrued but unpaid interest. For a more detailed discussion, see "Certain United States Federal Income Tax Consequences."

The conversion rate will be subject to adjustment upon the following events:

- the payment of dividends and other distributions payable exclusively in shares of our CD common stock on our CD common stock;
 - the issuance to all holders of our CD common stock of rights or warrants that allow the holders to purchase shares of our CD common stock at less than the then current market price; provided that no adjustment will be made if holders of the debentures may participate in the transaction on a basis and with notice that our board of directors determines to be fair and appropriate or in some other cases;
 - subdivisions or combinations of our CD common stock;
 - the payment of dividends and other distributions to all holders of our CD common stock consisting of our debt, securities or assets or certain rights to purchase our securities, except for those rights or warrants referred to in the second bullet clause above and dividend and other distributions paid exclusively in cash, and excluding cash dividends or other cash distributions from current or retained earnings unless the annualized amount thereof per share exceeds 10% of the closing price of the shares of CD common stock on the day preceding the date of the declaration of such dividend or distribution, provided that no adjustment will be made if all holders of the debenture may participate in the transactions;
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- the payment to holders of our CD common stock in respect of a tender or exchange offer, other than an odd-lot offer, by us or any of our subsidiaries for our CD common stock to the extent that the offer involves aggregate consideration that, together with (1) any cash and the fair market value of any other consideration payable in respect of any tender offer by us or any of our subsidiaries for shares of our CD common stock consummated within the preceding 12 months not triggering a conversion price adjustment and (2) all-cash distributions to all or substantially all stockholders made within the preceding 12 months not triggering a conversion price adjustment, exceeds an amount equal to 10% of the market capitalization of our CD common stock on the expiration date of the tender offer; and
 - the distribution to all or substantially all stockholders of all-cash distributions in an aggregate amount that, together with (1) any cash and

the fair market value of any other consideration payable in respect of any tender offer by us or any of our subsidiaries for shares of our CD common stock consummated within the preceding 12 months not triggering a conversion price adjustment and (2) all other all-cash distributions to all or substantially all stockholders made within the preceding 12 months not triggering a conversion price adjustment, exceeds an amount equal to 10% of the market capitalization of our CD common stock on the business day immediately preceding the day on which we declare the distribution.

In the event we elect to make a distribution described in the second or fourth bullet above which, in the case of the fourth bullet, has a per share value equal to more than 10% of the sale price of our shares of CD common stock on the day preceding the declaration date for such distribution, we will be required to give notice to the holders of the debentures at least 20 days prior to the ex-dividend date for such distribution and, upon the giving of such notice, the debentures may be surrendered for conversion at any time until the close of business on the business day prior to the ex-dividend date or until we announce that such distribution will not take place. No adjustment to the conversion rate or the ability of a holder of a debenture to convert will be made if the holder will otherwise participate in the distribution without conversion or in certain other cases.

If we were to adopt a stockholder rights plan under which we issue rights providing that each share of our CD common stock issued upon conversion of the debentures at any time prior to the distribution of separate certificates representing the rights will be entitled to receive rights, there shall not be any adjustment to the conversion rate as a result of:

- the issuance of the rights;
- the distribution of separate certificates representing the rights;
- the exercise or redemption of the rights in accordance with any rights agreement; or
- the termination or invalidation of the rights.

The applicable conversion price will not be adjusted:

- upon the issuance of any shares of our CD common stock pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on our securities and the investment of additional optional amounts in shares of our CD common stock under any plan;
- upon the issuance of any shares of our CD common stock or options or rights to purchase those shares pursuant to any present or future employee, director or consultant benefit plan or program of Cendant; or
- upon the issuance of any shares of our CD common stock pursuant to any option, warrant, right, or exercisable, exchangeable or convertible security outstanding as of the date the debentures were first issued.

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We may increase the conversion rate as permitted by law for at least 20 days, so long as the increase is irrevocable during the period. If any action would require adjustment of the conversion rate under more than one of the provisions described above, only one adjustment will be made and that adjustment will be the amount of adjustment that has the highest absolute value to the holders of the debentures. No adjustment in the applicable conversion price will be required unless the adjustment would require an increase or decrease of at least 1% of the applicable conversion price. If the adjustment is not made because the adjustment does not change the applicable conversion price by more than 1%, then the adjustment that is not made will be carried forward and taken into account in any future adjustment. Except as specifically described above, the applicable conversion price will not be subject to adjustment in the case of the issuance of any of our CD common stock, or securities convertible into or exchangeable for our CD common stock.

PURCHASE OF DEBENTURES BY CENDANT AT THE OPTION OF THE HOLDER

Holders have the right to require us to purchase all or a portion of the debentures on November 27, 2004 and November 27, 2008. We will be required to purchase any outstanding debentures for which a holder delivers a written purchase notice to the paying agent. This notice must be delivered during the period beginning at any time from the opening of business on the date that is 20 business days prior to the relevant purchase date until the close of business on the last day prior to the purchase date. If the purchase notice is given and withdrawn during the period, we will not be obligated to purchase the related debentures. Our purchase obligation will be subject to some additional conditions as described in the indenture. Also, our ability to satisfy our

purchase obligations may be affected by the factors described in "Risk Factors" under the caption "We may not have the ability to raise the funds necessary to finance the change in control purchase or any purchase at the option of the holders."

The purchase price payable will be equal to 100% of the principal amount of the debentures to be purchased plus any accrued and unpaid interest to such purchase date.

We may choose to pay the purchase price in cash or shares of our CD common stock or a combination of cash and shares of our CD common stock, provided that we will pay any accrued cash interest in cash. For a discussion of the United States federal income tax treatment of a holder receiving cash, shares of our CD common stock or any combination thereof, see "Certain United States Federal Income Tax Consequences."

If we choose to pay the purchase price in whole or in part in shares of our CD common stock or a combination of cash and shares of our CD common stock, we will be required to give notice on a date not less than 20 business days prior to each purchase date to all holders at their addresses shown in the register of the registrar, and to beneficial owners as required by applicable law (i.e., if no notice is given, we will pay the purchase price with cash), stating, among other things:

- whether we will pay the purchase price of the debentures in cash, in shares of our CD common stock, or any combination thereof, specifying the percentages of each;
- if we elect to pay with shares of our CD common stock, the method of calculating the price of our CD common stock; and
- the procedures that holders must follow to require us to purchase their debentures.

If we pay with shares of our CD common stock, they will be valued at 100% of the average closing sales prices for the five trading days ending on the third business day prior to purchase.

Simultaneously with such notice of purchase, we will disseminate a press release through Dow Jones & Company, Inc. or Bloomberg Business News containing this information and publish the information on our Web site or through such other public medium as we may use at that time.

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A holder's notice electing to require us to purchase your debentures must state:

- if certificated debentures have been issued, the debentures certificate numbers, or if not certificated, your notice must comply with appropriate DTC procedures;
- the portion of the principal amount of debentures to be purchased, in multiples of \$1,000;
- that the debentures are to be purchased by us pursuant to the applicable provisions of the debentures; and
- in the event we elect, pursuant to the notice that we are required to give, to pay the purchase price in shares of our CD common stock, in whole or in part, but the purchase price is ultimately to be paid to the holder entirely in cash because any of the conditions to payment of the purchase price or portion of the purchase price in shares of our CD common stock is not satisfied prior to the close of business on the last day prior to the purchase date, as described below, whether the holder elects:
 - (1) to withdraw the purchase notice as to some or all of the debentures to which it relates, or
 - (2) to receive cash in respect of the entire purchase price for all debentures or portions of debentures subject to the purchase notice.

If the holder fails to indicate the holder's choice with respect to the election described in the final bullet point above, the holder will be deemed to have elected to receive cash in respect of the entire purchase price for all debentures subject to the purchase notice in these circumstances. For a discussion of the United States federal income tax treatment of a holder receiving cash instead of shares of our CD common stock, see "Certain United States Federal Income Tax Consequences."

You may withdraw any purchase notice by a written notice of withdrawal

delivered to the paying agent prior to the close of business on the last day prior to the purchase date. The notice of withdrawal must state:

- the principal amount of the withdrawn debentures;
- if certificated debentures have been issued, the certificate numbers of the withdrawn debentures, or if not certificated, your notice must comply with appropriate DTC procedures; and
- the principal amount, if any, which remains subject to the purchase notice.

If we elect to pay the purchase price, in whole or in part, in shares of our CD common stock, the number of shares to be delivered by us will be equal to the portion of the purchase price to be paid in shares of our CD common stock divided by the market price of one share of our CD common stock as determined by us in our purchase notice. We will pay cash based on the market price for all fractional shares.

The "market price" means the average of the sale prices of our CD common stock for the five trading day period ending on the third business day prior to the applicable purchase date (if the third business day prior to the applicable purchase date is a trading day, or if not, then on the last trading day prior to the third business day), appropriately adjusted to take into account the occurrence, during the period commencing on the first of the trading days during the five trading day period and ending on the purchase date, of some events that would result in an adjustment of the conversion rate with respect to our CD common stock.

The "sale price" of our CD common stock on any date means the closing per share sale price (or if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on that date as reported in composite transactions for the principal U.S. securities exchange on which our CD common stock is traded or, if

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our CD common stock is not listed on a U.S. national or regional securities exchange, as reported by the Nasdaq system.

Because the market price of our CD common stock is determined prior to the applicable purchase date, holders of the debentures bear the market risk with respect to the value of our CD common stock to be received from the date the market price is determined to the purchase date. We may pay the purchase price or any portion of the purchase price in shares of our CD common stock only if the information necessary to calculate the market price is published in a daily newspaper of national circulation.

Upon determination of the actual number of shares of our CD common stock to be paid upon redemption of the debentures, we will disseminate a press release through Dow Jones & Company, Inc. or Bloomberg Business News containing this information or publish the information on our Web site or through such other public medium as we may use at that time.

A holder must either effect book-entry transfer or deliver the debentures, together with necessary endorsements, to the office of the paying agent after delivery of the purchase notice to receive payment of the purchase price. You will receive payment on the purchase date or the time of book-entry transfer or the delivery of the debentures. If the paying agent holds money or securities sufficient to pay the purchase price of the debentures on the business day following the purchase date, then:

- the debentures will cease to be outstanding;
- interest, including any interest payable pursuant to an interest adjustment will cease to accrue; and
- all other rights of the holder will terminate.

This will be the case whether or not book-entry transfer of the debentures is made or whether or not the debenture is delivered to the paying agent.

We will comply with the provisions of Rule 13e-4 and any other tender offer rules under the Exchange Act which may be applicable at the time. We will file Schedule TO or any other schedule required in connection with any offer by us to purchase the debentures at your option.

RANKING

The debentures are senior unsecured obligations and rank equally in right of

payment with all of our existing and future senior unsecured indebtedness.

We currently conduct substantially all our operations through our subsidiaries, and our subsidiaries generate substantially all of our operating income and cash flow. As a result, distributions or advances from our subsidiaries are the principal source of funds necessary to meet our debt service obligations. Contractual provisions or laws, as well as our subsidiaries' financial condition and operating requirements, may limit our ability to obtain cash from our subsidiaries that we require to pay our debt service obligations, including payments on the debentures. In addition, holders of the debentures will have a junior position to the claims of creditors of our subsidiaries on their assets and earnings. At September 30, 2001, our subsidiaries had \$10.3 billion of indebtedness (including debt under management and mortgage programs) and \$375 million of mandatorily redeemable preferred securities outstanding, to which the debentures would have been structurally subordinated.

As of September 30, 2001, after giving pro forma effect to the repayment of our term loan, the offering of the debentures in the initial private placement and the application of the net proceeds therefrom, we would have had approximately \$5.8 billion of indebtedness outstanding (including \$863 million of Upper DECS and excluding subsidiary indebtedness), which would have ranked equally with the debentures.

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CHANGE IN CONTROL

If a Change in Control (as defined below) occurs, a holder of the debentures will have the right, at its option, to require us to purchase all of its debentures not previously called for redemption, or any portion of the principal amount thereof, that is equal to \$1,000 or an integral multiple of \$1,000. The price we are required to pay is equal to 100% of the principal amount of the debentures to be purchased plus accrued and unpaid interest to the purchase date.

Within 30 days after the occurrence of a Change in Control, we are obligated to give to the holders of the debentures notice of the Change in Control and of the purchase right arising as a result of the Change in Control. We must also deliver a copy of this notice to the trustee. To exercise the purchase right, a holder of the debentures must deliver on or before the 30th day after the date of our notice irrevocable written notice to the trustee of the holder's exercise of its purchase right, together with the debentures with respect to which the right is being exercised. We are required to purchase the debentures on the date that is 45 days after the date of our notice.

A Change in Control will be deemed to have occurred at the time after the debentures are originally issued that any of the following occurs:

- (1) any person, including any syndicate or group deemed to be a "person" under Section 13(d)(3) of the Exchange Act, acquires beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of transactions, of shares of our capital stock entitling the person to exercise 50% or more of the total voting power of all shares of our capital stock that is entitled to vote generally in elections of directors, other than an acquisition by us, any of our subsidiaries or any of our employee benefit plans; or
- (2) we merge or consolidate with or into any other person, any merger of another person into us, or we convey, sell, transfer or lease all or substantially all of our assets to another person, other than any transaction in (1) or (2) above:
 - that does not result in any reclassification, conversion, exchange or cancellation of outstanding shares of our capital stock, or
 - pursuant to which the holders of our CD common stock immediately prior to the transaction have the entitlement to exercise, directly or indirectly, 50% or more of the total voting power of all shares of capital stock entitled to vote generally in the election of directors of the continuing or surviving corporation immediately after the transaction, or
 - which is effected solely to change our jurisdiction of incorporation and results in a reclassification, conversion or exchange of outstanding shares of our CD common stock solely into shares of common stock of the surviving entity.

However, a Change in Control will not be deemed to have occurred if either:

- (A) the closing price per share of our CD common stock for any five trading

days within the period of 10 consecutive trading days ending immediately after the later of the Change in Control or the public announcement of the Change in Control in the case of a Change in Control relating to an acquisition of capital stock, or the period of 10 consecutive trading days ending immediately before the Change in Control, in the case of Change in Control relating to a merger, consolidation or asset sale, equals or exceeds 105% of the conversion price of the debentures in effect on each of those trading days, or

- (B) all of the consideration (excluding cash payments for fractional shares and cash payments made pursuant to dissenters' appraisal rights) in a merger or consolidation otherwise constituting a Change in Control under clause (1) and/or clause (2) above consists of shares of common stock traded on a national securities exchange or quoted on the Nasdaq National

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Market (or will be so traded or quoted immediately following the merger or consolidation) and as a result of the merger or consolidation the debentures become convertible into such common stock.

For purposes of these provisions:

- the conversion price is equal to \$1,000 plus accrued and unpaid interest (excluding any accrued and unpaid cash interest) divided by the conversion rate;
- whether a person is a "beneficial owner" will be determined in accordance with Rule 13d-3 under the Exchange Act; and
- "person" includes any syndicate or group that would be deemed to be a "person" under Section 13(d)(3) of the Exchange Act.

Rule 13e-4 under the Exchange Act requires the dissemination of prescribed information to security holders in the event of an issuer tender offer and may apply in the event that the purchase option becomes available to the holders of debentures. We will comply with this rule to the extent it applies at that time.

The definition of Change in Control includes a phrase relating to the conveyance, transfer, sale, lease or disposition of "all or substantially all" of our assets. There is no precise, established definition of the phrase "substantially all" under applicable law. Accordingly, the ability of a holder of the debentures to require us to purchase its debentures as a result of the conveyance, transfer, sale, lease or other disposition of less than all of our assets may be uncertain.

The foregoing provisions would not necessarily provide the holders of the debentures with protection if we are involved in a highly leveraged or other transaction that may adversely affect the holders.

If a Change in Control were to occur, we may not have enough funds to pay the Change in Control purchase price. See "Risk Factors" under the caption "We may not have the ability to raise the funds necessary to finance the change in control purchase or any purchase at the option of the holders." In addition, we have, and may in the future incur, other indebtedness with similar change in control provisions permitting our holders to accelerate or to require us to purchase our indebtedness upon the occurrence of similar events or on some specified dates. If we fail to purchase the debentures when required following a Change in Control, we will be in default under the indenture.

MERGER AND SALES OF ASSETS BY CENDANT

We may not (1) consolidate with or merge into any other person or convey, transfer, sell or lease our properties and assets substantially as an entirety to any person, (2) permit any person to consolidate with or merge into us or (3) permit any person to convey, transfer, sell or lease that person's properties or assets substantially as an entirety to us unless:

- in the case of (1) and (2) above, either (i) Cendant is the surviving corporation or (ii) if Cendant no longer exists, the person formed by the consolidation or into which we are merged or the person to which our properties and assets are so conveyed, transferred, sold or leased, shall be a corporation, limited liability company, partnership or trust organized and existing under the laws of the United States, any State within the United States or the District of Columbia and assumes the payment of the principal of and interest on the debentures and the performance of our other covenants under the indenture, and
- in all cases, immediately after giving effect to the transaction, no event of default, and no event that, after notice or lapse of time or both, would become an event of default, will have occurred and be continuing.

EVENTS OF DEFAULT

The following are events of default with respect to the debentures:

- default for 30 days in payment of any interest due and payable on the debentures, including additional interest payable upon an upward interest adjustment;
- default in payment of the principal amount of the debentures and accrued and unpaid interest at maturity, upon redemption, purchase at the option of the holder or following a Change in Control when the same becomes due and payable;
- default by us under any instrument or instruments under which there is or may be secured or evidenced any of our indebtedness (other than the debentures) having an outstanding principal amount of \$50,000,000 (or its equivalent in any other currency or currencies) or more, individually or in the aggregate, that has caused the holders thereof to declare such indebtedness to be due and payable prior to its stated maturity, unless such declaration has been rescinded within 30 days;
- default in the payment of the principal or premium, if any, of any bond, debenture, note or other evidence of our indebtedness, in each case for money borrowed, or in the payment of principal or premium, if any, under any mortgage, indenture, agreement or instrument under which there may be issued or by which there may be secured or evidenced any indebtedness of ours for money borrowed, which default for payment of principal or premium, if any, is in an aggregate principal amount exceeding \$50,000,000 (or its equivalent in any other currency or currencies) when such indebtedness becomes due and payable (whether at maturity, upon redemption or acceleration or otherwise), if such default shall continue unremedied or unwaived for more than 30 business days after the expiration of any grace period or extension of the time for payment applicable thereto;
- default in our performance of any other covenants or agreements in respect of the debentures contained in the indenture or the debentures for 60 days after written notice to us by the trustee or to us and the trustee by the holders of at least 25% in aggregate principal amount of the debentures then outstanding; and
- certain events of bankruptcy, insolvency and reorganization.

The indenture requires that we file annually with the trustee a certificate describing any default by us in the performance of any conditions or covenants that has occurred under the indenture and its status. We must give the trustee written notice within 30 days of any default under the indenture that could mature into an event of default described in the third, fourth or fifth clause above.

The indenture provides that if an event of default occurs and is continuing with respect to the debentures, either the trustee or the holders of at least 25% in aggregate principal amount of the outstanding debentures may declare the principal amount plus accrued and unpaid interest, if any, on the debentures to be due and payable immediately. If an event of default relating to events of bankruptcy, insolvency or reorganization occurs, the principal amount plus accrued and unpaid interest, if any, on the debentures will become immediately due and payable without any action on the part of the trustee or any holder. At any time after a declaration of acceleration, but before a judgment or decree for payment of money has been obtained, if all events of default with respect to the debentures have been cured (other than the nonpayment of principal of the debentures plus accrued and unpaid interest which has become due solely by reason of the declaration of acceleration) then the declaration of acceleration shall be automatically annulled and rescinded.

A holder of debentures may pursue any remedy under the indenture only if:

- the holder gives the trustee written notice of a continuing event of default for the debentures;

- the holders of at least 25% in principal amount of the outstanding debentures make a written request to the trustee to pursue the remedy;
- the holder offers to the trustee indemnity reasonably satisfactory to the trustee;
- the trustee fails to act for a period of 60 days after receipt of notice

and offer of indemnity; and

- during that 60-day period, the holders of a majority in principal amount of the debentures do not give the trustee a direction inconsistent with the request.

This provision does not, however, affect the right of a holder of debentures to sue for enforcement of payment of the principal of or interest, including additional interest, on the holder's debenture on or after the respective due dates expressed in its debenture or the holder's right to convert its debenture in accordance with the indenture.

