AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON APRIL 7, 2000

REGISTRATION NO. 333-30314

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 1
TO

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

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

DELAWARE	06-0918165
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

9 WEST 57TH STREET
NEW YORK, NEW YORK 10019
(212) 413-1800
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

JAMES E. BUCKMAN, ESQ.
VICE CHAIRMAN AND
GENERAL COUNSEL
CENDANT CORPORATION
9 WEST 57(TH) STREET
NEW YORK, NEW YORK 10019
(212) 413-1800
(Name, address, including zip code, and telephone number, including area code, of agent for service)

COPIES TO:

VINCENT J. PISANO, ESQ.	ERIC J. BOCK, ESQ.	ROBERT EVANS, ESQ.
SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP	SENIOR VICE PRESIDENT, LEGAL CENDANT CORPORATION	SHEARMAN & STERLING 599 LEXINGTON AVENUE
FOUR TIMES SQUARE	9 WEST 57(TH) STREET	NEW YORK, NEW YORK 10022
NEW YORK, NEW YORK 10036	NEW YORK, NEW YORK 10019	(212) 848-4000
(212) 735-3000	(212) 413-1800	

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: AS SOON AS PRACTICABLE 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 plan, please 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. / /

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) 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 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 this Form is a post-effective amendment filed pursuant to Rule 462(d) 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 under the Securities Act, check the following box. / /

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(1)	AMOUNT OF REGISTRATION FEE
Move.com Common Stock, par value $.01 per share	$150,000,000	$38,500 (2)

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) of the Securities Act of 1933.

(2) Previously paid.

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, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

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THE INFORMATION IN THIS PRELIMINARY PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. THESE SECURITIES MAY NOT BE SOLD UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PRELIMINARY PROSPECTUS IS NOT AN OFFER TO SELL NOR DOES IT SEEK AN OFFER TO BUY THESE SECURITIES IN ANY JURISDICTION WHERE THE OFFER OR SALE IS NOT PERMITTED.

SUBJECT TO COMPLETION. DATED , 2000.

Shares

LOGO

CENDANT CORPORATION
Move.com Common Stock

This is an initial public offering of shares of a new series of common stock of Cendant Corporation called Move.com stock. We intend these shares to reflect the performance of Move.com Group, our online relocation, real estate and home-related services business.

Prior to this offering, there has been no public market for the Move.com stock. It is currently estimated that the initial public offering price per share will be between $ and $. Cendant intends to list the Move.com stock on the New York Stock Exchange under the symbol "MOV."

SEE RISK FACTORS ON PAGE 14 TO READ ABOUT FACTORS YOU SHOULD CONSIDER BEFORE BUYING SHARES OF MOVE.COM STOCK.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER REGULATORY BODY HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	PER SHARE	TOTAL
Initial public offering price	$	$
Underwriting discount	$	$
Proceeds, before expenses, to Move.com Group of Cendant	$	$

To the extent that the underwriters sell more than shares of Move.com stock, the underwriters have the option to purchase up to an additional shares from Cendant at the initial offering price less the underwriting discount.

The underwriters expect to deliver the shares against payment in New York, New York on , 2000.

GOLDMAN, SACHS & CO.

Prospectus dated , 2000.

[ARTWORK TO COME]

[GRAPHIC ILLUSTRATING WEB SITE FUNCTIONALITY]

PROSPECTUS SUMMARY

THIS SUMMARY HIGHLIGHTS KEY ASPECTS OF THE OFFERING OF MOVE.COM STOCK. THIS SUMMARY IS NOT A SUBSTITUTE FOR THE MORE DETAILED INFORMATION CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS. FOR A MORE COMPREHENSIVE DESCRIPTION OF THE OFFERING OF MOVE.COM STOCK, YOU SHOULD READ THE ENTIRE PROSPECTUS.

CENDANT CORPORATION

Cendant Corporation is one of the foremost providers of real estate, travel and direct marketing-related consumer and business services in the world. From a financial reporting standpoint, we have separated our businesses into two groups: Move.com Group, our online relocation, real estate and home-related products and services business, and Cendant Group, which includes the rest of our businesses and a retained interest in Move.com Group. This prospectus only relates to the offering of Move.com stock, which is intended to reflect the performance of Move.com Group, and does not relate to CD stock, our other series of common stock, which is intended to reflect the performance of Cendant Group.

CENDANT GROUP

Cendant Group includes:

- all of the businesses in our four principal divisions: real estate services, travel services, direct marketing-related services and other consumer and business services, except for the businesses that comprise Move.com Group; and

- a retained interest in Move.com Group, which is currently 87%, but which will decline to % following this offering and which will further decline to reflect any future issuances of Move.com stock.

Cendant Group's real estate services division includes:

- franchise real estate brokerage businesses through CENTURY 21(-Registered Trademark-), COLDWELL BANKER(-Registered Trademark-), and ERA(-Registered Trademark-), three of the five largest residential real estate franchise systems in the world;

- mortgage products and services through