The trustee is entitled under the indenture, subject to the duty of the trustee during a default to act with the required standard of care, to be indemnified before proceeding to exercise any right or power under the indenture at the direction of the registered holders of the debentures or which requires the trustee to expend or risk its own funds or otherwise incur any financial liability. The indenture also provides that the registered holders of a majority in principal amount of the outstanding debentures may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee. The trustee, however, may refuse to follow any such direction that conflicts with law or the indenture, is unduly prejudicial to the rights of other registered holders of the debentures, or would involve the trustee in personal liability.

The indenture provides that while the trustee generally must mail notice of a default or event of default to the registered holders of the debentures within 90 days of occurrence, the trustee may withhold notice of any default or event of default (except in payment on the debentures) if the trustee in good faith determines that the withholding of such notice is in the interest of the registered holders of the debentures.

MODIFICATION AND WAIVER

We may amend or supplement the indenture if the holders of a majority in principal amount of the debentures consent to it. Without the consent of the holder of each debenture affected, however, no modification may:

- reduce the amount of debentures whose holders must consent to an amendment, supplement or waiver;
- reduce the rate of accrual of interest or change the time for payment of interest on the debentures;
- reduce the value of our CD common stock to which reference is made in determining whether an interest adjustment will be made on the debentures, or change the method by which this value is calculated;
- reduce the principal amount of the debentures or change the stated maturity;
- reduce the redemption or purchase price of the debentures or change the time at which the debentures may or must be redeemed or purchased;
- make payments on the debentures payable in currency other than as originally stated in the debentures;
- impair the holder's right to institute suit for the enforcement of any payment on the debentures;

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- make any change in the percentage of principal amount of debentures necessary to waive compliance with some provisions of the indenture or to make any change in this provision for modification;
- waive a continuing default or event of default regarding any payment on the debentures; or
- adversely affect the conversion or repurchase provisions of the debentures.

We may amend or supplement the indenture or waive any provision of it without the consent of any holders of debentures in some circumstances, including:

- to cure any ambiguity, omission, defect or inconsistency;
- to provide for the assumption of our obligations under the indenture by a successor upon any merger, consolidation or asset transfer permitted under the indenture;

- to provide for uncertificated debentures in addition to or in place of certificated debentures or to provide for bearer debentures;
- to provide any security for or guarantees of the debentures;
- to comply with any requirement to effect or maintain the qualification of the indenture under the Trust Indenture Act of 1939, as amended;
- to add covenants that would benefit the holders of debentures or to surrender any rights we have under the indenture;
- to add events of default with respect to the debentures; or
- to make any change that does not adversely affect any outstanding debentures in any material respect.

The holders of a majority in principal amount of the outstanding debentures may waive any existing or past default or event of default. Those holders may not, however, waive any default or event of default in any payment on any debenture or compliance with a provision that cannot be amended or supplemented without the consent of each holder affected.

REGISTRATION RIGHTS

We entered into a registration rights agreement with the initial purchaser of the debentures. If you sell the debentures or shares of CD common stock issued upon conversion of the debentures under this registration statement, you generally will be required to be named as a selling securityholder in this prospectus, deliver this prospectus to purchasers and be bound by applicable provisions of the registration rights agreement, including some indemnification provisions.

In the registration rights agreement, we agreed to file a registration statement that includes this prospectus with the Commission by February 25, 2002. We agreed to use our reasonable best efforts to cause this registration statement to become effective as promptly as practicable, but before May 27, 2002. We agreed to keep this registration statement effective until the earliest of (i) two years after the filing date, (ii) the date when all of the securities registered under this registration statement are sold or (iii) the period applicable to the debentures and underlying shares of CD common stock held by non-affiliates under Rule 144(k) of the Securities Act expires. We may suspend the use of this prospectus under limited circumstances, including pending corporate developments or public filings with the Commission, for a period not to exceed 45 days in any 90-day period and 90 days in any 360-day period. We also agreed to pay liquidated damages to holders of the debentures and shares of CD common stock issued upon conversion of the debentures if the registration statement is not timely filed or made effective or if the prospectus is not available for periods in excess of those permitted above. You should refer to the registration rights agreement for a description of those liquidated damages.

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CALCULATIONS IN RESPECT OF DEBENTURES

We are responsible for making all calculations called for under the debentures, except for such calculations made by the reset rate agent. These calculations include, but are not limited to, determinations of the market prices of our CD common stock, accrued interest payable on the debentures and the accreted conversion price of the debentures. We will make all these calculations in good faith and, absent manifest error, our calculations will be final and binding on holders of debentures. We will provide a schedule of our calculations to the trustee, and the trustee is entitled to rely upon the accuracy of our calculations without independent verification. The trustee will forward our calculations to any holder of debentures upon the request of that holder.

GOVERNING LAW

The indenture and the debentures are governed by, and construed in accordance with, the laws of the State of New York.

TRUSTEE

The Bank of Nova Scotia Trust Company of New York is the trustee, registrar, conversion agent and paying agent.

If an event of default occurs and is continuing, the trustee will be required to use the degree of care and skill of a prudent man in the conduct of his own affairs. The trustee will become obligated to exercise any of its powers under the indenture at the request of any of the holders of any debentures only

after those holders have offered the trustee indemnity reasonably satisfactory to it.

If the trustee becomes one of our creditors, it will be subject to limitations in the indenture on its rights to obtain payment of claims or to realize on some property received for any such claim, as security or otherwise. The trustee is permitted to engage in other transactions with us. If, however, it acquires any conflicting interest, it must eliminate that conflict or resign. The Bank of Nova Scotia Trust Company of New York is currently serving as the trustee under other indentures governing our debt issuances.

FORM, EXCHANGE, REGISTRATION AND TRANSFER

The debentures were originally issued in registered form, without interest coupons. We will not charge a service charge for any registration of transfer or exchange of the debentures. We may, however, require the payment of any tax or other governmental charge payable for that registration.

The debentures will be exchangeable for other debentures, for the same total principal amount and for the same terms but in different authorized denominations in accordance with the indenture. Holders may present debentures for registration of transfer at the office of the security registrar or any transfer agent we designate. The security registrar or transfer agent will effect the transfer or exchange when it is satisfied with the documents of title and identity of the person making the request.

We have appointed the trustee as security registrar for the debentures. We may at any time rescind that designation or approve a change in the location through which any registrar acts. We are required to maintain an office or agency for transfers and exchanges in each place of payment. We may at any time designate additional registrars for the debentures.

In the case of any redemption, the security registrar will not be required to register the transfer or exchange of any debentures either:

- during a period beginning 15 days prior to the mailing of the relevant notice of redemption and ending on the close of business on the day of mailing of the notice, or

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- if the debentures have been called for redemption in whole or in part, except the unredeemed portion of any debentures being redeemed in part.

PAYMENT AND PAYING AGENTS

Payments on the debentures will be made in U.S. dollars at the office of the trustee. At our option, however, we may make payments by check mailed to the holder's registered address or, with respect to global debentures, by wire transfer. We will make interest payments to the person in whose name the debentures is registered at the close of business on the record date for the interest payment.

The trustee has been designated as our paying agent for payments on debentures. We may at any time designate additional paying agents or rescind the designation of any paying agent or approve a change in the office through which any paying agent acts.

Subject to the requirements of any applicable abandoned property laws, the trustee and paying agent shall pay to us upon written request any money held by them for payments on the debentures that remain unclaimed for two years after the date upon which that payment has become due. After payment to us, holders entitled to the money must look to us for payment. In that case, all liability of the trustee or paying agent with respect to that money will cease.

NOTICES

Except as otherwise described herein, notice to registered holders of the debentures will be given by mail to the addresses as they appear in the security register. Notices will be deemed to have been given on the date of such mailing.

REPLACEMENT OF DEBENTURES

We will replace any debentures that become mutilated, destroyed, stolen or lost at the expense of the holder upon delivery to the trustee of the mutilated debentures or evidence of the loss, theft or destruction satisfactory to us and the trustee. In the case of a lost, stolen or destroyed debentures, indemnity satisfactory to the trustee and us may be required at the expense of the holder of the debentures before a replacement debenture will be issued.

PAYMENT OF STAMP AND OTHER TAXES

We will pay all stamp and other duties, if any, which may be imposed by the United States or any political subdivision thereof or taxing authority thereof or therein with respect to the issuance of the debentures. We will not be required to make any payment with respect to any other tax, assessment or governmental charge imposed by any government or any political subdivision thereof or taxing authority thereof or therein.

BOOK-ENTRY SYSTEM

The debentures are represented by one or more global securities. Each global security was deposited with, or on behalf of, DTC and registered in the name of a nominee of DTC. Except under circumstances described below, the debentures will not be issued in definitive form.

Upon the issuance of a global security, DTC will credit on its book-entry registration and transfer system the accounts of persons designated by the initial purchaser with the respective principal amounts of the debentures represented by the global security. Ownership of beneficial interests in a global security will be limited to persons that have accounts with DTC or its nominee ("participants") or persons that may hold interests through participants. Ownership of beneficial interests in a global security will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of persons other than participants). The

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laws of some states require that some purchasers of securities take physical delivery of the securities in definitive form. Such limits and such laws may impair the ability to transfer beneficial interests in a global security.

So long as DTC or its nominee is the registered owner of a global security, DTC or its nominee, as the case may be, will be considered the sole owner or holder of the debentures represented by that global security for all purposes under the indenture. Except as provided below, owners of beneficial interests in a global security will not be entitled to have debentures represented by that global security registered in their names, will not receive or be entitled to receive physical delivery of debentures in definitive form and will not be considered the owners or holders thereof under the indenture. Principal and interest payments, if any, on debentures registered in the name of DTC or its nominee will be made to DTC or its nominee, as the case may be, as the registered owner of the relevant global security. Neither Cendant, the trustee, any paying agent or the registrar for the debentures will have any responsibility or liability for any aspect of the records relating to nor payments made on account of beneficial interests in a global security or for maintaining, supervising or reviewing any records relating to such beneficial interests.

We expect that DTC or its nominee, upon receipt of any payment of principal or interest, if any, will credit immediately participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant global security as shown on the records of DTC or its nominee. We also expect that payments by participants to owners of beneficial interests in a global security held through these participants will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of the participants.

If DTC is at any time unwilling or unable to continue as a depository and a successor depository is not appointed by us within 90 days, we will issue debentures in definitive form in exchange for the entire global security for the debentures. In addition, we may at any time and in our sole discretion determine not to have debentures represented by a global security and, in such event, will issue debentures in definitive form in exchange for the entire global security relating to the debentures. In any such instance, an owner of a beneficial interest in a global security will be entitled to physical delivery in definitive form of debentures represented by the global security equal in principal amount to the beneficial interest and to have the debentures registered in its name. debentures so issued in definitive form will be issued as registered debentures in denominations of \$1,000 and integral multiples thereof, unless otherwise specified by us.

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DESCRIPTION OF CD COMMON STOCK

The following description of Cendant's CD common stock does not purport to be complete and is subject to, and qualified in its entirety by reference to, the more complete descriptions thereof set forth in our Amended and Restated Certificate of Incorporation (the "Certificate") and Amended and Restated

By-Laws (the "By-Laws").

We are authorized to issue up to 2,000,000,000 shares of CD common stock, par value \$.01 per share. As of December 31, 2001, there were 977,708,342 shares of CD common stock outstanding.

GENERAL

In March 2000, our outstanding common stock was reclassified as CD common stock, and we created a series of common stock designated as Move.com common stock. The Move.com common stock was designed to track the value of our Move.com Group, and the CD common stock represents our interests in the remainder of our business and our interest in Move.com Group. No shares of Move.com common stock are outstanding. For a description of the terms of our CD common stock, see "Summary Comparison of Terms of Existing Common Stock with Terms of CD Common Stock and Move.com Common Stock" in the Proxy Statement dated February 10, 2000, which is incorporated by reference herein.

Subject to the rights of the holders of any shares of our preferred stock which may at the time be outstanding, holders of CD common stock are entitled to such dividends as the Board of Directors may declare out of funds legally available therefor. The holders of CD common stock will possess exclusive voting rights in us, except to the extent the Board of Directors specifies voting power with respect to any preferred stock issued. Except as hereinafter described, holders of CD common stock are entitled to one vote for each share of CD common stock, but will not have any right to cumulate votes in the election of directors. In the event of liquidation, dissolution or winding up of Cendant, the holders of CD common stock are entitled to receive, after payment of all of our debts and liabilities and of all sums to which holders of any preferred stock may be entitled, the distribution of any remaining assets of Cendant. Holders of the CD common stock will not be entitled to preemptive rights with respect to any shares which may be issued. All outstanding shares of CD common stock are fully paid and non-assessable, and any shares of CD common stock issued upon conversion of the debentures will be fully paid and non-assessable. The CD common stock is listed on the New York Stock Exchange under the symbol "CD."

CERTAIN PROVISIONS

The provisions of our Certificate and By-Laws which are summarized below may be deemed to have an anti-takeover effect and may delay, defer or prevent a tender offer or takeover attempt that a stockholder might consider in such stockholder's best interest, including those attempts that might result in a premium over the market price for the shares held by stockholders.

CLASSIFIED BOARD

Our Board of Directors is divided into three classes that are elected for staggered three-year terms. A director may be removed by the stockholders without cause only by the affirmative vote of the holders, voting as a single class, of 80% or more of the total number of votes entitled to be cast by all holders of our voting stock, which shall include all capital stock of Cendant which by its terms may vote on all matters submitted to stockholders of Cendant generally.

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COMMITTEES OF THE BOARD OF DIRECTORS

Pursuant to the Certificate, the Board of Directors' authority to designate committees shall be subject to the provisions of the By-Laws. The Board of Directors may designate one or more directors as alternate members of any committee to fill any vacancy on the committee and to fill a vacant chairmanship of a committee occurring as a result of a member or chairman leaving the committee, whether through death, resignation, removal or otherwise. Pursuant to the By-Laws, the Board of Directors shall have the following committees:

EXECUTIVE COMMITTEE. An Executive Committee that shall consist of not less than three directors elected by a majority vote of the Board of Directors.

COMPENSATION COMMITTEE. A Compensation Committee consisting of not less than three directors elected by a majority vote of the Board of Directors.

AUDIT COMMITTEE. An Audit Committee consisting of not less than four directors elected by a majority vote of the Board of Directors.

NEWLY CREATED DIRECTORSHIPS AND VACANCIES

Newly created directorships resulting from any increase in the number of directors and any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause shall be filled solely by

the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board of Directors. Any directors elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the class of directors in which the new directorship was created or the vacancy occurred and until such director's successor shall have been elected and qualified. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

SPECIAL MEETINGS OF STOCKHOLDERS

A special meeting of stockholders may be called only by the Chairman of the Board of Directors, the President or the Board of Directors pursuant to a resolution approved by a majority of the entire Board of Directors.

QUORUM AT STOCKHOLDER MEETINGS

The holders of one-third of the shares entitled to vote at any meeting of the stockholders, present in person or by proxy, shall constitute a quorum at all stockholder meetings.

STOCKHOLDER ACTION BY WRITTEN CONSENT

Stockholder action by written consent in lieu of a meeting is prohibited under the Certificate. As a result, stockholder action can be taken only at an annual or special meeting of stockholders. This prevents the holders of a majority of the outstanding voting stock of Cendant from using the written consent procedure to take stockholder action without giving all the stockholders of Cendant entitled to vote on a proposed action the opportunity to participate in determining the proposed action.

ADVANCE NOTICE OF STOCKHOLDER-PROPOSED BUSINESS AT ANNUAL MEETINGS

Our By-Laws provide that for business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of Cendant. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of Cendant, not less than 60 days nor more than 90 days prior to the meeting; provided, however, that in the event that less than 70 days' notice or prior public disclosure of

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the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be so received not later than the close of business on the tenth day following the date on which such notice of the date of the annual meeting was mailed or such public disclosure was made. A stockholder's notice to the Secretary must set forth as to each matter the stockholder proposes to bring before the annual meeting: (i) a brief description of the business desired to be brought before the annual meeting, (ii) the name and address, as they appear on Cendant's books, of the stockholder proposing such business, (iii) the class and number of shares of Cendant which are beneficially owned by the stockholder, and (iv) any material interest of the stockholder in such business.

In addition, the By-Laws provide that for a stockholder to properly nominate a director at a meeting of stockholders, the stockholder must have given timely notice thereof in writing to the Secretary of Cendant. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of Cendant (i) in the case of an annual meeting, at least 90 days prior to the date of the last annual meeting of Cendant stockholders and (ii) with respect to a special meeting of stockholders, the close of business on the 10th day following the date on which notice of such meeting is first given to stockholders. Such stockholder's notice to the Secretary must set forth: (i) the name and address of the stockholder who intends to make the nomination and of the person or persons to be nominated, (ii) a representation that the stockholder is the holder of record of common stock and intends to appear in person or by proxy at the meeting to nominate each such nominee, (iii) a description of all arrangements between such stockholder and each nominee, (iv) such other information with respect to each nominee as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Commission, and (v) the consent of each nominee to serve as director of the Company if so elected.

FAIR PRICE PROVISIONS

Under the Delaware General Corporation Law and the Certificate, an agreement of merger, sale, lease or exchange of all or substantially all of Cendant's assets must be approved by the Board of Directors and adopted by the holders of a majority of the outstanding shares of stock entitled to vote thereon. However, the Certificate includes what generally is referred to as a "fair price provision," which requires the affirmative vote of the holders of at least 80%

of the outstanding shares of capital stock entitled to vote generally in the election of Cendant's directors, voting together as a single class, to approve certain business combination transactions (including certain mergers, recapitalization and the issuance or transfer of securities of Cendant or a subsidiary having an aggregate fair market value of \$10 million or more) involving Cendant or a subsidiary and an owner or any affiliate of an owner of 5% or more of the outstanding shares of capital stock entitled to vote, unless either (i) such business combination is approved by a majority of disinterested directors, or (ii) the shareholders receive a "fair price" for their securities and certain other procedural requirements are met. The Certificate provides that this provision may not be repealed or amended in any respect except by the affirmative vote of the holders of not less than 80% of the outstanding shares of capital stock entitled to vote generally in the election of directors.

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CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of the material United States federal income tax consequences of the purchase, ownership and disposition of the debentures and the shares of CD common stock into which the debentures may be converted. This summary deals only with the debentures and the shares of CD common stock held as capital assets for United States federal income tax purposes. As used in this offering memorandum, "U.S. Holders" are any beneficial owners of the debentures or the shares of CD common stock that are, for United States federal income tax purposes: (1) citizens or residents of the United States, (2) corporations created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (3) estates, the income of which is subject to United States federal income taxation regardless of its source, and (4) trusts, if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust. As used in this offering memorandum, "Non-U.S. Holders" are holders of the debentures or the shares of CD common stock that are, for United States federal income tax purposes, (1) nonresident alien individuals, (2) foreign corporations and (3) foreign estates or trusts that are not subject to United States federal income taxation on their worldwide income. If a partnership (including for this purpose any entity treated as a partnership for United States federal income tax purposes) is a beneficial owner of the debentures or the shares of CD common stock, the treatment of a partner in the partnership will generally depend upon the status of the partner and upon the activities of the partnership. A holder of the debentures or the shares of CD common stock that is a partnership and partners in such partnership should consult their tax advisors about the United States federal income tax consequences of holding and disposing of the debentures or the shares of CD common stock, as the case may be. Unless otherwise stated, this summary does not deal with special classes of holders such as banks, thrifts, real estate investment trusts, regulated investment companies, insurance companies, dealers in securities or currencies, tax-exempt investors, holders that hold the debentures as part of a hedge, straddle, "synthetic security" or other integrated transaction for United States federal income tax purposes and U.S. Holders whose functional currency is not the U.S. dollar. Further, this summary does not include any description of any alternative minimum tax consequences, United States federal estate or gift tax laws or the tax laws of any state, local or foreign government that may be applicable to the debentures or the shares of CD common stock.

This summary is based on the Internal Revenue Code of 1986, as amended, the Treasury regulations promulgated thereunder and administrative and judicial interpretations thereof, all as of the date hereof, and 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 debentures or instruments similar to the debentures for United States federal income tax purposes. Therefore, there can be no assurance that the Internal Revenue Service (the "IRS") will not successfully challenge one or more of the conclusions described in this prospectus.

We urge prospective investors to consult their tax advisors with respect to the tax consequences to them of the purchase, ownership and disposition of the debentures and the shares of CD common stock in light of their own particular circumstances, including the tax consequences under state, local, foreign and other tax laws and the possible effects of changes in United States federal and other tax laws.

CLASSIFICATION OF THE DEBENTURES

Pursuant to the terms of the indenture, each holder of the debentures agreed, for United States federal income tax purposes, to treat the debentures as indebtedness for United States federal income tax purposes subject to the regulations governing contingent payment debt instruments and to be bound by our application of those regulations to the debentures, including our determination of the rate at which interest will be deemed to accrue on the debentures for

purposes. The remainder of this discussion assumes that the debentures will be treated in accordance with that agreement and our determinations. However, the proper application of the regulations governing contingent payment debt instruments to a holder of a debenture is uncertain in a number of respects, and no assurance can be given that the IRS will not assert that the 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 an investment in the 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 the conversion, and should have recognized capital gain upon a taxable disposition of its debentures.

U.S. HOLDERS

Under the rules governing contingent payment debt instruments, a U.S. Holder will generally be required to accrue interest income on the debentures, in the amounts described below, regardless of whether the U.S. Holder uses the cash or accrual method of tax accounting. Accordingly, U.S. Holders would likely be required to include interest in taxable income in each year in excess of the accruals on the debentures for non-tax purposes and in excess of any contingent interest payments actually received in that year.

A U.S. Holder must accrue on its debentures an amount of original issue discount as ordinary income for United States federal income tax purposes, for each accrual period prior to and including the maturity date of the debentures that equals:

- the product of (i) the adjusted issue price (as defined below) of the debentures as of the beginning of the accrual period; and (ii) the comparable yield to maturity (as defined below) of the debentures, adjusted for the length of the accrual period;
- divided by the number of days in the accrual period; and
- multiplied by the number of days during the accrual period that the U.S. Holder held the debentures.

The "issue price" of a debenture is the first price at which a substantial amount of the debentures is sold to investors, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers. The adjusted issue price of a debenture is its issue price increased by any interest income previously accrued, determined without regard to any adjustments to interest accruals described below and decreased by the projected amounts of any payments with respect to the debentures.

Under the rules governing contingent payment debt instruments, we are required to establish the "comparable yield" for the debentures. We have determined that the comparable yield for the debentures is the annual yield we would incur, as of the initial issue date, on a fixed rate nonconvertible debt security with no contingent payments, but with terms and conditions otherwise comparable to those of the debentures including the absence of subordination, term, timing of payments and general market conditions, but excluding any adjustments for liquidity or the riskiness of the contingencies with respect to the debentures. Accordingly, we have determined the comparable yield to be 9.29% compounded semi-annually.

We are required to provide to U.S. Holders, solely for United States federal income tax purposes, a schedule of the projected amounts of payments on the debentures. This schedule must produce the comparable yield. Our determination of the projected payment schedule for the debentures includes estimates for payments of contingent interest and an estimate for a payment at maturity taking into account the conversion feature. U.S. Holders may obtain the projected payment schedule by submitting a written request for it to Cendant at the address set forth in "Incorporation of Certain Documents by Reference."

THE COMPARABLE YIELD AND THE SCHEDULE OF PROJECTED PAYMENTS ARE NOT DETERMINED FOR ANY PURPOSE OTHER THAN FOR THE DETERMINATION OF A U.S. HOLDER'S INTEREST ACCRUALS AND ADJUSTMENTS THEREOF IN RESPECT OF THE DEBENTURES FOR UNITED STATES FEDERAL INCOME TAX PURPOSES AND DO NOT CONSTITUTE A PROJECTION OR REPRESENTATION REGARDING THE ACTUAL AMOUNTS PAYABLE TO U.S. HOLDERS OF THE DEBENTURES.

ADJUSTMENTS TO INTEREST ACCRUALS ON THE DEBENTURES

If a U.S. Holder receives actual payments with respect to the debentures in a taxable year that in the aggregate exceed the total amount of projected payments for that taxable year, the U.S. Holder would incur a "net positive adjustment" equal to the amount of such excess. The U.S. Holder would treat the "net positive adjustment" as additional interest income for the taxable year. For this purpose, the payments in a taxable year include the fair market value of property received in that year.

If a U.S. Holder receives actual payments with respect to the debentures in a taxable year that in the aggregate are less than the amount of the projected payments for that taxable year, the U.S. Holder would incur a "net negative adjustment" equal to the amount of such deficit. This adjustment will (a) reduce the U.S. Holder's interest income on the debentures for that taxable year, and (b) to the extent of any excess after the application of (a), give rise to an ordinary loss to the extent of the U.S. Holder's income on the debentures during prior taxable years, reduced to the extent such interest was offset by prior net negative adjustments.

SALE, EXCHANGE, CONVERSION OR REDEMPTION

Generally, the sale or exchange of a debenture, or the redemption of a debenture for cash, will result in taxable gain or loss to a U.S. Holder. In addition, as described above, our calculation of the comparable yield and the schedule of projected payments for the debentures includes the receipt of CD common stock upon conversion of a debenture into shares of our CD common stock as a contingent payment with respect to the debentures. Accordingly, we intend to treat the receipt of our CD common stock by a U.S. Holder upon the conversion of a debenture, or upon our purchase of a debenture at the option of a holder where we elect to pay the purchase price in shares of our CD common stock, as a contingent payment. As described above, holders are generally bound by our determination of the comparable yield and the schedule of projected payments. Under this treatment, a sale or exchange, or such a conversion or redemption, also will result in taxable gain or loss to the U.S. Holder. The amount of gain or loss on a taxable sale, exchange, conversion or redemption will equal the difference between (a) the amount of cash plus the fair market value of any other property received by the U.S. Holder, including the fair market value of any CD common stock received, and (b) the U.S. Holder's adjusted tax basis in the debentures. A U.S. Holder's adjusted tax basis in a debenture on any date generally will equal the U.S. Holder's original purchase price for the debentures, increased by any original issue discount previously accrued by the U.S. Holder (determined without regard to any positive or negative adjustments to interest accruals described above), and decreased by the amount of any projected payments on the debentures projected to have been made through that date. Gain recognized upon a sale, exchange, conversion or redemption of a debenture generally will be treated as ordinary interest income; any loss will be ordinary loss to the extent of interest previously included in income, and thereafter, capital loss (which will be long-term if the debenture is held for more than one year). The deductibility of net capital losses is subject to limitations.

A U.S. Holder's tax basis in shares of our CD common stock received upon a conversion of a debenture or upon the redemption of a debenture at the option of the holder we elect to pay in shares of our CD common stock will equal the then current fair market value of such CD common stock. The U.S. Holder's holding period for the shares of our CD common stock received will commence on the day after the date of conversion or redemption.

PURCHASERS OF DEBENTURES AT A PRICE OTHER THAN THE ADJUSTED ISSUE PRICE

A U.S. Holder that purchases debentures in the secondary market for an amount that differs from the adjusted issue price of the debentures at the time of purchase will be required to accrue interest income on the debentures in the same manner as a U.S. Holder that purchased debentures in the initial offering. A U.S. Holder must also reasonably allocate any difference between the adjusted issue price and the U.S. Holder's tax basis in the debentures to daily portions of interest or projected payments over the remaining term of the debentures. If the purchase price of the debentures is greater than the adjusted issue price, 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 the purchase price of the debentures is less than the adjusted issue price, 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 U.S. Holder's adjusted tax basis in the debentures.

Certain U.S. Holders will receive Forms 1099-OID that report interest accruals on their debentures. Those forms will not reflect the effect of any

positive or negative adjustments resulting from the U.S. Holder's purchase of debentures in the secondary market at a price different from adjusted issue price of the debentures on the date of purchase. U.S. Holders are urged to consult their tax advisors as to whether, and how, such adjustments should be taken into account in determining their interest accruals with regard to the debentures.

DISTRIBUTIONS ON CD COMMON STOCK

If a U.S. Holder converts the debentures into shares of our CD common stock, in general, distributions, if any, on the shares of our CD common stock that are paid out of our current or accumulated earnings and profits, as defined for United States federal income tax purposes, will constitute dividends and will be includible in income by a holder and taxable as ordinary income when received or accrued, in accordance with that holder's method of accounting for United States federal income tax purposes. If a distribution exceeds our current and accumulated earnings and profits, the excess will be treated first as a tax-free return of the U.S. Holder's investment, up to the U.S. Holder's basis in the shares of our CD common stock. Any remaining excess will be treated as capital gain.

CONSTRUCTIVE DIVIDENDS

If at any time we make a distribution of property to our stockholders that would be taxable to the stockholders as a dividend for United States federal income tax purposes and, in accordance with the anti-dilution provisions of the debentures, the conversion rate of the debentures is increased, such increase may be deemed to be the payment of a taxable dividend to holders of the debentures.

For example, an increase in the exchange rate in the event of distribution of our evidences of indebtedness or our assets or an increase in the event of an extraordinary cash dividend will generally result in deemed dividend treatment to holders of the debentures, but an increase in the event of stock dividends or the distribution of rights to subscribe for our CD common stock generally will not.

TREATMENT OF NON-U.S. HOLDERS

The rules governing United States federal income taxation of Non-U.S. Holders are complex and no attempt will be made in this offering memorandum to provide more than a summary of such rules. Non-U.S. Holders should consult with their tax advisors to determine the effect of United States federal, state, local and foreign income tax laws, as well as treaties, with regard to an investment in the debentures and shares of our CD common stock, including any reporting requirements.

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PAYMENTS MADE WITH RESPECT TO THE DEBENTURES

The 30% United States federal withholding tax will not apply to any payment to a Non-U.S. Holder of principal or interest (including amounts taken into income as interest under the accrual rules described above under "--U.S. Holders" and amounts attributable to the shares of our CD common stock received upon a conversion of the debentures) on debentures, provided that: (i) the Non-U.S. Holder does not own, actually or constructively, 10% or more of the total combined voting power of our CD common stock, (ii) the Non-U.S. Holder is not a controlled foreign corporation related, directly or indirectly, to us through stock ownership; (iii) the Non-U.S. Holder is not a bank which acquired the debentures in consideration for an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business; (iv) our common stock is actively traded within the meaning of Section 871(h)(4)(C)(v)(I) of the Internal Revenue Code; and (v) either (a) the beneficial owner of debentures certifies to us or our paying agent on IRS Form W-8BEN, under penalties of perjury, that it is not a United States person and provides its name, address and certain other information or (B) the beneficial owner holds its debentures through certain foreign intermediaries or certain foreign partnerships and such holder satisfies certain certification requirements.

If the Non-U.S. Holder cannot satisfy the requirements described above, payments of interest (including amounts taken into income under the accrual rules described above under "--U.S. Holders" and amounts attributable to our CD common stock received upon a conversion of the debentures) will be subject to the 30% United States federal withholding tax unless the Non-U.S. Holder provides us with a properly executed (1) IRS Form W-8BEN (or successor form) claiming an exemption from or reduction in withholding under an applicable tax treaty or (2) IRS Form W-8ECI (or successor form) stating that interest paid on the debentures is not subject to withholding tax because it is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States.

If a Non-U.S. Holder of the debentures is engaged in a trade or business in the United States, and if interest on the debentures is effectively connected with the conduct of such trade or business, the Non-U.S. Holder, although exempt from the withholding tax discussed in the preceding paragraphs, will generally be subject to regular United States federal income tax on interest and on any gain realized on the sale, exchange or conversion of the debentures in the same manner as if it were a U.S. Holder. Such a Non-U.S. Holder will be required to provide to the withholding agent a properly executed IRS Form W-8ECI (or successor form) in order to claim an exemption from withholding tax. In addition, if such a Non-U.S. Holder is a foreign corporation, such Non-U.S. Holder may be subject to a branch profits tax equal to 30% (or such lower tax rate provided by an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

SALE OR EXCHANGE OF DEBENTURES OR CD COMMON STOCK

A Non-U.S. Holder will not generally be subject to United States federal income or withholding tax with respect to gain upon the sale, exchange or other disposition (other than a conversion or a redemption) of the debentures or shares of our CD common stock, unless: (1) the income or gain is "U.S. trade or business income," which means income or gain that is effectively connected with the conduct by the Non-U.S. Holder of a trade or business, or, in the case of a treaty resident, attributable to a permanent establishment or a fixed base, in the United States; (2) such Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of disposition and certain other conditions are met; (3) such Non-U.S. Holder is subject to tax pursuant to the provisions of the Internal Revenue Code applicable to certain United States expatriates; or (4) in the case of an amount which is attributable to original issue discount, the Non-U.S. Holder does not meet the conditions for exemption from United States federal withholding tax described above.

U.S. trade or business income of a Non-U.S. Holder will generally be subject to regular United States federal income tax in the same manner as if it were realized by a U.S. Holder. A Non-U.S.

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Holder that realizes U.S. trade or business income with respect of the debentures or common stock should consult their tax advisors as to the treatment of such income or gain. In addition, U.S. trade or business income of a Non-U.S. Holder that is a corporation may be subject to a branch profits tax at a rate of 30%, or such lower rate provided by an applicable income tax treaty.

DISTRIBUTIONS ON CD COMMON STOCK

A Non-U.S. Holder of shares of our CD common stock will generally be subject to United States federal income or withholding tax at a 30% rate (or lower rate provided under any applicable income tax treaty) on distributions by us with respect to our CD common stock that are treated as dividends paid (and on dividends deemed paid on the debentures or CD common stock, as described above under "U.S. Holders-Constructive Dividends"). Except to the extent that an applicable tax treaty otherwise provides, a Non-U.S. Holder generally will be taxed in the same manner as a U.S. Holder on dividends paid (or deemed paid) that are effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States, and a Non-U.S. Holder that is a corporation may also be subject to a United States branch profits tax at a 30% rate or such lower rate as may be specified in an applicable income tax treaty.

BACK-UP WITHHOLDING AND INFORMATION REPORTING

U.S. HOLDERS

Payments of interest or dividends made by us on, or the proceeds of the sale or other disposition of, the debentures or shares of our CD common stock may be subject to information reporting and United States federal backup withholding tax at the rate then in effect if the recipient of such payment fails to supply an accurate taxpayer identification number or otherwise fails to comply with applicable United States information reporting or certification requirements. Any amount withheld from a payment to a U.S. Holder under the backup withholding rules is allowable as a credit against the holder's United States federal income tax, provided that the required information is furnished to the IRS.

NON-U.S. HOLDERS

A Non-U.S. Holder may be required to comply with certification procedures to establish that the holder is not a U.S. person in order to avoid backup withholding tax requirements with respect to our payments of principal and interest, including cash payments in respect of original issue discount on the debentures, or the proceeds of the sale or other disposition of the debentures. In addition, we must report annually to the IRS and to each Non-U.S. Holder the

amount of any dividends paid to, and the tax withhold with respect to, such holder, regardless of whether any tax was actually withheld. Copies of these information returns may also be made available under the provisions of a specific treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides.

TAX EVENT

The modification of the terms of the debentures by us upon a Tax Event could possibly alter the amount and timing of income recognition by the holders with respect to the payments of interest due after the option exercise date.

THE PROPER TAX TREATMENT OF A HOLDER OF THE DEBENTURES IS HIGHLY UNCERTAIN IN A NUMBER OF RESPECTS. HOLDERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE UNITED STATES FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF AN INVESTMENT IN THE DEBENTURES AND WHETHER AN INVESTMENT IN THE DEBENTURES IS ADVISABLE IN LIGHT OF THE AGREED UPON TAX TREATMENT AND THE HOLDER'S PARTICULAR TAX SITUATION.

SELLING SECURITYHOLDERS

The debentures were originally issued by us and sold by J.P. Morgan Securities Inc. (the "Initial Purchaser") in transactions exempt from the registration requirements of the Securities Act to persons reasonably believed by the Initial Purchaser to be "qualified institutional buyers" as defined by Rule 144A under the Securities Act. The selling securityholders may from time to time offer and sell pursuant to this prospectus any or all of the debentures listed below and the shares of CD common stock issued upon purchase by us, or conversion, of such debentures. When we refer to the "selling securityholders" in this prospectus, we mean those persons listed in the table below, as well as the pledgees, donees, assignees, transferees, successors and others who later hold any of the selling securityholders' interests.

The table below sets forth the name of each selling securityholder, the principal amount at maturity of debentures that each selling securityholder may offer pursuant to this prospectus and the number of shares of CD common stock into which such debentures are convertible. Unless set forth below, to our knowledge, none of the selling securityholders has, or within the past three years has had, any material relationship with us or any of our predecessors or affiliates or beneficially owns in excess of 1% of our outstanding CD common stock.

The principal amounts of the debentures provided in the table below is based on information provided to us by each of the selling securityholders as of February 21, 2002, and the percentages are based on \$1,200,000,000 aggregate principal amount of debentures outstanding. The number of shares of CD common stock that may be sold is based on the current conversion rate of 41.58 shares of CD common stock per \$1,000 principal amount of debentures.

Since the date on which the selling securityholders provided this information, each selling securityholder identified below may have sold, transferred or otherwise disposed of all or a portion of their debentures in a transaction exempt from the registration requirements of the Securities Act. Information concerning the selling securityholders may change from time to time and any changed information will be set forth in supplements to this prospectus to the extent required. In addition, the conversion ratio, and therefore the number of shares of our CD common stock issuable upon conversion of the debentures, is subject to adjustment. Accordingly, the number of shares of CD common stock issuable upon conversion of the debentures may increase or decrease.

The selling securityholders may from time to time offer and sell any or all of the securities under this prospectus. Because the selling securityholders are not obligated to sell the debentures or shares of CD common stock issuable upon conversion of the debentures, we cannot estimate the amount of debentures or how many shares of CD common stock that the selling securityholders will hold upon consummation of any such sales.

NUMBER OF AGGREGATE SHARES OF CD PERCENTAGE OF PRINCIPAL AMOUNT PERCENTAGE OF COMMON STOCK SHARES OF CD OF DEBENTURES DEBENTURES THAT MAY BE COMMON STOCK NAME THAT MAY BE SOLD OUTSTANDING SOLD(1) OUTSTANDING(2) - ---- -

----- Acacia Life Insurance

Company..... \$ 200,00
 * 8,316 * Alta Partners
 Holdings, LDC.....
 \$ 8,000,000 * 332,640 *
 American Country Insurance
 Company..... \$ 500,000 *
 20,790 * American Founders
 Life Insurance Company... \$
 400,000 * 16,632 * American
 Pioneer Life Insurance
 Company.... \$ 50,000 * 2,079 *
 American Progressive Life and
 Health Insurance
 Company.....
 \$ 50,000 * 2,079 * American
 Public Entity Excess
 Pool..... \$ 60,000 * 2,495
 * Ameritas Life Insurance
 Company..... \$ 400,000
 * 16,632 * Aristeia
 International
 Limited..... \$
 11,900,000 * 494,802 *

NUMBER OF AGGREGATE SHARES OF CD
 PERCENTAGE OF PRINCIPAL AMOUNT
 PERCENTAGE OF COMMON STOCK SHARES OF CD
 OF DEBENTURES DEBENTURES THAT MAY BE
 COMMON STOCK NAME THAT MAY BE SOLD
 OUTSTANDING SOLD(1) OUTSTANDING(2) - - -

 ----- Aristeia Partners,
 LP..... \$ 3,100,000 *
 128,898 * Arkansas
 PERS..... \$
 1,200,000 * 49,896 * Baltimore Life
 Insurance..... \$ 200,000 *
 8,316 * Banc of America Securities
 LLC..... \$ 7,800,000 * 324,324 *
 Bay County
 PERS..... \$
 150,000 * 6,237 * BCS Life Insurance
 Company..... \$ 600,000 *
 24,948 * Black Diamond Capital I,
 Ltd..... \$ 850,000 * 35,343 *
 Black Diamond Convertible Offshore
 LDC.... \$ 3,021,000 * 125,613 * Black
 Diamond Offshore Ltd..... \$
 3,004,000 * 124,906 * Boilermakers
 Blacksmith Pension Trust..... \$
 1,525,000 * 63,410 * Buckeye State
 Mutual Insurance Co..... \$ 25,000 *
 1,040 * Catholic Mutual Relief Society
 of America Retirement Plan and
 Trust..... \$ 400,000 * 16,632
 * Celina Mutual Insurance
 Company..... \$ 20,000 * 832 *
 Central States Health and Life Company
 of
 Omaha.....
 \$ 300,000 * 12,474 * Chrysler
 Corporation Master Retirement
 Trust.....
 \$ 4,005,000 * 166,528 * Chrysler
 Insurance Company..... \$
 1,900,000 * 79,002 * Colonial Life
 Insurance Company of Texas... \$ 40,000 *
 1,663 * Colonial Lloyds Insurance
 Company..... \$ 10,000 * 416 *
 Commonwealth Dealers--
 CDLIC..... \$ 180,000 * 7,484
 * Concord Life Insurance
 Company..... \$ 150,000 * 6,237 *
 Credit Suisse First Boston
 Corp..... \$ 15,000,000 * 623,700
 * Credit Suisse First Boston Corp.
 London

Branch.....
 \$ 77,500,000 6.458% 3,222,450 * CSA
 Fraternal Life Insurance Company.....
 \$ 130,000 * 5,405 * Cumberland Insurance
 Company..... \$ 100,000 * 4,158
 * Cumberland Mutual Fire Insurance
 Company... \$ 250,000 * 10,395 * Dakota
 Truck Underwriters..... \$
 20,000 * 832 * Delaware
 PERS..... \$
 1,725,000 * 71,726 * Delta Air Lines
 Master Trust..... \$ 1,110,000
 * 46,154 * Delta Pilots D&S
 Trust..... \$ 535,000 *
 22,245 * Double Black Diamond Offshore
 LDC..... \$ 17,365,000 1.447%
 722,037 * Duke
 Endowment..... \$
 300,000 * 12,474 * Eagle Pacific
 Insurance Company..... \$ 230,000
 * 9,563 * Educators Mutual Fire
 Insurance Company... \$ 200,000 * 8,316
 * F.R. Convt. Sec.
 Fn..... \$ 175,000 *
 7,277 * Farmers Home Mutual Insurance
 Company..... \$ 450,000 * 18,711 *
 Farmers Mutual Protective Association of
 Texas.....
 \$ 120,000 * 4,990 * Federated Rural
 Electric Insurance
 Exchange.....
 \$ 350,000 * 14,553 * First Dakota
 Indemnity Company..... \$ 5,000 *
 208 * First Union National
 Bank..... \$ 70,000,000
 5.833% 2,910,600 5.833% First Union
 Securities Inc..... \$
 35,750,000 2.979% 1,486,485 * Founders
 Insurance Company..... \$
 30,000 * 1,247 * Gaia Offshore Master
 Fund Ltd..... \$ 4,500,000 *
 187,110 *

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NUMBER OF AGGREGATE SHARES OF CD
 PERCENTAGE OF PRINCIPAL AMOUNT PERCENTAGE
 OF COMMON STOCK SHARES OF CD OF DEBENTURES
 DEBENTURES THAT MAY BE COMMON STOCK NAME
 THAT MAY BE SOLD OUTSTANDING SOLD(1)
 OUTSTANDING(2) - - - - -

 Goldman Sachs and
 Company..... \$ 49,960,000
 4.163% 2,077,337 * Goodville Mutual
 Casualty Company..... \$ 50,000 *
 2,079 * Grain Dealers Mutual
 Insurance..... \$ 130,000 * 5,405 *
 Granville Capital
 Corporation..... \$ 30,000,000
 2.500% 1,247,400 * Guarantee Trust Life
 Insurance Company.... \$ 1,000,000 *
 41,580 * Guaranty Income Life Insurance
 Company..... \$ 350,000 * 14,553 * Gulf
 Investment Corporation..... \$
 200,000 * 8,316 * Hannover Life
 Reassurance Company of
 America.....
 \$ 1,200,000 * 49,896 * Holy Family
 Society..... \$ 100,000
 * 4,158 * ICI American Holdings
 Trust..... \$ 600,000 * 24,948 *
 Integrity Mutual Insurance
 Company..... \$ 240,000 * 9,979 * ISBA
 Mutual Insurance Company..... \$
 180,000 * 7,484 * JMG Convertible
 Investments, LP..... \$ 40,000,000
 3.333% 1,663,200 * JMG Triton Offshore
 Fund, Ltd..... \$ 10,500,000 *

436,590 * J.P. Morgan Securities
 Inc..... \$ 210,845,000 17.570%
 8,766,935 * Kanawha Insurance
 Company..... \$ 400,000 *
 16,632 * Landmark Life Insurance
 Company..... \$ 20,000 * 832 *
 Lebanon Mutual Insurance
 Company..... \$ 130,000 * 5,405 *
 Lincoln Individual/Memorial Life
 Insurance.....
 \$ 130,000 * 5,405 * Louisiana
 CCRF..... \$
 350,000 * 14,553 * Loyal Christian Benefit
 Association..... \$ 120,000 * 4,990 *
 Lyxor Master
 Fund..... \$ 500,000 *
 20,790 * Main Street America Assurance
 Company..... \$ 450,000 * 18,711 *
 Marathon Global Convertible Master Fund,
 Ltd.....
 \$ 18,000,000 1.500% 748,440 * Medico Life
 Insurance Company..... \$ 200,000
 * 8,316 * Medmarc Insurance
 Company..... \$ 450,000 *
 18,711 * Michigan Mutual Insurance
 Company..... \$ 900,000 * 37,422 *
 Michigan Professional Insurance
 Exchange... \$ 110,000 * 4,574 * Microsoft
 Corporation..... \$
 1,405,000 * 58,420 * Mid America Life
 Insurance Company..... \$ 40,000 *
 1,663 * Middle Cities Risk Management
 Trust..... \$ 120,000 * 4,990 * Mid-
 State Surety Company..... \$
 40,000 * 1,663 * Motion Picture Industry
 Health Plan--Active Member
 Fund..... \$
 370,000 * 15,385 * Motion Picture Industry
 Health--Retiree Member
 Fund..... \$
 155,000 * 6,445 * National Grange Mutual
 Insurance Company... \$ 600,000 * 24,948 *
 National Mutual Insurance
 Company..... \$ 20,000 * 832 *
 NCMIC.....
 \$ 400,000 * 16,632 * New Era Life
 Insurance Company..... \$ 190,000 *
 7,900 * NMS Services (Cayman)
 Inc..... \$ 66,000,000 5.500%
 2,744,280 * Oak Casualty Insurance
 Company..... \$ 40,000 * 1,663 *
 OCM Convertible
 Trust..... \$ 2,325,000 *
 96,674 *

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NUMBER OF AGGREGATE SHARES OF CD
 PERCENTAGE OF PRINCIPAL AMOUNT
 PERCENTAGE OF COMMON STOCK SHARES OF CD
 OF DEBENTURES DEBENTURES THAT MAY BE
 COMMON STOCK NAME THAT MAY BE SOLD
 OUTSTANDING SOLD(1) OUTSTANDING(2) - ---

 ----- Pacific Eagle
 Insurance Company..... \$ 130,000
 * 5,405 * Partner Reinsurance Company
 Ltd..... \$ 645,000 * 26,819 *
 Phico Insurance
 Company..... \$ 500,000 *
 20,790 * Physicians Life Insurance
 Company..... \$ 300,000 * 12,474 *
 Physicians Mutual Insurance
 Company..... \$ 500,000 * 20,790 *
 Pioneer Insurance
 Company..... \$ 80,000 *
 3,326 * Qwest Occupational Health
 Trust..... \$ 140,000 * 5,821 *
 Republic Mutual Insurance

Company..... \$ 15,000 * 624 * Scor
 Life Re Convertible Program..... \$
 400,000 * 16,632 * Standard Mutual
 Insurance Company..... 4240,000 *
 9,979 * State Employees' Retirement Fund
 of the State of
 Delaware..... \$
 1,590,000 * 66,112 * State National
 Insurance Company..... \$ 90,000 *
 3,742 * State of Connecticut Combined
 Investment
 Funds.....
 \$ 3,320,000 * 138,046 * State of Oregon-
 -Equity..... \$ 5,525,000
 * 229,730 * Syngenta
 AG.....
 300,000 * 12,474 * Teachers Insurance &
 Annuity Association... \$ 17,000,000
 1.417% 706,860 * Texas Builders
 Insurance Company..... 4175,000 *
 7,277 * Texas Hospital Insurance
 Exchange..... \$ 25,000 * 1,040 *
 The PIMCO Growth and Income
 Fund..... \$ 1,500,000 * 62,370 *
 Transguard Insurance Company of America,
 Inc.....
 \$ 900,000 * 37,422 * Tuscarora Wayne
 Mutual Insurance Company... \$ 80,000 *
 3,326 * UBS AG London
 Branch..... \$
 52,800,000 4.400% 2,195,424 * UBS
 O'Connor LLC F/B/O UBS Global Equity
 Arbitrage Master
 Ltd..... \$ 40,000,000
 3.333% 1,663,200 * United National
 Insurance Company..... \$ 500,000 *
 20,790 * Vesta-Inex Insurance Exchange
 IASA..... \$ 300,000 * 12,474 *
 Victory Capital Management as Agent for
 the EB Convertible Securities
 Fund..... \$ 275,000 * 11,435 *
 Victory Capital Management as Agent for
 the Charitable Convertible Securities
 Fund... \$ 270,000 * 11,227 * Victory
 Capital Management as Agent for the
 Field Foundation of
 Illinois..... \$ 30,000 * 1,247 *
 Victory Capital Management as Investment
 Manager for the California State Auto
 Assoc Inter-
 Insurance..... \$ 200,000
 * 8,316 * Victory Capital Management as
 Investment Manager for the California
 State Auto Assoc Retirement Pension
 Plan..... \$ 40,000 * 1,663 *
 Victory Capital Management as Investment
 Manager for the
 Potlatch..... \$ 250,000 *
 10,395 * Victory Capital Management as
 Agent for the Key Trust Fixed Income
 Fund..... \$ 260,000 * 10,811 *
 Victory Capital Management as Agent for
 Charitable Income
 Fund..... \$ 160,000 *
 6,653 *

NUMBER OF AGGREGATE SHARES OF CD
 PERCENTAGE OF PRINCIPAL AMOUNT PERCENTAGE
 OF COMMON STOCK SHARES OF CD OF DEBENTURES
 DEBENTURES THAT MAY BE COMMON STOCK NAME
 THAT MAY BE SOLD OUTSTANDING SOLD(1)
 OUTSTANDING(2) - ----

 Victory Capital Management as Investment
 Manager for the Special Distribution of
 Oregon Convertible Securities.....
 \$ 15,000 * 624 * Victory Capital

Management as Investment Manager for the
 CompSource Oklahoma..... \$ 200,000 *
 8,316 * Victory Capital Management as
 Investment Manager for Georgia Municipal
 Employees Retirement Trust
 Fdn..... \$ 500,000 *
 20,790 * West Virginia Fire Insurance
 Company..... \$ 5,000 * 208 * Western
 Home Insurance Company..... \$
 190,000 * 7,900 * Westward Life Insurance
 Company..... \$ 180,000 * 7,484 *
 Wisconsin Lawyers Mutual Insurance
 Company.....
 \$ 200,000 * 8,316 * Wisconsin Mutual
 Insurance Company..... \$ 140,000 *
 5,821 * World Insurance
 Company..... \$ 150,000 *
 6,237 * Zazore Convertible Securities Fund
 Inc..... \$ 940,000 * 39,085 * Zeneca
 Holdings Trust..... \$
 425,000 * 17,672 * All other holders of
 debentures or future transferees,
 pledgees, donees, assignees or successors
 of any such holders (3)
 (4)..... \$
 353,810,000 29.484% 14,711,470 1.505%
 Total.....
 \$1,200,000,000 100.000% 49,896,050 5.104%

- - - - -

* Less than one percent (1%).

- (1) Assumes conversion of all of the holder's debentures at a conversion rate of 41.58 shares of CD common stock per \$1,000 principal amount of the debentures. This conversion rate is subject to adjustment, however, as described under "Description of Debentures--Conversion Rights." As a result, the number of shares of CD common stock issuable upon conversion of the debentures may increase or decrease in the future. Does not include shares of CD common stock that may be issued by us upon purchase of the debentures by us at the option of the holder.
- (2) Calculated based on Rule 13d-3(d)(i) of the Exchange Act, using 977,708,342 shares of CD common stock outstanding as of December 31, 2001. In calculating this amount for each holder, we treated as outstanding the number of shares of CD common stock issuable upon conversion of all of that holder's debentures, but we did not assume conversion of any other holder's debentures. Does not include shares of CD common stock that may be issued by us upon purchase of the debentures by us at the option of the holder.
- (3) Information about other selling securityholders will be set forth in prospectus supplements, if required.
- (4) Assumes that any other holders of the debentures, or any future pledgees, donees, assignees, transferees or successors of or from any other such holders of the debentures, do not beneficially own any shares of CD common stock other than the CD common stock issuable upon conversion of the debentures at the initial conversion rate.

PLAN OF DISTRIBUTION

The selling securityholders will be offering and selling all of the securities offered and sold under this prospectus. We will not receive any of the proceeds from the offering of the debentures or the shares of CD common stock by the selling securityholders. In connection with this initial offering of the debentures, we entered into a registration rights agreement dated November 27, 2001 with the initial purchaser of the debentures. Securities may only be offered or sold under this prospectus pursuant to the terms of the registration rights agreement. However, selling securityholders may resell all or a portion of the securities in open market transactions in reliance upon Rule 144 or Rule 144A under the Securities Act, provided they meet the criteria and conform to the requirements of one of these rules. We are registering the debentures and shares of CD common stock covered by this prospectus to permit holders to conduct public secondary trading of these securities from time to time after the date of this prospectus. We have agreed, among other things, to bear all expenses, other than underwriting discounts and selling commissions, in connection with the registration and sale of the debentures and the shares of CD common stock covered by this prospectus.

We have been advised by the selling securityholders that the selling securityholders may sell all or a portion of the debentures and shares of CD common stock beneficially owned by them and offered hereby from time to time:

- directly; or
- through underwriters, broker-dealers or agents, who may receive compensation in the form of discounts, commissions or concessions from the selling securityholders and/or from the purchasers of the debentures and shares of CD common stock for whom they may act as agent.

The debentures and the shares of CD common stock may be sold from time to time in one or more transactions at:

- fixed prices, which may be changed;
- prevailing market prices at the time of sale;
- varying prices determined at the time of sale; or
- negotiated prices.

These prices will be determined by the holders of the securities or by agreement between these holders and underwriters or dealers who may receive fees or commissions in connection with the sale. The aggregate proceeds to the selling securityholders from the sale of the debentures or shares of CD common stock offered by them hereby will be the purchase price of the debentures or shares of CD common stock less discounts and commissions, if any.

The sales described in the preceding paragraph may be effected in transactions:

- on any national securities exchange or quotation service on which the debentures or shares of CD common stock may be listed or quoted at the time of sale, including the New York Stock Exchange in the case of the shares of CD common stock;
- in the over-the counter market;
- in transactions otherwise than on such exchanges or services or in the over-the-counter market; or
- through the writing of options.

These transactions may include block transactions or crosses. Crosses are transactions in which the same broker acts as an agent on both sides of the trade.

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In connection with sales of the debentures and shares of CD common stock or otherwise, the selling securityholders may enter into hedging transactions with broker-dealers. These broker-dealers may in turn engage in short sales of the debentures and shares of CD common stock in the course of hedging their positions. The selling securityholders may also sell the debentures and shares of CD common stock short and deliver the debentures and shares of CD common stock to close out short positions, or loan or pledge the debentures and shares of CD common stock to broker-dealers that in turn may sell the debentures and shares of CD common stock.

To our knowledge, there are currently no plans, arrangements or understandings between any selling securityholders and any underwriter, broker-dealer or agent regarding the sale of the debentures and the shares of CD common stock by the selling securityholders. Selling securityholders may not sell any, or may not sell all, of the debentures and the shares of CD common stock offered by them pursuant to this prospectus. In addition, we cannot assure you that a selling securityholder will not transfer, devise or gift the debentures and the shares of CD common stock by other means not described in this prospectus. In addition, any securities covered by this prospectus which qualify for sale pursuant to Rule 144 or Rule 144A of the Securities Act may be sold under Rule 144 or Rule 144A rather than pursuant to this prospectus.

The outstanding shares of CD common stock are listed for trading on the New York Stock Exchange.

The selling securityholders and any broker and any broker-dealers, agents or underwriters that participate with the selling securityholders in the distribution of the debentures or the shares of CD common stock may be deemed to be "underwriters" within the meaning of the Securities Act. In this case, any commissions received by these broker-dealers, agents or underwriters and any

profit on the resale of the debentures or the shares of CD common stock purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. In addition, any profits realized by the selling securityholders may be deemed to be underwriting commissions under the Securities Act. To the extent the selling securityholders may be deemed to be underwriters, the selling securityholders may be subject to statutory liabilities, including, but not limited to, liability under Sections 11, 12 and 17 of the Securities Act and Rule 10b-5 under the Exchange Act.

Because the selling securityholders may be deemed to be underwriters within the meaning of Section 2(11) of the Securities Act, they will be subject to the prospectus delivery requirements of the Securities Act. At any time a particular offer of the securities is made, a revised prospectus or prospectus supplement, if required, will be distributed which discloses:

- the name of the selling securityholders and any participating underwriters, broker-dealers or agents;
- the aggregate amount and type of securities being offered;
- the price at which the securities were sold and other material terms of the offering;
- any discounts, commissions, concessions or other times constituting compensation from the selling securityholders and any discounts, commissions or concessions allowed or reallocated or paid to dealers; and
- that the participating broker-dealers did not conduct any investigation to verify the information in this prospectus or incorporated in this prospectus by reference.

The prospectus supplement or a post-effective amendment will be filed with the Commission to reflect the disclosure of additional information with respect to the distribution of the securities. In addition, if we receive notice from a selling securityholder that a donee or pledgee intends to sell more than 500 shares of our CD common stock, a supplement to this prospectus will be filed.

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The debentures were issued and sold in November 2001 in transactions exempt from the registration requirements of the Securities Act to persons reasonably believed by the Initial Purchaser to be "qualified institutional buyers," as defined in Rule 144A under the Securities Act. We have agreed to indemnify the Initial Purchaser and each selling securityholder, and each selling securityholder has agreed to indemnify us, our directors, our officers who sign the registration statement to which this prospectus relates and each person, if any, who controls Cendant within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, against specified liabilities arising under the Securities Act.

The selling securityholders and any other person participating in such distribution will be subject to the Exchange Act. The Exchange Act rules include, without limitation, Regulation M, which may limit the timing of purchases and sales of any of the debentures and the underlying shares of CD common stock by the selling securityholders and any such other person. In addition, Regulation M of the Exchange Act may restrict the ability of any person engaged in the distribution of the debentures and the underlying shares of CD common stock to engage in market-making activities with respect to the particular debentures and the underlying shares of CD common stock being distributed for a period of up to five business days prior to the commencement of distribution. This may affect the marketability of the debentures and the underlying shares of CD common stock and the ability of any person or entity to engage in market-making activities with respect to the debentures and the underlying shares of CD common stock.

Under the registration rights agreement, we are obligated to use our reasonable efforts to keep the registration statement of which this prospectus is a part effective until the earlier of:

- two years after the last date of original issuance of any of the debentures;
- the date when the holders of the debentures and the shares of CD common stock issuable upon conversion of the debentures are able to sell all such securities immediately without restriction pursuant to the volume limitation provisions of Rule 144 under the Securities Act; and
- the date when all of the debentures and the shares of CD common stock issuable upon conversion of the debentures registered under this registration statement are sold.

Our obligation to keep the registration statement to which this prospectus relates effective is subject to specified, permitted exceptions set forth in the registration rights agreement. In these cases, we may prohibit offers and sales of the debentures and shares of CD common stock pursuant to the registration statement to which this prospectus relates.

We may suspend the use of this prospectus if we learn of any event that causes this prospectus to include an untrue statement of a material fact required to be stated in the prospectus or necessary to make the statements in the prospectus not misleading in light of the circumstances then existing. If this type of event occurs, a prospectus supplement or post-effective amendment, if required, will be distributed to each selling securityholder. Each selling securityholder has agreed not to trade securities from the time the selling securityholder receives notice from us of this type of event until the selling securityholder receives a prospectus supplement or amendment. This time period will not exceed 45 days in any 90-day period or 90 days in any 360-day period.

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LEGAL MATTERS

Certain legal matters with respect to the debentures will be passed upon for us by Eric J. Bock, Esq., Senior Vice President, Law and Secretary of Cendant. Mr. Bock holds shares of CD common stock and options to acquire shares of CD common stock. Skadden, Arps, Slate, Meagher & Flom LLP, New York, New York has advised us as to certain tax matters relating to the debentures.

EXPERTS

The consolidated financial statements of Cendant Corporation and subsidiaries incorporated in this prospectus by reference from our Annual Report on Form 10-K/A for the year ended December 31, 2000 have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report (which expresses an unqualified opinion and includes explanatory paragraphs relating to the change in certain revenue recognition policies regarding the recognition of non-refundable one-time fees and pro rata refundable subscription revenue and the restatement of the financial statements to reflect the individual membership business as part of continuing operations as discussed in Note 1), which is incorporated herein by reference, and have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

Cendant is subject to the informational requirements of the Exchange Act, and in accordance therewith files reports, proxy statements and other information with the Commission. Such reports, proxy statements and other information can be inspected and copied at prescribed rates at the public reference facilities maintained by the Commission at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the Regional Office of the Commission located at Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, IL 60661. The Commission also maintains a website that contains reports, proxy and information statements and other information. Please call the Commission at 1-800-SEC-0330 for further information on the public reference rooms. The website address is <http://www.sec.gov>. In addition, such material can be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

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PART II INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

Cendant is paying all of the selling securityholders' expenses related to this offering, except the selling securityholders will pay any applicable broker's commissions and expenses. The following table sets forth the approximate amount of fees and expenses payable by Cendant in connection with this Registration Statement and the distribution of the debentures and shares of CD common stock registered hereby. All of the amounts shown are estimates except the Securities and Exchange Commission registration fee.

Securities and Exchange Commission Registration Fee.....	\$107,571
Printing and Engraving Fees and Expenses.....	30,000
Accounting Fees and Expenses.....	100,000
Legal Fees.....	100,000
Miscellaneous.....	200,000

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 102 of the General Corporation Law of the State of Delaware allows a corporation to eliminate the personal liability of directors to a corporation or its stockholders for monetary damages for a breach of a fiduciary duty as a director, except where the director breached his duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase or redemption in violation of Delaware corporate law or obtained an improper personal benefit.

Section 145 of the Delaware General Corporation Law empowers a Delaware corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of such corporation) by reason of the fact that such person is or was a director, officer, employee or agent of such corporation, or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise. The indemnity may include expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, provided that such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. A Delaware corporation may indemnify directors, officers, employees and other agents of such corporation in an action by or in the right of a corporation under the same conditions against expenses (including attorney's fees) actually and reasonably incurred by the person in connection with the defense and settlement of such action or suit, except that no indemnification is permitted without judicial approval if the person to be indemnified has been adjudged to be liable to the corporation. Where a present or former director or officer of the corporation is successful on the merits or otherwise in the defense of any action, suit or proceeding referred to above or in defense of any claim, issue or matter therein, the corporation must indemnify such person against the expenses (including attorneys' fees) which he or she actually and reasonably incurred in connection therewith.

Section 174 of the General Corporation Law of the State of Delaware provides, among other things, that a director who willfully or negligently approves of an unlawful payment of dividends or an unlawful stock purchase or redemption, may be held liable for such actions. A director who was either

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absent when the unlawful actions were approved or dissented at the time, may avoid liability by causing his or her dissent to such actions to be entered into the books containing the minutes of the meetings of the board of directors at the time such action occurred or immediately after such absent director receives notice of the unlawful acts.

The Registrant's By-Laws contain provisions that provide for indemnification of officers and directors and their heirs and distributees to the full extent permitted by, and in the manner permissible under, the General Corporation Law of the State of Delaware.

As permitted by Section 102(b)(7) of the General Corporation Law of the State of Delaware, the Registrant's Amended and Restated Certificate of Incorporation contains a provision eliminating the personal liability of a director to the Registrant or its stockholders for monetary damages for breach of fiduciary duty as a director, subject to some exceptions.

Cendant Corporation maintains, at its expense, a policy of insurance which insures its directors and officers, subject to exclusions and deductions as are usual in these kinds of insurance policies, against specified liabilities which may be incurred in those capacities.

ITEM 16. EXHIBITS

The following is a list of all exhibits filed as a part of this registration statement on Form S-3, including those incorporated in this registration statement by reference.

EXHIBIT
NUMBER
DESCRIPTION
OF EXHIBITS

3.1 Amended
and Restated
Certificate
of
Incorporation
of Cendant
Corporation
(incorporated
by reference
to Exhibit
3.1 to
Cendant
Corporation's
Quarterly
Report on
Form 10-Q/A
filed by
Cendant
Corporation
on July 28,
2000 for the
quarterly
period ended
March 31,
2000). 3.2
Amended and
Restated By-
Laws of
Cendant
Corporation
(incorporated
by reference
to Exhibit
3.2 to
Cendant
Corporation's
Quarterly
Report on
Form 10-Q/A
filed by
Cendant
Corporation
on July 28,
2000 for the
quarterly
period ended
March 31,
2000). 4.1
Indenture
dated as of
November 27,
2001 between
Cendant
Corporation
and The Bank
of Nova
Scotia Trust
Company of
New York, as
trustee
(incorporated
by reference
to Exhibit
4.1 to
Cendant
Corporation's
Current
Report on
Form 8-K
dated
December 6,
2001). 4.2
Form of 3
7/8%
Convertible

Senior
Debt due 2011
(included in
Exhibit
4.1). 4.3
Registration
Rights
Agreement
dated as of
November 27,
2001 between
Cendant
Corporation
and J.P.
Morgan
Securities
Inc. 5.1
Opinion of
Eric J.
Bock, Esq.
8.1 Opinion
of Skadden,
Arps, Slate,
Meagher &
Flom LLP as
to certain
U.S. federal
income tax
matters.
12.1
Statement
re:
Computation
of Ratio of
Earnings to
Fixed
Charges
(incorporated
by reference
to Exhibit
12 to the
Registrant's
Annual
Report on
Form 10-K/A
dated July
2, 2001,
filed by
Cendant
Corporation
on July 3,
2001). 12.2
Statement
re:
Computation
of Ratio of
Earnings to
Fixed
Charges
(incorporated
by reference
to the
Registrant's
Quarterly
Report on
Form 10-Q
filed by
Cendant
Corporation
on November
14, 2001).
23.1 Consent
of Deloitte
& Touche LLP
relating to
the
financial
statements
of Cendant
Corporation.

EXHIBIT
NUMBER
DESCRIPTION
OF EXHIBITS -

--- 23.2
Consent of
Deloitte &
Touche LLP
relating to
the financial
statements of
Avis Group
Holdings,
Inc. 23.3
Consent of
KPMG LLP
relating to
the financial
statements of
Galileo
International,
Inc. 23.4
Consent of
Eric J. Bock,
Esq.
(included in
Exhibit 5.1).
23.5 Consent
of Skadden,
Arps, Slate,
Meagher &
Flom LLP
(included in
Exhibit 8.1).
24.1 Power of
Attorney
(included on
signature
page of the
Registration
Statement).
25.1 A
Statement of
Eligibility
on Form T-1
under the
Trust
Indenture Act
of 1939, as
amended, of
The Bank of
Nova Scotia
Trust Company
of New York,
trustee under
the
indenture.

ITEM 17. UNDERTAKINGS

The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(a) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933, as amended;

(b) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent

post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Securities and Exchange Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement; and

(c) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement;

provided, however, that paragraphs (1)(a) and (1)(b) shall not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Securities and Exchange Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, as amended, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, as amended, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the Registration Statement shall be deemed to be a

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new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act of 1933, as amended, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933, as amended, and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Cendant Corporation has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, in the State of New York on February 22, 2002.

CENDANT CORPORATION

By: /s/ JAMES E. BUCKMAN

Name: James E. Buckman

Title: Vice Chairman and General Counsel

Financial
Officer
(Principal
Financial
Kevin M.
Sheehan
Officer)
/s/ TOBIA
IPPOLITO
Executive
Vice
President,
Finance
and Chief

Accounting
Officer
(Principal
Accounting
Tobia
Ippolito
Officer)

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NAME TITLE

/s/ MYRA
J.

BIBLOWIT -

Director
Myra J.
Biblowit
/s/ DR.
JOHN C.
MALONE - -

--
Director
Dr. John
C. Malone
/s/ CHERYL
D. MILLS -

Director
Cheryl D.
Mills /s/
LEONARD S.
COLEMAN -

Director
Leonard S.
Coleman
/s/ MARTIN
L. EDELMAN

Director
Martin L.
Edelman
/s/ SHELI
Z.
ROSENBERG

Director
Sheli Z.
Rosenberg
/s/ BRIAN
MULRONEY -

Director
The Rt.
Hon. Brian
Mulroney,
P.C.,
LL.D. /s/
ROBERT W.
PITTMAN -

Director
Robert W.
Pittman
/s/ ROBERT
F. SMITH -

Director
Robert F.
Smith /s/
ROBERT E.
NEDERLANDER

Director
Robert E.
Nederlander
/s/
WILLIAM S.
COHEN - -

- Director
The
Honorable
William S.
Cohen

NUMBER
DESCRIPTION
OF EXHIBITS -

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Restated
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to Exhibit
3.1 to
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Debenture due
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Meagher &
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Statement re:
Computation
of Ratio of
Earnings to
Fixed Charges
(incorporated
by reference
to Exhibit 12
to the
Registrant's
Annual Report
on Form 10-
K/A dated
July 2, 2001,
filed by
Cendant
Corporation
on July 3,
2001). 12.2
Statement re:
Computation
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relating to
the financial
statements of
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23.2 Consent
of Deloitte &
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relating to

the financial
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Avis Group
Holdings,
Inc. 23.3
Consent of
KPMG LLP
relating to
the financial
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Galileo
International,
Inc. 23.4
Consent of
Eric J. Bock,
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of Skadden,
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(included in
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under the
Trust
Indenture Act
of 1939, as
amended, of
The Bank of
Nova Scotia
Trust Company
of New York,
trustee under
the
indenture.

REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT (this "AGREEMENT") dated as of November 27, 2001, between CENDANT CORPORATION, a Delaware corporation (the "COMPANY"), and J.P. MORGAN SECURITIES (the "INITIAL PURCHASER"). This Agreement is made pursuant to the Purchase Agreement, dated as of November 20, 2001, between the Company, as the issuer of 3% Convertible Senior Debentures due 2011, and the Initial Purchaser. The Debentures are to be issued pursuant to the provisions of an Indenture dated as of November 27, 2001 between the Company and The Bank of Nova Scotia Trust Company of New York, as trustee (the "TRUSTEE"). The Indenture will provide that the Debentures will be convertible into fully paid, nonassessable shares of CD common stock, par value \$0.01 per share, of the Company on the terms, and subject to the conditions, set forth in the Indenture. To induce the Initial Purchaser to purchase the Debentures, the Company has agreed to provide the registration rights set forth in this Agreement.

1. CERTAIN DEFINITIONS.

For purposes of this Registration Rights Agreement, the following terms shall have the following respective meanings:

(a) "APPLICABLE CONVERSION PRICE" means, as of any date of determination, the Applicable Principal Amount per \$1,000 principal amount of Debentures as of such date of determination divided by the Conversion Rate in effect as of such date of determination or, if no Debentures are then outstanding, the Conversion Rate that would be in effect were such Debentures then outstanding without giving effect to any upward interest adjustment provisions.

(b) "APPLICABLE PRINCIPAL AMOUNT" means, as of any date of determination, with respect to each \$1,000 principal amount at maturity of Debentures, the sum of the principal amount of such Debentures plus accrued and unpaid interest (excluding any accrued and unpaid interest payable as cash interest) with respect to such Debentures through such date of determination or, if no Debentures are then outstanding, such sum calculated as if such Debentures were then outstanding.

(c) "BUSINESS DAY" means each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in The City of New York are authorized or obligated by law or executive order to close.

(d) "CLOSING DATE" means the date on which the Debentures are initially issued.

(e) "COMMISSION" means the Securities and Exchange Commission, or any other federal agency at the time administering the Exchange Act or the Securities Act, whichever is the relevant statute for the particular purpose.

(f) "CONVERSION RATE" shall have the meaning assigned such term in the Indenture.

(g) "DEBENTURES" means the 3% Convertible Senior Debentures due 2011, to be issued under the Indenture and sold by the Company to the Initial Purchaser, and securities (other than the Shares) of the Company issued in exchange therefor or in lieu thereof pursuant to the Indenture.

(h) "DEFERRAL NOTICE" has the meaning assigned thereto in Section 3(g).

(i) "DEFERRAL PERIOD" has the meaning assigned thereto in Section 3(g).

(j) "EFFECTIVE TIME" means the time and date as of which the Commission declares the Shelf Registration effective or as of which the Shelf Registration otherwise becomes effective.

(k) "EXCHANGE ACT" means the Securities Exchange Act of 1934, or any successor thereto, as the same shall be amended from time to

time.

(l) "HOLDER" means the Initial Purchaser for so long as it owns any Registrable Securities, and such of its respective successors and assigns who acquire Registrable Securities, directly or indirectly, from such person or from any successor or assign of such person, in each case for so long as such person owns any Registrable Securities.

(m) "INDENTURE" means the Indenture dated as of November 27, 2001, between the Company and The Bank of Nova Scotia Trust Company of New York, as Trustee, as the same shall be amended from time to time.

(n) "MATERIAL EVENT" has the meaning assigned thereto in Section 3(b)(vi).

(o) "NOTICE AND QUESTIONNAIRE" means a written notice delivered to the Company containing substantially the information called for by the Selling Security Holder Notice and Questionnaire attached as Annex A hereto.

(p) "NOTICE HOLDER" means, on any date, any Holder of the Registrable Securities that has delivered a completed and signed Notice and Questionnaire to the Company on or prior to such date.

(q) "NOTICE OF TRANSFER" shall mean a Notice of Transfer pursuant to a Shelf Registration Statement substantially in the form of Annex B hereto.

(r) "PERSON" means a corporation, association, partnership, organization, business, individual, government or political subdivision thereof or governmental agency.

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(s) "PROSPECTUS" means the prospectus included in any Shelf Registration, as amended or supplemented by any amendment or prospectus supplement, including post-effective amendments, and all materials incorporated by reference or explicitly deemed to be incorporated by reference in such Prospectus.

(t) "PURCHASE AGREEMENT" means the Purchase Agreement dated as of November 20, 2001 between the Company and the Initial Purchaser.

(u) "REGISTRABLE SECURITIES" means the Securities; PROVIDED, HOWEVER, that such Securities shall cease to be Registrable Securities when (i) in the circumstances contemplated by Section 2(a) of this Agreement, a registration statement registering such Securities under the Securities Act has been declared or becomes effective and such Securities have been sold or otherwise transferred by the Holder thereof pursuant to such effective registration statement; (ii) such Securities are sold pursuant to Rule 144 under circumstances in which any legend borne by such Securities relating to restrictions on transferability thereof, under the Securities Act or otherwise, is removed or such Securities are eligible to be sold pursuant to paragraph (k) of Rule 144; or (iii) such Securities shall cease to be outstanding (including, in the case of the Debentures, upon conversion into Shares).

(v) "REGISTRATION DEFAULT" has the meaning assigned thereto in Section 2(c).

(w) "REGISTRATION DEFAULT DAMAGES" has the meaning assigned thereto in Section 2(c).

(x) "REGISTRATION EXPENSES" shall mean any and all expenses incident to performance of or compliance by the Company with this Agreement, including without limitation: (i) all Commission or National Association of Securities Dealers, Inc. (the "NASD") registration and filing fees; (ii) all fees and expenses incurred in connection with compliance with state securities or blue sky laws (including reasonable fees and disbursements of counsel for any underwriters or Holders in connection with blue sky qualification of any of the Registrable Securities) and compliance with the rules of the NASD; (iii) all expenses of any Persons in preparing or assisting in preparing, word processing, printing and distributing any registration statement, any Prospectus and any amendments or supplements thereto, and in preparing or assisting in preparing, printing and distributing any registration statement, any Prospectus and any amendments or supplements thereto,

and in preparing or assisting in preparing, printing and distributing any underwriting agreements, securities sales agreements and other documents relating to the performance of and compliance with this Agreement; (iv) any fees charged by securities rating services for rating the Securities as required by the Indenture; (v) the fees and disbursements of counsel for the Company and of the independent certified public accountants of the Company, including the expenses of any "comfort" letters required by or incident to such performance and compliance; (vi) the fees and expenses of the Trustee, and any paying agent, exchange agent or custodian; (vii) all fees and expenses incurred in connection with the listing, if any, of any of the Debentures on any securities exchange or exchanges; and (viii) the reasonable fees and expenses of any experts retained by the Company in connection with the registration statement.

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(y) "RESALE PERIOD" means the period beginning on the date the Shelf Registration becomes effective and ending on the earlier of (i) the date the Shelf Registration ceases to be effective or (ii) the second anniversary of the Closing Date or any later closing date for the sale of Optional Securities (as defined in the Purchase Agreement).

(z) "RESTRICTED HOLDER" means (i) a Holder that is an affiliate of the Company within the meaning of Rule 405 or (ii) a broker-dealer who receives Securities for its own account but did not acquire the Securities as a result of market-making activities or other trading activities.

(aa) "RULE 144," "RULE 405" and "RULE 415" means, in each case, such rule promulgated under the Securities Act.

(bb) "SECURITIES" means, collectively, the Debentures and the Shares.

(cc) "SECURITIES ACT" means the Securities Act of 1933, as amended.

(dd) "SHARES" means the shares of CD common stock of the Company, par value \$.01 per share, into which the Debentures are convertible pursuant to the Indenture or that have been issued upon any conversion of the Debentures into CD common stock of the Company.

(ee) "SHELF REGISTRATION" has the meaning assigned thereto in Section 2(a).

(ff) "TRUST INDENTURE ACT" means the Trust Indenture Act of 1939, or any successor thereto, and the rules, regulations and forms promulgated thereunder, all as the same shall be amended from time to time.

(gg) "UNDERWRITING MAJORITY" means on any date, Holders holding at least 66 2/3% of the aggregate principal amount of the Registrable Securities outstanding on such date; PROVIDED, that for the purpose of this definition, a holder of Shares that constitute Registrable Securities and issued upon conversion of Debentures shall be deemed to hold an aggregate principal amount of Registrable Securities (in addition to the principal amount of Debentures held by such holder) equal to the quotient of (x) the number of Shares that are Registrable Securities held by such holder and (y) the then Applicable Conversion Price.

(hh) "UNDERWRITTEN OFFERING" means a registration in which securities of the Company are sold to an underwriter for reoffering to the public.

Unless the context otherwise requires, any reference herein to a "SECTION" or "CLAUSE" refers to a Section or clause, as the case may be, of this Agreement, and the words "HEREIN," "HEREOF" and "HEREUNDER" and other words of similar import refer to this Agreement as a whole and not to any particular Section or other subdivision. Unless the context otherwise requires, any reference to a statute, rule or regulation refers to the same (including any successor statute, rule or regulation thereto) as it may be amended from time to time.

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2. REGISTRATION UNDER THE SECURITIES ACT.

(a) The Company agrees to file under the Securities Act as promptly as practicable but in any event within 90 days after the Closing Date a "shelf" registration statement providing for the registration of, and the sale on a continuous or delayed basis by the Holders of, all of the Registrable Securities, pursuant to Rule 415 or any similar rule that may be adopted by the Commission (such registration, the "SHELF REGISTRATION" and such registration statement, the "SHELF REGISTRATION STATEMENT"). The Company agrees to use its reasonable best efforts to cause the Shelf Registration Statement to become or be declared effective within 180 days after the Closing Date and to keep such Shelf Registration Statement continuously effective for a period ending on the earlier of (i) the time when the Debentures covered by the Shelf Registration Statement may be sold pursuant to Rule 144 under the Securities Act (assuming that no Holder at such date or within the three-month period preceding such date was an affiliate of the Company) without any limitations under clauses (c), (e), (f) and (h) of Rule 144 under the Securities Act or (ii) the date on which all Registrable Securities registered thereunder are disposed of in accordance with the Shelf Registration. The Company further agrees to supplement or make amendments to the Shelf Registration Statement, as and when required by the rules, regulations or instructions applicable to the registration form used for such Shelf Registration Statement or by the Securities Act or rules and regulations thereunder for shelf registration, and the Company agrees to furnish to the Holders of the Registrable Securities copies of any such supplement or amendment upon request following its filing with the Commission.

(b) Each Holder of Registrable Securities agrees that if such Holder wishes to sell Registrable Securities pursuant to a Shelf Registration Statement and related Prospectus, it will do so only in accordance with this Section 2(b) and Section 3(g) of this Agreement. Each Holder of Registrable Securities wishing to sell Registrable Securities pursuant to a Shelf Registration Statement and related Prospectus agrees to deliver a Notice and Questionnaire to the Company at least three (3) Business Days prior to any intended distribution of Registrable Securities under the Shelf Registration. From and after the date the Shelf Registration Statement is declared effective, the Company shall, from time to time after the date a Notice and Questionnaire is delivered, (i) if required by applicable law, file with the Commission a post-effective amendment to the Shelf Registration Statement or prepare and, if required by applicable law, file a supplement to the related Prospectus or a supplement or amendment to any document incorporated therein by reference or file any other required document so that the Holder delivering such Notice and Questionnaire is named as a selling security Holder in the Shelf Registration Statement and the related Prospectus in such a manner as to permit such Holder to deliver such Prospectus to purchasers of the Registrable Securities in accordance with applicable law and, if the Company shall file a post-effective amendment to the Shelf Registration Statement, the Company shall use its reasonable best efforts to cause such post-effective amendment to be declared effective under the Securities Act as promptly as is practicable; (ii) provide such Holder copies of any documents filed pursuant to Section 2(b)(i) upon written request; and (iii) notify such Holder as promptly as practicable after the effectiveness under the Securities Act of any post-effective amendment filed pursuant to Section 2(b)(i); PROVIDED that if such Notice

and Questionnaire is delivered during a Deferral Period, the Company shall so inform the Holder delivering such Notice and Questionnaire and shall take the actions set forth in clauses (i), (ii) and (iii) above upon expiration of the Deferral Period in accordance with Section 3(g) of this Agreement. Notwithstanding anything contained herein to the contrary, the Company shall be under no obligation to name any Holder that is not a Notice Holder as a selling security Holder in any Shelf Registration Statement or related Prospectus; provided, however, that any Holder that becomes a Notice Holder pursuant to the provisions of this Section 2(b) (whether or not such Holder was a Notice Holder at the time the Shelf Registration Statement was declared effective) shall be named as a selling security Holder in the Shelf Registration Statement or related Prospectus in accordance with the requirements of this Section 2(b).

(c) If any of the following events (any such event a "REGISTRATION DEFAULT") shall occur, then liquidated damages (the "REGISTRATION DEFAULT DAMAGES") shall become payable in respect of the Securities (in addition to the interest otherwise due on the Securities) as follows:

(i) if the Shelf Registration Statement is not filed with the Commission within 90 days after the Closing Date, then commencing on the 91st day after the Closing Date, Registration Default Damages shall accrue on the Applicable Principal Amount of any outstanding Debentures that are Registrable Securities and the Applicable Conversion Price of any outstanding Shares that are Registrable Securities at a rate of 0.25% per annum for the first 90 days following such 91st day and an additional 0.25% per annum at the beginning of each subsequent 90-day period; or

(ii) if the Shelf Registration Statement is not declared effective by the Commission on or prior to the 180th day following the Closing Date, then commencing on the 181st day after the Closing Date, Registration Default Damages shall accrue on the Applicable Principal Amount of any outstanding Debentures that are Registrable Securities and the Applicable Conversion Price of any outstanding Shares that are Registrable Securities at a rate of 0.25% per annum for the first 90 days following such 181st day and an additional 0.25% per annum at the beginning of each subsequent 90-day period; or

(iii) if the Shelf Registration Statement has been declared effective but such Shelf Registration Statement ceases to be effective (other than pursuant to Section 3(g) of this Agreement) at any time prior to the earlier of (A) the time when the Debentures covered by the Shelf Registration Statement may be sold pursuant to Rule 144 under the Securities Act (assuming that no Holder at such date or within the three-month period preceding such date was an affiliate of the Company) without any limitations under clauses (c), (e), (f) and (h) of Rule 144 under the Securities Act or (B) the date at which all Registrable Securities registered under the Shelf Registration Statement are disposed of in accordance therewith, then commencing on the day such Shelf Registration Statement ceases to be effective, Registration Default Damages shall accrue on the Applicable Principal Amount of any outstanding Debentures that are Registrable Securities and the Applicable Conversion Price of any outstanding Shares that are Registrable Securities at a rate of 0.25% per annum for the first 90 days following such date on which the Shelf Registration ceases to be effective and an additional 0.25% per annum at the beginning of each subsequent 90-day period; or

(iv) if the aggregate duration of Deferral Periods in any period exceeds the number of days permitted in respect of such period pursuant to Section 3(g) of this Agreement, then commencing on the day the aggregate duration of Deferral Periods in any period exceeds the number of days permitted in respect of such period, Registration Default Damages shall accrue on the Applicable Principal Amount of any outstanding Debentures that are Registrable Securities

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and the Applicable Conversion Price of any outstanding Shares that are Registrable Securities at a rate of 0.25% per annum for the first 90 days and an additional 0.25% per annum at the beginning of each subsequent 90-day period;

PROVIDED, HOWEVER, that the Registration Default Damages rate on the Securities shall not exceed in the aggregate 1.00% per annum; PROVIDED FURTHER, HOWEVER, that (1) upon the filing of the Shelf Registration Statement (in the case of clause (i) above), (2) upon the effectiveness of the Shelf Registration Statement (in the case of clause (ii) above), (3) upon the effectiveness of the Shelf Registration Statement which had ceased to remain effective (in the case of clause (iii) above), (4) upon the termination of the Deferral Period that caused the limit on the aggregate duration of Deferral Periods in a period set forth in Section 3(g) to be exceeded (in the case of clause (iv) above) or (5) upon the termination of certain transfer restrictions on the Securities

as a result of the application of Rule 144(k), Registration Default Damages on the Securities as a result of such clause, as the case may be, shall cease to accrue.

(d) EXPENSES. The Company shall pay all Registration Expenses in connection with the registration pursuant to Section 2(a) hereof. Each Holder shall pay all expenses of its counsel, underwriting discounts and commissions and transfer taxes, if any, relating to the sale or disposition of such Holder's Registrable Securities pursuant to the Shelf Registration.

(e) Any reference herein to a registration statement shall be deemed to include any document incorporated therein by reference as of the applicable Effective Time and any reference herein to any post-effective amendment to a registration statement shall be deemed to include any document incorporated therein by reference as of a time after such Effective Time.

(f) Notwithstanding any other provision of this Agreement, a Holder of Registrable Securities who does not comply with the provisions of Section 2(b), if applicable, shall not be entitled to receive Registration Default Damages unless and until such Holder complies with the provisions of such section, if applicable.

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3. REGISTRATION PROCEDURES.

The following provisions shall apply to a registration statement filed pursuant to Section 2 of this Agreement:

(a) At the Effective Time of the Shelf Registration, the Company shall qualify the Indenture under the Trust Indenture Act.

(b) In connection with the Company's obligations with respect to the Shelf Registration, the Company shall:

(i) prepare and file with the Commission a registration statement with respect to the Shelf Registration on any form which may be utilized by the Company and which shall permit the disposition of the Registrable Securities in accordance with the intended method or methods thereof, as specified in writing by the Holders of the Registrable Securities, and use its reasonable best efforts to cause such registration statement to become effective in accordance with Section 2(a) above;

(ii) prepare and file with the Commission such amendments and supplements to such registration statement and the Prospectus included therein as may be necessary to effect and maintain the effectiveness of such registration statement for the period specified in Section 2(a) above and as may be required by the applicable rules and regulations of the Commission and the instructions applicable to the form of such registration statement, and furnish to the Holders of the Registrable Securities, upon written request, copies of any such supplement or amendment promptly following its being used or filed with the Commission;

(iii) comply, as to all matters within the Company's control, with the provisions of the Securities Act with respect to the disposition of all of the Registrable Securities covered by such registration statement in accordance with the intended methods of disposition by the Holders thereof provided for in such registration statement;

(iv) provide to any of (A) the Holders of the Registrable Securities to be included in such registration statement, (B) the underwriters (which term, for purposes of this Agreement, shall include a person deemed to be an underwriter within the meaning of Section 2(11) of the Securities Act), if any, thereof, (C) the sales or placement agent, if any, therefor, (D) counsel for such underwriters or agent and (E) not more than one counsel for all the Holders of such Registrable Securities who so request of the Company in writing the opportunity to participate in the preparation of such registration statement, upon written request, each Prospectus included therein or filed with the Commission and

each amendment or supplement thereto;

(v) for a reasonable period prior to the filing of the Shelf Registration Statement, and throughout the period specified in Section 2(a), make reasonably

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available during normal business hours by a representative of the Holders of the Registrable Securities and the other persons referred to in Section 3(b)(iv) above, such financial and other information and books and records of the Company, and cause the officers, employees, counsel and independent certified public accountants of the Company to respond to such inquiries, as shall be reasonably necessary, in the judgment of the respective counsel referred to in such Section, to conduct a reasonable investigation within the meaning of Section 11 of the Securities Act; PROVIDED, HOWEVER, that each such party shall be required to maintain in confidence and not to disclose to any other person any information or records reasonably designated by the Company in writing as being confidential, until such time as (A) such information becomes a matter of public record (whether by virtue of its inclusion in such registration statement or otherwise), or (B) such person shall be required so to disclose such information pursuant to a subpoena or order of any court or other governmental agency or body having jurisdiction over the matter (subject to the requirements of such order, and only after such person shall have given the Company prompt prior written notice of such requirement and the opportunity to contest the same or seek an appropriate protective order), or (C) such information is required to be set forth in such registration statement or the Prospectus included therein or in an amendment to such registration statement or an amendment or supplement to such Prospectus in order that such registration statement, Prospectus, amendment or supplement, as the case may be, does not contain an untrue statement of a material fact or omit to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading;

(vi) promptly notify the selling Holders of Registrable Securities, the sales or placement agent, if any, therefor and the managing underwriter or underwriters, if any, thereof named in the Shelf Registration Statement or a supplement thereto, and confirm such notice in writing, (A) when such registration statement or the Prospectus included therein or any Prospectus amendment or supplement or post-effective amendment has been filed, and, with respect to such registration statement or any post-effective amendment, when the same has become effective, (B) of the issuance by the Commission of any stop order suspending the effectiveness of such registration statement or the initiation or written threat of any proceedings for that purpose, (C) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation or written threat of any proceeding for such purpose, (D) of the occurrence of (but not the nature of or details concerning) any event or the existence of any fact (a "MATERIAL EVENT") as a result of which any Shelf Registration Statement shall contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, or any Prospectus shall contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (provided, however, that no notice by the Company shall be required pursuant to this clause (E) in the event that the Company either

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promptly files a Prospectus supplement to update the Prospectus or a Current Report on Form 8-K or other appropriate Exchange Act report that is incorporated by

reference into the Shelf Registration Statement, which, in either case, contains the requisite information with respect to such Material Event that results in such Shelf Registration Statement no longer containing any untrue statement of material fact or omitting to state a material fact necessary to make the statements contained therein not misleading), (F) of the determination by the Company that a post-effective amendment to a Shelf Registration Statement will be filed with the Commission, which notice may, at the discretion of the Company (or as required pursuant to Section 3(g)), state that it constitutes a Deferral Notice, in which event the provisions of Section 3(g) shall apply or (G) at any time when a Prospectus is required to be delivered under the Securities Act, that such registration statement, Prospectus, Prospectus supplement or post-effective amendment does not conform in all material respects to the applicable requirements of the Securities Act and the Trust Indenture Act and the rules and regulations of the Commission thereunder;

(vii) use all reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of such registration statement or any post-effective amendment thereto at the earliest practicable date;

(viii) if requested in writing by any managing underwriter or underwriters, any placement or sales agent or any Holder of Registrable Securities, promptly incorporate in a Prospectus supplement or post-effective amendment such information as is required by the applicable rules and regulations of the Commission relating to the terms of the sale of such Registrable Securities, including information with respect to the principal amount at maturity or number of Registrable Securities being sold by such Holder or agent or to any underwriters, the name and description of such Holder, agent or underwriter, the offering price of such Registrable Securities and any discount, commission or other compensation payable in respect thereof, the purchase price being paid therefor by such underwriters and with respect to any other terms of the offering of the Registrable Securities to be sold by such Holder or agent or to such underwriters; and make all required filings of such Prospectus supplement or post-effective amendment promptly after notification of the matters to be incorporated in such Prospectus supplement or post-effective amendment;

(ix) upon written request, furnish to each Holder of Registrable Securities, each placement or sales agent, if any, therefor, each underwriter, if any, thereof and the respective counsel referred to in Section 3(b)(iv), an executed copy (or, in the case of a Holder of Registrable Securities, a conformed copy) of such registration statement, each such amendment or supplement thereto (in each case including all exhibits thereto) and such number of copies of such registration statement (excluding exhibits thereto) and of the Prospectus included in such registration statement (including each preliminary Prospectus and any summary Prospectus), in conformity in all material respects with the applicable requirements of the Securities Act and the Trust Indenture Act and the rules and

regulations of the Commission thereunder; and the Company hereby consents to the use of such Prospectus (including any such preliminary or summary Prospectus) and any amendment or supplement thereto by each such Holder and by any such agent and underwriter, in each case in the form most recently provided to such person by the Company in connection with the offering and sale of the Registrable Securities covered by the Prospectus (including any such preliminary Prospectus) or any supplement or amendment thereto; and

(x) use all reasonable efforts to (A) register or qualify the Registrable Securities to be included in such registration statement under such securities laws or blue sky laws of such United States jurisdictions as any Holder of such Registrable Securities and each placement or sales agent, if any, therefor and underwriter, if any, thereof shall reasonably request, and (B) keep such registrations or

qualifications in effect and comply with such laws so as to permit the continuance of offers, sales and dealings therein in such jurisdictions during the period the Shelf Registration Statement is required to remain effective under Section 2(a) and for so long as may be necessary to enable any such Holder, agent or underwriter to complete its distribution of Securities pursuant to such registration statement but in any event not later than the date through which the Company is required to keep the Shelf Registration Statement effective pursuant to Section 2(a); PROVIDED, HOWEVER, that the Company shall not be required for any such purpose to (1) qualify as a foreign corporation in any jurisdiction wherein it would not otherwise be required to qualify but for the requirements of this Section 3(b)(x), (2) consent to general service of process in any such jurisdiction or (3) make any changes to its certificate of incorporation or by-laws or any agreement between it and its stockholders.

In case any of the foregoing obligations is dependent upon information provided or to be provided by a party other than the Company, such obligation shall be subject to the provision of such information by such party; provided that the Company shall use its commercially reasonable efforts to obtain the necessary information from any party responsible for providing such information.

(c) In the event that the Company would be required, pursuant to Section 3(b)(vi)(D), to notify the selling Holders of Registrable Securities, the placement or sales agent, if any, therefor or the managing underwriters, if any, thereof named in the Shelf Registration or a supplement thereto of the existence of the circumstances described therein, the Company shall prepare and furnish to each of the selling Holders, to each placement or sales agent, if any, and to each such underwriter, if any, a reasonable number of copies of a Prospectus supplemented or amended so that, as thereafter delivered to purchasers of Registrable Securities, such Prospectus shall conform in all material respects to the applicable requirements of the Securities Act and the Trust Indenture Act and the rules and regulations of the Commission thereunder and shall not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing. Each selling Holder of Registrable Securities agrees that upon receipt of any notice from the Company, pursuant to Section 3(b)(vi)(D), such

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Holder shall forthwith discontinue (and cause any placement or sales agent or underwriters acting on their behalf to discontinue) the disposition of Registrable Securities pursuant to the registration statement applicable to such Registrable Securities until such Holder (i) shall have received copies of such amended or supplemented Prospectus and, if so directed by the Company, such Holder shall deliver to the Company (at the Company's expense) all copies, other than permanent file copies, then in such Holder's possession of the Prospectus covering such Registrable Securities at the time of receipt of such notice or (ii) shall have received notice from the Company that the disposition of Registrable Securities pursuant to the Shelf Registration may continue.

(d) In addition to the information required to be provided by each selling Holder in its Notice and Questionnaire, the Company may require each Holder of Registrable Securities as to which any registration pursuant to Section 2(a) is being effected to furnish to the Company such information regarding such Holder and such Holder's intended method of distribution of such Registrable Securities as the Company may from time to time reasonably request in writing, but only to the extent that such information is required in order to comply with the Securities Act or state securities of blue sky laws. Each such Holder agrees to notify the Company as promptly as practicable of any inaccuracy or change in information previously furnished by such Holder to the Company or of the occurrence of any event in either case as a result of which any Prospectus relating to such registration contains or would contain an untrue statement of a material fact regarding such Holder or such Holder's intended method of disposition of such Registrable Securities or omits to state any material fact regarding such Holder or such Holder's intended method of disposition of such Registrable Securities required to be stated therein or necessary to make the statements therein not misleading, and promptly to furnish to the Company any additional information required to correct and update

any previously furnished information or required so that such Prospectus shall not contain, with respect to such Holder or the disposition of such Registrable Securities, an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing. Each such Holder further agrees that in the event the amount of Registrable Securities that are beneficially owned by such Holder and are registered pursuant to such Shelf Registration Statement is reduced due to a sale of such Registrable Securities under such Registration, such Holder shall deliver to the Company and the Trustee, at the time of such sale, a Notice of Transfer.

(e) Until the earlier of (i) the expiration of two years after the Closing Date or (ii) such time as the Shelf Registration has become or been declared effective by the Commission, the Company will not, and will not permit any of its "affiliates" (as defined in Rule 144 under the Securities Act) to, resell any of the Securities which constitute "restricted securities" under Rule 144 under the Securities Act that have been reacquired by any of them, except for Securities purchased by the Company or any of its affiliates and resold in a transaction registered under the Securities Act.

(f) Upon the occurrence of a Material Event, the Company shall as promptly as practicable prepare and file a post-effective amendment to the Shelf Registration Statement or a supplement to the related Prospectus or any document incorporated therein

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by reference or file any other required document that would be incorporated by reference into such Shelf Registration Statement and related Prospectus so that such Shelf Registration Statement does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and such Prospectus does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, as thereafter delivered to the purchasers of the Registrable Securities being sold thereunder, and, in the case of a post-effective amendment to a Shelf Registration Statement, use all commercially reasonable efforts to cause it to be declared effective by the Commission as promptly as is reasonably practicable.

(g) Upon the occurrence or existence of any pending corporate development or any other Material Event that, in the sole judgment of the Company, makes it appropriate to suspend the availability of the Shelf Registration Statement and the related Prospectus, the Company shall give notice (without notice of the nature or details of such events) to the Notice Holders that the availability of the Shelf Registration Statement is suspended (a "DEFERRAL NOTICE") and, upon receipt of any Deferral Notice, each Notice Holder agrees not to sell any Registrable Securities pursuant to the Shelf Registration Statement until such Notice Holder's receipt of copies of the supplemented or amended Prospectus provided for in Section 3(f) above, or until it is advised in writing by the Company that the Prospectus may be used, and has received copies of any additional or supplemental filings that are incorporated or deemed incorporated by reference in such Prospectus. The period during which the availability of the Shelf Registration Statement and any Prospectus is suspended (the "DEFERRAL PERIOD") shall, without the Company incurring any obligation to pay liquidated damages pursuant to Section 2(c) above, not exceed forty-five (45) days in any three (3) month period or ninety (90) days in any twelve (12) month period.

4. HOLDER'S OBLIGATIONS.

Each Holder agrees, by acquisition of the Registrable Securities, that no Holder of Registrable Securities shall be entitled to sell any of such Registrable Securities pursuant to a Shelf Registration or to receive a Prospectus relating thereto, unless such Holder has furnished the Company with a Notice and Questionnaire as required pursuant to Section 2(b) hereof (including the information required to be included in such Notice and Questionnaire) and the information set forth in the next sentence. Each Notice Holder agrees promptly to furnish to the Company all information required to be disclosed in order to make the information previously furnished to the Company by such Notice Holder not misleading and any other information regarding such Notice Holder and the distribution of such Registrable Securities as may be required to be

disclosed in the Shelf Registration Statement under applicable law or pursuant to the Commission comments. Each Holder further agrees not to sell any Registrable Securities pursuant to the Shelf Registration without delivering, or causing to be delivered, a Prospectus to the purchaser thereof and, following termination of the Effectiveness Period, to notify the Company, within 10 business days of request, of the amount of Registrable Securities sold pursuant to the Shelf Registration and, in the absence of a response, the Company may assume that all of the Holder's Registrable Securities were so sold.

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5. UNDERWRITTEN OFFERINGS.

(a) The Underwriting Majority may sell its Registrable Securities in an Underwritten Offering pursuant to the Shelf Registration only with the Company's consent, which consent may be granted or withheld in the Company's sole discretion.

(b) PARTICIPATION OF HOLDERS. No holder may participate in any Underwritten Offering hereunder unless such Holder:

(i) agrees to sell such Holder's Registrable Securities on the basis provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements; and

(ii) completes and executes all reasonable questionnaires, powers of attorney, indemnities, underwriting agreements, lock-up letters and other documents reasonably required under the terms of such underwriting arrangements.

(c) SELECTION OF UNDERWRITERS. In any such Underwritten Offering, the investment banker or investment bankers and manager or managers that will administer the offering shall be designated by the Company, subject to the consent of Holders holding at least a majority in aggregate principal amount of the Registrable Securities to be included in such Underwritten Offering (which shall not be unreasonably withheld or delayed); PROVIDED that such Holders shall be responsible for all underwriting commissions and discounts in connection therewith.

6. REPRESENTATIONS AND WARRANTIES.

The Company represents and warrants to, and agrees with, the Initial Purchaser and each of the Holders from time to time of Registrable Securities that:

(a) Each registration statement covering Registrable Securities and each Prospectus (including any preliminary or summary Prospectus) contained therein or furnished pursuant to Section 3(c) hereof and any further amendments or supplements to any such registration statement or Prospectus, when it becomes effective or is filed with the Commission, as the case may be, and, in the case of an underwritten offering of Registrable Securities, at the time of the closing under the underwriting agreement relating thereto, will conform in all material respects to the applicable requirements of the Securities Act and the Trust Indenture Act and the rules and regulations of the Commission thereunder and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; and at all times subsequent to the Effective Time when a Prospectus would be required to be delivered under the Securities Act, other than from (i) such time as a notice has been given to Holders of Registrable Securities pursuant to Section 3(b)(vi)(D) hereof until (ii) such time as the Company furnishes an amended or supplemented Prospectus pursuant to Section 3(c) hereof or such time as the Company

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provides notice that offers and sales pursuant to the Shelf Registration may continue, each such registration statement, and each Prospectus (including any summary Prospectus) contained therein or furnished pursuant to Section 3(b) hereof, as then amended or supplemented, will conform in all material respects to the applicable requirements of the Securities Act and the Trust Indenture Act and the rules and regulations of the Commission thereunder; PROVIDED, HOWEVER,

that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by or on behalf of a Holder of Registrable Securities expressly for use therein.

(b) Any documents incorporated by reference in any Prospectus referred to in Section 6(a) hereof, when they become or became effective or are or were filed with the Commission, as the case may be, will conform or conformed in all material respects to the requirements of the Securities Act or the Exchange Act, as applicable, and none of such documents will contain or contained an untrue statement of a material fact or will omit or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, PROVIDED, HOWEVER, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by or on behalf of a Holder of Registrable Securities expressly for use therein.

(c) The compliance by the Company with all of the provisions of this Agreement and the consummation of the transactions herein contemplated will not contravene any provision of applicable law or the certificate of incorporation or by-laws of the Company or, except to the extent that any such contravention would not have a material adverse effect on the Company and its subsidiaries, taken as a whole, any indenture or instrument relating to indebtedness for money borrowed or any agreement to which the Company is a party or any order, rule, regulation or decree of any court or governmental agency or authority located in the United States having jurisdiction over the Company or any property of the Company; and, to the best knowledge of the Company, no consent, authorization or order of, or filing or registration with, any court or governmental agency or authority is required for the consummation by the Company of the transactions contemplated by this Agreement, except the registration under the Securities Act contemplated hereby, qualification of the Indenture under the Trust Indenture Act and such consents, approvals, authorizations, registrations or qualifications as may be required under State securities or blue sky laws.

(d) This Agreement has been duly authorized, executed and delivered by the Company.

7. INDEMNIFICATION.

(a) INDEMNIFICATION BY THE COMPANY. The Company shall, and it hereby agrees to, indemnify and hold harmless each of the Holders of Registrable Securities included in a Shelf Registration Statement, and each person who is named in such Shelf Registration Statement or a supplement thereto as an underwriter in any offering or sale

of such Registrable Securities and each person who controls any such person (each, a "PARTICIPANT") against ANY losses, claims, damages or liabilities, joint or several, to which such Participant may become subject under the Securities Act or otherwise, and to reimburse such Participant for any legal or other expenses reasonably incurred by them in connection with investigating or defending any actions, insofar as such losses, claims, damages, liabilities or actions in respect thereof arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in any registration statement under which such Registrable Securities were registered under the Securities Act, or any preliminary, final or summary prospectus contained therein or furnished by the Company to any such Participant, or any amendment or supplement thereto, or arise out of or are based upon any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made not misleading; PROVIDED, HOWEVER, that the Company shall not be liable to any such Participant in any such case to the extent that any such loss, claim, damage, liability or action arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, or preliminary, final or summary prospectus, or amendment or supplement thereto, in reliance upon and in conformity with written information furnished to the Company by or on behalf of such Participant expressly for use therein. This indemnity with respect to the Prospectus shall not inure to the benefit of any Participant on account of any losses, claims, damages, liabilities or actions arising from the sale of Registrable Securities

to any person if a copy of the Prospectus, as the same may then be amended or supplemented, shall not have been sent or given by or on behalf of such Participant to such person with or prior to the written confirmation of the sale involved and if the Prospectus (as so amended or supplemented) would have corrected the defect giving rise to such loss, liability, claim or damage.

(b) INDEMNIFICATION BY PARTICIPANTS. The Company may require, as a condition to including any Registrable Securities in any registration statement filed pursuant to Section 2(a) hereof and to entering into any underwriting agreement with respect thereto, that it shall have received an undertaking reasonably satisfactory to it from the Holders of such Registrable Securities and from each underwriter named in any such underwriting agreement, severally and not jointly, to (i) indemnify and hold harmless the Company and all other holders of Registrable Securities, against any losses, claims, damages or liabilities to which the Company or such other holders of Registrable Securities may become subject, under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in such registration statement, or any preliminary, final or summary prospectus contained therein or furnished by the Company to any Holder, agent or underwriter, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by or on behalf of such Holder or underwriter expressly for use therein, and (ii) reimburse the Company for any legal or other expenses reasonably

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incurred by it in connection with investigating or defending any such action or claim as such expenses are incurred; PROVIDED, HOWEVER, that no such Holder shall be required to undertake liability to any person under this Section 7(b) for any amounts in excess of the dollar amount of the proceeds to be received by such Holder from the sale of such Holder's Registrable Securities pursuant to such registration.

(c) NOTICES OF CLAIMS, ETC. Promptly after receipt by an indemnified party under Section 7(a) or (b) of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party will not relieve the indemnifying party from any liability which it may have to any indemnified party otherwise than under Section 7(a) or (b). In case any such action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein, and to the extent that it may elect by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof, with counsel satisfactory to such indemnified party; PROVIDED that, if the defendants in any such action include both the indemnified party and the indemnifying party and representation of both parties by the same counsel would be inappropriate due to actual or potential conflicting interests between them, the indemnified party or parties shall have the right to select separate counsel to participate in the defense of such action on behalf of such indemnified party or parties. Upon receipt of notice from the indemnifying party to such indemnified party of its election so to assume the defense of such action and approval by the indemnified party of counsel, the indemnifying party will not be liable to such indemnified party under Section 7(a) or (b) for any legal or other expenses subsequently incurred by such indemnified party (other than reasonable costs of investigation) in connection with the defense thereof unless (i) the indemnified party shall have employed separate counsel in connection with the assertion of legal defenses in accordance with the proviso to the immediately preceding sentence (it being understood, however, that the indemnifying party shall not be liable for the expenses of more than one separate counsel, approved by the indemnifying party, representing the indemnified parties who are parties to such action), (ii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a

reasonable time after notice of commencement of the action or (iii) the indemnifying party has authorized the employment of counsel for the indemnified party at the expense of the indemnifying party; and except that, if clause (i) or (iii) is applicable, such liability shall be only in respect of the counsel referred to in such clause (i) or (iii). The Company shall not be liable for any settlement, compromise or consent to the entry of any order adjudicating or otherwise disposing of any loss, claim, damage or liability effected without its consent.

No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement includes an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action.

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(d) CONTRIBUTION. If for any reason the indemnification provisions contemplated by Section 7(a) or Section 7(b) are unavailable or insufficient to hold harmless an indemnified party in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative fault of the indemnifying party and the indemnified party in connection with the statements or omissions that resulted in such losses, claims, damages or liability, as well as any other relevant equitable considerations. The relative fault of such indemnifying party and indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by such indemnifying party or by such indemnified party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties hereto agree that it would not be just and equitable if contributions pursuant to this Section 7(d) were determined by pro rata allocation (even if the Holders or any agents or underwriters or all of them were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in this Section 7(d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages, or liabilities (or actions in respect thereof) referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 7(d), no Holder shall be required to contribute any amount in excess of the amount by which the dollar amount of the proceeds received by such Holder from the sale of any Registrable Securities (after deducting any fees, discounts and commissions applicable thereto) exceeds the amount of any damages which such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission, and no underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Registrable Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Holders' and any underwriters' obligations in this Section 7(d) to contribute shall be several in proportion to the principal amount of Registrable Securities registered or underwritten, as the case may be, by them and not joint.

8. RULE 144.

The Company covenants to the Holders of Registrable Securities that to the extent it shall be required to do so under the Exchange Act, the Company shall use commercially reasonable efforts to timely file the reports required to be filed by it under the Exchange Act or the Securities Act (including the reports under Section 13 and 15(d) of the Exchange Act referred to in subparagraph (c)(1) of Rule 144 adopted by the Commission under the Securities Act) and the

rules and regulations adopted by the Commission thereunder, all to the extent required from time to time to enable a Holder to sell Registrable Securities without registration under the Securities Act within the limitations of the exemption provided by Rule 144 under the Securities Act, as such Rule may be amended from time to time, or any similar or successor rule or regulation hereafter adopted by the Commission. Upon the request of any Holder of Registrable Securities in connection with that Holder's sale pursuant to Rule 144, the Company shall deliver to such Holder a written statement as to whether it has complied with such requirements.

9. MISCELLANEOUS.

(a) NOTICES. All notices, requests, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered by hand, if delivered personally or by courier, or three days after being deposited in the mail (registered or certified mail, postage prepaid, return receipt requested) as follows: If to the Company, to it at 9 West 57th Street, New York, New York, 10019, Attention: Eric J. Bock, Esq., Senior Vice President, Law and Secretary; if to the Initial Purchaser, to it at the address for the Initial Purchaser set forth in the Purchase AGREEMENT; and if to a Holder, to the address of such Holder set forth in the security register, a Notice and Questionnaire or other records of the Company or to such other address as the Company or any such Holder may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

(b) PARTIES IN INTEREST. All the terms and provisions of this Agreement shall be binding upon, shall inure to the benefit of and shall be enforceable by the respective successors and assigns of the parties hereto. In the event that any transferee of any Holder of REGISTRABLE Securities shall acquire Registrable Securities, in any manner, whether by gift, bequest, purchase, operation of law or otherwise, such transferee shall, without any further writing or action of any kind, be deemed a party hereto for all purposes and such Registrable Securities shall be held subject to all of the terms of this Agreement, and by taking and holding such Registrable Securities such transferee shall be entitled to receive the benefits of, and be conclusively deemed to have agreed to be bound by and to perform, all of the applicable terms and provisions of this Agreement.

(c) SURVIVAL. The respective indemnities, agreements, representations, warranties and each other provision set forth in this Agreement or made pursuant hereto shall remain in full force and effect regardless of any investigation (or statement as to the results thereof) made by or on behalf of any Holder of Registrable Securities, any director, officer or partner of such Holder, any agent or underwriter or any director, officer or partner thereof, or any controlling person of any of the foregoing, and shall survive delivery of and payment for the Registrable Securities pursuant to the Purchase Agreement and the transfer and registration of Registrable Securities by such Holder.

(d) LAW GOVERNING. THIS REGISTRATION RIGHTS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK.

(e) HEADINGS. The descriptive headings of the several Sections and paragraphs of this Agreement ARE inserted for convenience only, do not constitute a part of this Agreement and shall not affect in any way the meaning or interpretation of this Agreement.

(f) NO INCONSISTENT AGREEMENTS. The Company has not entered into nor will the Company on or after the date of this Agreement enter into any agreement that is inconsistent with the rights granted to the Holders of Registrable Securities in this Agreement or otherwise conflicts with the provisions hereof. The rights granted to the Holders hereunder do not in any way conflict with and are not inconsistent with the rights granted to the holders of the Company's other issued and outstanding securities under any such agreements.

(g) ENTIRE AGREEMENT; AMENDMENTS. The provisions of this

Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given unless the Company has obtained the written consent of Holders of at least a majority in aggregate principal amount of the outstanding Registrable Securities affected by such amendment, modification, supplement, waiver or departure. Notwithstanding the foregoing sentence, (i) this Agreement may be amended, without the consent of any Holder of Registrable Securities, by written agreement signed by the Company and the Initial Purchaser, to cure any ambiguity, correct or supplement any provision of this Agreement that may be inconsistent with any other provision of this Agreement or to make any other provisions with respect to matters or questions arising under this Agreement that shall not be inconsistent with other provisions of this Agreement, (ii) this Agreement may be amended, modified or supplemented, and waivers and consents to departures from the provisions hereof may be given, by written agreement signed by the Company and the Initial Purchaser to the extent that any such amendment, modification, supplement, waiver or consent is, in their reasonable judgment, necessary or appropriate to comply with applicable law (including any interpretation of the staff of the SEC) or any change therein and (iii) to the extent any provision of this Agreement relates to the Initial Purchaser, such provision may be amended, modified or supplemented, and waivers or consents to departures from such provisions may be given, by written agreement signed by the Initial Purchaser. and the Company.

(h) COUNTERPARTS. This Agreement may be executed by the parties in counterparts, each of which shall be deemed to be an original, but all such respective counterparts shall together constitute one and the same instrument.

(i) THIRD PARTY BENEFICIARY. Each of the Holders shall be a third party beneficiary of the agreements made hereunder between the Company on the one hand, and the Initial Purchasers, on the other hand, and shall have the right to enforce such agreements directly to the extent it deems such enforcement necessary or advisable to protect its rights or the rights of Holders hereunder.

(j) SECURITIES HELD BY THE COMPANY OR ITS AFFILIATES. Whenever the consent or approval of Holders of a specified percentage of Registrable Securities is required

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hereunder, Registrable Securities held by the Company or its affiliates (as such term is defined in Rule 405 under the Securities Act) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

(k) JURISDICTION, VENUE AND SERVICE OF PROCESS. Each of the parties hereto hereby submits to the jurisdiction of any Federal or State court in the City, County and State of New York, or to the courts of its own corporate domicile, in respect of actions brought against it as a defendant, in any legal suit, action or proceeding based on or arising under this Agreement and agrees that all claims in respect of such suit or proceeding may be determined in any such court. The Company waives, to the extent permitted by law, the defense of an inconvenient forum or objections to personal jurisdiction with respect to the maintenance of such legal suit, action or proceeding.

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IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

CENDANT CORPORATION

By: /s/ Eric J. Bock

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

By: /s/ J. Marshall Nicholson

Name: J. Marshall Nicholson
Title: Head of Equity-Linked Origination
North America

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ANNEX A

FORM OF SELLING SECURITYHOLDER NOTICE AND QUESTIONNAIRE

The undersigned beneficial holder of 37% Convertible Senior Debentures due 2011 (the "debentures") of Cendant Corporation (the "Company") or shares of CD common stock, par value \$0.01 per share (the "common stock" and together with the debentures, the "Registrable Securities") of the Company understands that the Company has filed or intends to file with the Securities and Exchange Commission a registration statement on Form S-3 (the "Shelf Registration Statement") for the registration and resale under Rule 415 of the Securities Act of 1933, as amended (the "Securities Act"), of the Registrable Securities in accordance with the terms of the Registration Rights Agreement, dated as of November 27, 2001 (the "Registration Rights Agreement"), between the Company and the Initial Purchaser named therein. A copy of the Registration Rights Agreement is available from the Company upon request at the address set forth below. All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Registration Rights Agreement.

Each beneficial owner of Registrable Securities is entitled to the benefits of the Registration Rights Agreement. In order to sell or otherwise dispose of any Registrable Securities pursuant to the Shelf Registration Statement, a beneficial owner of Registrable Securities generally will be required to be named as a selling securityholder in the related prospectus, deliver a prospectus to purchasers of Registrable Securities and be bound by those provisions of the Registration Rights Agreement applicable to such beneficial owner (including certain indemnification provisions, as described below). Beneficial owners are encouraged to complete and deliver this Notice and Questionnaire prior to the effectiveness of the Shelf Registration Statement so that such beneficial owners may be named as selling securityholders in the related prospectus at the time of effectiveness. Upon receipt of a completed Notice and Questionnaire from a beneficial owner following the effectiveness of the Shelf Registration Statement, the Company will, as promptly as practicable, file such amendments to the Shelf Registration Statement or supplements to the related prospectus as are necessary to permit such holder to deliver such prospectus to purchasers of Registrable Securities. The Company has agreed to pay liquidated damages pursuant to the Registration Rights Agreement under certain circumstances as set forth therein.

Certain legal consequences arise from being named as a selling securityholder in the Shelf Registration Statement and the related prospectus. Accordingly, holders and beneficial owners of Registrable Securities are advised to consult their own securities law counsel regarding the consequences of being named or not being named as a selling securityholder in the Shelf Registration Statement and the related prospectus.

NOTICE

The undersigned beneficial owner (the "Selling Securityholder") of Registrable Securities hereby gives notice to the Company of its intention to sell or otherwise dispose of Registrable Securities beneficially owned by it and listed below in Item 3 (unless otherwise specified under Item 3) pursuant to the Shelf Registration Statement. The undersigned, by signing and returning this Notice and Questionnaire, understands and agrees that it will be bound by the terms and conditions of this Notice and Questionnaire and the Registration Rights Agreement.

The undersigned hereby provides the following information to the Company and represents and warrants that such information is accurate and complete:

QUESTIONNAIRE

1. (a) Full legal name of Selling Securityholder:

(b) Full legal name of registered Holder (if not the same as (a) above)
through which Registrable Securities listed in (3) below are held:

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(c) Full legal name of The Depository Trust Company participant (if
applicable and if not the same as (b) above) through which Registrable
Securities listed in (3) below are held:

2. Address for notices to Selling Securityholder:

Telephone (including area code):

Fax (including area code):

Contact Person:

3. Beneficial ownership of Registrable Securities:
(a) Type and Principal Amount of Registrable Securities beneficially owned:

(b) CUSIP No(s). of such Registrable Securities beneficially owned:

4. Beneficial ownership of the Company securities owned by the Selling
Securityholder:

EXCEPT AS SET FORTH BELOW IN THIS ITEM (4), THE UNDERSIGNED IS NOT THE
BENEFICIAL OR REGISTERED OWNER OF ANY SECURITIES OF THE COMPANY OTHER THAN
THE REGISTRABLE SECURITIES LISTED ABOVE IN ITEM (3).

(a) Type and Amount of other Company securities beneficially owned by the
Selling Securityholder:

(b) CUSIP No(s). of such other Company securities beneficially owned:

5. Relationship with the Company:

EXCEPT AS SET FORTH BELOW, NEITHER THE UNDERSIGNED NOR ANY OF ITS
AFFILIATES, OFFICERS, DIRECTORS OR PRINCIPAL EQUITY HOLDERS (5% OR MORE) HAS
HELD ANY POSITION OR OFFICE OR HAS HAD ANY OTHER MATERIAL RELATIONSHIP WITH
THE COMPANY (OR ITS PREDECESSORS OR AFFILIATES) DURING THE PAST THREE YEARS.

State any exceptions here:

6. Plan of distribution:

EXCEPT AS SET FORTH BELOW, THE UNDERSIGNED (INCLUDING ITS DONEES OR PLEDGEEES) INTENDS TO DISTRIBUTE THE REGISTRABLE SECURITIES LISTED ABOVE IN ITEM (3) PURSUANT TO THE SHELF REGISTRATION STATEMENT ONLY AS FOLLOWS (IF AT ALL): SUCH REGISTRABLE SECURITIES MAY BE SOLD FROM TIME TO TIME DIRECTLY BY THE UNDERSIGNED OR ALTERNATIVELY, THROUGH

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UNDERWRITERS, IN ACCORDANCE WITH THE REGISTRATION RIGHTS AGREEMENT, BROKER-DEALERS OR AGENTS. IF THE REGISTRABLE SECURITIES ARE SOLD THROUGH UNDERWRITERS OR BROKER-DEALERS, THE SELLING SECURITYHOLDER WILL BE RESPONSIBLE FOR UNDERWRITING DISCOUNTS OR COMMISSIONS OR AGENT'S COMMISSIONS. SUCH REGISTRABLE SECURITIES MAY BE SOLD IN ONE OR MORE TRANSACTIONS AT FIXED PRICES, AT PREVAILING MARKET PRICES AT THE TIME OF SALE, AT VARYING PRICES DETERMINED AT THE TIME OF SALE, OR AT NEGOTIATED PRICES. SUCH SALES MAY BE EFFECTED IN TRANSACTIONS (WHICH MAY INVOLVE BLOCK TRANSACTIONS) (I) ON ANY NATIONAL SECURITIES EXCHANGE OR QUOTATION SERVICE ON WHICH THE REGISTRABLE SECURITIES MAY BE LISTED OR QUOTED AT THE TIME OF SALE, (II) IN THE OVER-THE-COUNTER MARKET, (III) IN TRANSACTIONS OTHERWISE THAN ON SUCH EXCHANGES OR SERVICES OR IN THE OVER-THE-COUNTER MARKET OR (IV) THROUGH THE WRITING OF OPTIONS. IN CONNECTION WITH SALES OF THE REGISTRABLE SECURITIES OR OTHERWISE, THE UNDERSIGNED MAY ENTER INTO HEDGING TRANSACTIONS WITH BROKER-DEALERS, WHICH MAY IN TURN ENGAGE IN SHORT SALES OF THE REGISTRABLE SECURITIES AND DELIVER REGISTRABLE SECURITIES TO CLOSE OUT SUCH SHORT POSITIONS, OR LOAN OR PLEDGE REGISTRABLE SECURITIES TO BROKER-DEALERS THAT IN TURN MAY SELL SUCH SECURITIES.

State any exceptions here:

NOTE: In no event will such method(s) of distribution take the form of an underwritten offering of the Registrable Securities without the prior agreement of the Company.

The undersigned acknowledges that it understands its obligation to comply with the provisions of the Exchange Act and the rules thereunder relating to stock manipulation, particularly Regulation M thereunder (or any successor rules or regulations), in connection with any offering of Registrable Securities pursuant to the Shelf Registration Statement. The undersigned agrees that neither it nor any person acting on its behalf will engage in any transaction in violation of such provisions.

The Selling Securityholder hereby acknowledges its obligations under the Registration Rights Agreement to indemnify and hold harmless certain persons as set forth therein.

Pursuant to the Registration Rights Agreement, the Company has agreed under certain circumstances to indemnify the Selling Securityholders against certain liabilities.

In accordance with the undersigned's obligation under the Registration Rights Agreement to provide such information as may be required by law for inclusion in the Shelf Registration Statement, the undersigned agrees to promptly notify the Company of any inaccuracies or changes in the information provided herein that may occur subsequent to the date hereof at any time while the Shelf Registration Statement remains effective. All notices hereunder and pursuant to the Registration Rights Agreement shall be made in writing at the address set forth below.

By signing below, the undersigned consents to the disclosure of the information contained herein in its answers to items (1) through (6) above and the inclusion of such information in the Shelf Registration Statement and the related prospectus. The undersigned understands that such information will be relied upon by the Company in connection with the preparation or amendment of the Shelf Registration Statement and the related prospectus.

IN WITNESS WHEREOF, the undersigned, by authority duly given, has caused this Notice and Questionnaire to be executed and delivered either in person or by its duly authorized agent.

Dated:

Beneficial Owner:

By: -----

Name:
Title:

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PLEASE RETURN THE COMPLETED AND EXECUTED NOTICE AND QUESTIONNAIRE TO:

Cendant Corporation
9 West 57th Street
New York, New York 10019
Attention: Secretary

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ANNEX B

NOTICE OF TRANSFER PURSUANT TO REGISTRATION STATEMENT

Attention: Trust Officer

Re: Cendant Corporation. (the "COMPANY")
3 |_% Convertible Senior Debentures due 2011

Dear Sirs:

Please be advised that _____ has transferred \$_____ aggregate principal amount of the above-referenced Debentures pursuant to an effective Registration Statement on Form S-3 (File No. 333-____) filed by the Company.

We hereby certify that the above-named beneficial owner of the Debentures is named as a "SELLING HOLDER" in the Prospectus dated, _____, 200_ or in supplements thereto, and that the aggregate principal amount of the Debentures transferred are the Debentures listed in such Prospectus opposite such owner's name.

Dated:

Very truly yours,

(Name)

By:

(Authorized Signature)

[LETTERHEAD OF CENDANT CORPORATION]

February 22, 2002

Cendant Corporation
 9 West 57th Street
 New York, New York 10019

Re: CENDANT CORPORATION'S REGISTRATION STATEMENT ON FORM S-3

Ladies and Gentlemen:

I am the Senior Vice President, Law and Secretary of Cendant Corporation, a Delaware corporation (the "Company"), and am acting as counsel in connection with its filing with the Securities and Exchange Commission (the "Commission") of a registration statement on Form S-3 (the "Registration Statement"), with respect to the registration under the Securities Act of 1933, as amended (the "Securities Act"), of \$1,200,000,000 aggregate principal amount of its 3 7/8% Convertible Senior Debentures due 2011 (the "Securities"), and shares of the Company's CD common stock, par value \$0.01 per share (the "Shares"), issuable upon conversion of the Securities pursuant to that certain indenture, dated as of November 27, 2001 (the "Indenture"), between the Company and The Bank of Nova Scotia Trust Company of New York, as trustee. The Company issued the Securities pursuant to that certain purchase agreement, dated as of November 20, 2001, by and between the Company and J.P. Morgan Securities Inc., as the initial purchaser (the "Purchase Agreement"). The Securities and the Shares are to be offered and sold by certain securityholders of the Company.

This opinion is being furnished in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act.

In connection with this opinion, I have examined originals or copies, certified or otherwise identified to my satisfaction, of the Registration Statement, the Indenture and the Purchase Agreement. I have also examined originals or copies, certified or otherwise identified to my satisfaction, of such records of the Company and such agreements, certificates of public officials, certificates of officers or other

Cendant Corporation
 February 22, 2002

representatives of the Company and others, and such other documents, certificates and records as I have deemed necessary or appropriate as a basis for the opinions set forth herein.

In my examination, I have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to me as originals, the conformity to original documents of all documents submitted to me as certified or photostatic copies and the authenticity of the originals of such latter documents. In making my examination of executed documents, I have assumed that the parties thereto, other than the Company, had the power, corporate or other, to enter into and perform all obligations thereunder and have also assumed the due authorization by all requisite action, corporate or other, and the execution and delivery of such documents by the parties to such documents, and the validity and binding effect thereof. As to any facts material to the opinions expressed herein which I did not independently establish or verify, I have relied upon oral or written statements and representations of officers and other representatives of the Company and others.

I am admitted to the bars in the States of New York and New Jersey and do not express any opinion as to the laws of any other jurisdiction.

Based upon and subject to the limitations, qualifications, exceptions and assumptions set forth above, I am of the opinion that:

1. The Securities have been duly authorized and are valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except to the extent enforcement thereof might be

limited by (i) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws affecting creditor's rights generally, and (ii) general principles of equity, regardless of whether enforceability is considered in a proceeding at law or equity.

2. The Shares initially issuable upon conversion of the Securities have been duly authorized and reserved for issuance and, when issued and delivered upon such conversion pursuant to the terms of the Indenture, will be validly issued, fully paid and non-assessable.

Cendant Corporation
February 22, 2002

I hereby consent to the filing of this opinion with the Commission as an exhibit to the Registration Statement. I also consent to the reference to the use of my name under the caption "Legal Matters" in the Registration Statement. In giving this consent, I do not thereby admit that I am included in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission.

Very truly yours,

/S/ Eric J. Bock

Eric J. Bock, Esq.
Senior Vice President, Law and Secretary

February 22, 2002

Cendant Corporation
9 West 57th Street
New York, New York 10019

Re: 3 7/8% CONVERTIBLE SENIOR DEBENTURES DUE 2011

Ladies and Gentlemen:

We have acted as special counsel to Cendant Corporation, a Delaware corporation (the "Company"), in connection with the preparation of a Registration Statement on Form S-3 (the "Registration Statement") and its filing by the Company with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"), relating to the registration of the 3 7/8% Convertible Senior Debentures due 2011 issued by the Company (the "Debentures") and the associated shares of the Company's common stock, par value \$0.01 per share, into which the Debentures are convertible.

In connection with this opinion, we have examined and relied upon originals or copies, certified or otherwise identified to our satisfaction, of (i) the Registration Statement, (ii) the Offering Memorandum, dated November 20, 2001, relating to the Debentures, (iii) the Purchase Agreement, dated November 20, 2001, by and between J.P. Morgan Securities Inc., as the initial purchaser, and the Company, and (iv) such other documents, certificates, and records as we have deemed necessary or appropriate as a basis for the opinion set forth herein. We have also relied upon statements and representations made to us by representatives of the Company. For purposes of this opinion, we have assumed the validity and the initial and continuing accuracy of the documents, certificates, records, statements, and representations referred to above.

Cendant Corporation
February 22, 2002
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In our examination, we have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified, conformed or photostatic copies, and the authenticity of the originals of such latter documents. In making our examination of documents executed, or to be executed, by the parties indicated therein, we have assumed that each party has, or will have, the power, corporate or other, to enter into and perform all obligations thereunder, and we have also assumed the due authorization by all requisite action, corporate or other, and execution and delivery by each party indicated in the documents and that such documents constitute, or will constitute, valid and binding obligations of each party.

We hereby confirm that, although the discussion set forth in the Registration Statement under the heading "CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES" does not purport to discuss all possible United States federal income tax consequences of the purchase, ownership and disposition of the Debentures, subject to the agreements, qualifications, assumptions and Company's determinations and beliefs referred to therein, such discussion constitutes, in all material respects, a fair and accurate summary of the matters of United States federal income tax law referred to therein.

This opinion is delivered in accordance with the requirements of Item 601(b)(8) of Regulation S-K under the Securities Act. In rendering our opinion, we have considered the current provisions of the Internal Revenue Code of 1986, as amended, Treasury Department regulations promulgated thereunder, judicial authorities, interpretive rulings of the Internal Revenue Service and such other authorities as we have considered relevant, all of which are subject to change or differing interpretations, possibly on a retroactive basis. There can be no assurance that any of the opinions expressed herein will be accepted by the Internal Revenue Service or, if challenged, by a court. Moreover, a change in the authorities or the accuracy or completeness of any of the information, documents, certificates, records, statements, representations, covenants, or assumptions on which our opinion is based could affect our conclusions. This opinion is expressed as of the date hereof, and we are under

no obligation to supplement or revise our opinion to reflect any changes (including changes that have retroactive effect) in applicable law or any information, document, certificate, record, statement, representation, covenant or assumption

Cendant Corporation

February 22, 2002

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relied upon herein that becomes incorrect or untrue. Except as set forth above, we express no opinion to any party as to the tax consequences, whether federal, state, local or foreign, of the issuance of the Debentures or of any transaction related to or contemplated by such issuance.

This opinion is delivered to you solely for use in connection with the Registration Statement and is not to be used, circulated, quoted or otherwise referred to for any other purpose, or relied upon by any other person, without our express written permission. In accordance with the requirements of Item 601(b)(23) of Regulation S-K under the Securities Act, we hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to our firm in the Registration Statement. In giving such consent, we do not hereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act or the rules or regulations of the Commission thereunder.

Very truly yours,

/s/ Skadden, Arps, Slate, Meagher &
Flom LLP

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of Cendant Corporation on Form S-3 of our report dated July 2, 2001 (which expresses an unqualified opinion and includes explanatory paragraphs relating to the change in certain revenue recognition policies regarding the recognition of non-refundable one-time fees and pro rata refundable subscription revenue and the restatement of the financial statements to reflect the individual membership business as part of continuing operations as discussed in Note 1), appearing in the Annual Report on Form 10-K/A of Cendant Corporation for the year ended December 31, 2000 and to the reference to us under the heading "Experts" in the Prospectus, which is part of this Registration Statement.

/s/ Deloitte & Touche LLP

New York, New York
February 20, 2002

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of Cendant Corporation on Form S-3 of our report dated January 29, 2001 (March 2, 2001, as to Note 27), appearing in the Annual Report on Form 10-K of Avis Group Holdings, Inc. for the year ended December 31, 2000 and included in the Current Report on Form 8-K of Cendant Corporation dated April 18, 2001.

/s/ Deloitte & Touche LLP

New York, New York
February 25, 2002

CONSENT OF KPMG LLP

The Board of Directors
Galileo International, Inc.:

We consent to the incorporation by reference in this registration statement on Form S-3 of Cendant Corporation of our report dated January 26, 2001, except as to Note 15 which is as of February 22, 2001, with respect to the consolidated balance sheets of Galileo International, Inc. and subsidiaries as of December 31, 2000 and 1999 and the related consolidated statements of income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2000, which report appears in the Form 8-K/A of Cendant Corporation dated July 23, 2001.

/s/ KPMG LLP

Chicago, Illinois
February 20, 2002

If the obligor is an affiliate of the trustee, describe each such affiliation.

The obligor is not an affiliate of the Trustee.

Item 4. TRUSTEESHIPS UNDER OTHER INDENTURES.

If the trustee is a trustee under another indenture under which any other securities, or certificates of interest or participation in any other securities, of the obligor are outstanding, furnish the following information:

- (a) Title of the securities outstanding under each such other indenture.
- Cendant Corporation
6.45% Debentures due 2003
6.75% Senior Notes due 2006
- (b) A brief statement of the facts relied upon as a basis for the claim that no conflicting interest within the meaning of Section 310(b)(1) of the Act arises as a result of the trusteeship under any such other indenture, including a statement as to how the indenture securities will rank as compared with the securities issued under such other indentures.

The trustee does not believe there is a default under the outstanding indenture securities. The ranking of the securities to be issued under this indenture will rank pari passu with the securities issued and outstanding under such other indentures.

Item 16. LIST OF EXHIBITS.

List below all exhibits filed as part of this statement of eligibility.

- Exhibit 1 - Copy of the Organization Certificate of the Trustee as now in effect. (Exhibit 1 to T-1 to Registration Statement No. 333-6688).
- Exhibit 2 - Copy of the Certificate of Authority of the Trustee to commerce business. (Exhibit 2 to T-1 to Registration Statement No. 333-6688).
- Exhibit 3 - None; authorization to exercise corporate trust powers is contained in the documents identified above as Exhibit 1 and 2.
- Exhibit 4 - Copy of the existing By-Laws of the Trustee.(Exhibit 4 to T-1 to Registration Statement No. 333-6688).
- Exhibit 5 - No Indenture referred to in Item 4.
- Exhibit 6 - The consent of the Trustee required by Section 321 (b) of the Trust Indenture Act of 1939.(Exhibit 6 to T-1 to Registration Statement No. 333-27685).
- Exhibit 7 - Copy of the latest Report of Condition of the Trustee as of December 31, 2001

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, the Trustee, The Bank of Nova Scotia Trust Company of New York, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of New York, and State of New York, on the 13th day of February, 2002.

THE BANK OF NOVA SCOTIA TRUST
COMPANY OF NEW YORK

By: /s/ John F. Neylan

John F. Neylan
Trust Officer

The Bank of Nova Scotia Trust, Company of New York

 Legal Title of Bank

One Liberty Plaza, 23rd Floor

 City

New York, N.Y. 10006

 State Zip Code

FDIC Certificate Number /_/_/_/_/_/_/

Consolidated Report of Condition for Insured Commercial
 and State-Chartered Savings Banks for December 31, 2001

All schedules are to be reported in thousands of dollars. Unless otherwise
 indicated, report the amount outstanding as of the last business day of the
 quarter.

SCHEDULE RC-BALANCE SHEET

Dollar Amounts in Thousands RCON BIL MIL THOU - -----

----- ASSETS	
1. Cash and balances due from depository institutions (from Schedule RC-A):	
a. Noninterest-bearing balances and currency and coin(1)	0081 517
b. Interest-bearing balances(2)	0071 4 945
2. Securities:	
a. Held-to-maturity securities (from Schedule RC-B, column A)	1754 1 220
b. Available-for-sale securities (from Schedule RC-B, column D)	1773 0
3. Federal funds sold and securities purchased under agreement to resell	1350 13 000
4. Loans and lease financing receivable (from Schedule RC-C):	
a. Loans and leases held for sale	5369 0
b. Loans and leases, net of unearned income	B528
c. LESS: Allowance for loan and lease losses	3123
d. Loans and leases, net of unearned income and allowance (item 4.b minus 4.c)	B529 0
4.d. 5. Trading assets (from Schedule RC-D)	3545 0
5. 6. Premises and fixed assets (including capitalized leases)	2145 0
6. 7. Other real estate owned (from Schedule RC-M)	2150 0
7. 8. Investments in unconsolidated subsidiaries and associated companies (from Schedule RC-M)	2130 0
8. 9. Customers' liability to this bank on acceptances outstanding	2155 0
9. 10. Intangible assets: a.	
Goodwill	3163 0
10.a. b. Other intangible assets (from Schedule RC-M)	0426 0
10.b. 11. Other assets (from Schedule RC-F)	2160 1 255
11. 12. Total assets (sum of items 1 through 11)	2170 20 937
	12.

 (1) Includes cash items in process of collection and unposted debits.
 (2) Includes time certificates of deposit not held for trading.

SCHEDULE RC-CONTINUED

Dollar Amounts in Thousands RCON BIL MIL THOU - -----

----- LIABILITIES	
13. Deposits:	
a. In domestic offices (sum of totals of columns A and C from Schedule RC-E)	2200
7 645	
13.a. (1) Noninterest-bearing(1)	6631 7 614
13.a.(1) (2) Interest-	

bearing6636 31 13.a.(2) b.
Not applicable 14. Federal funds purchased and securities sold
under agreements to repurchase
.....
2800 0 14. 15. Trading liabilities (from Schedule RC-D)
..... 3548 0 15. 16. Other
borrowed money (includes mortgage indebtedness and obligations
under capitalized leases)(from Schedule RC-M)
..... 3190 0 16. 17. Not applicable 18.
Bank's liability on acceptances executed and outstanding
..... 2920 0 18. 19. Subordinated notes and
debentures(2) 3200 0 19.
20. Other liabilities (from Schedule RC-G)
..... 2930 218 20. 21. Total
liabilities (sum of items 13 through 20)
..... 2948 7 863 21. 22. Minority
interest in consolidated subsidiaries
..... 3000 0 22. EQUITY CAPITAL 23.
Perpetual preferred stock and related surplus
..... 3838 0 23. 24. Common stock
.....
3230 1 000 24. 25. Surplus (exclude all surplus related to
preferred stock) 3839 10 030 25. 26. a.
Retained earnings
..... 3632 2 044
26.a. b. Accumulated other comprehensive incomes(3)
..... B530 0 26.b. 27. Other equity
capital components(4)
A130 0 27. 28. Total equity capital (sum of items 23 through
27) 3210 13 074 28. 29. Total
liabilities, minority interest, and equity capital (sum of
items 21, 22, and 28)
..... 3300 20 937 29.
Memorandum To be reported with the March Report of Condition.
RCON Number ---- 1. Indicate in the box at the right
the number of the statement below that best describes the most
comprehensive level of auditing work performed far the bank by
independent external auditors as of any date during 2000...
6724 M.1.

- 1 = Independent audit of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report an the bank
- 2 = Independent audit of the bank's parent holding company conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the consolidated holding company (but not on the bank separately)
- 3 = Attestation on bank management's assertion on the effectiveness of the bank's internal control over financial reporting by a certified public accounting firm
- 4 = Directors' examination of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm (may be required by state chartering authority)
- 5 = Directors' examination of the bank performed by other external auditors (may be required by state chartering authority)
- 6 = Review of the bank's financial statements by external auditors
- 7 = Compilation of the bank's financial statements by external auditors
- 8 = Other audit procedures (excluding tax preparation work)
- 9 = No external audit work

- - - - -
- (1) Includes total demand deposits and noninterest-bearing time and savings deposits.
 - (2) Includes limited-life preferred stock and related surplus.
 - (3) Includes net unrealized holding gains (losses) on available-for-sale securities, accumulated net gains (losses) on cash flow hedges, and minimum pension liability adjustments.
 - (4) Includes treasury stock and unearned Employee Stock Ownership Plan shares.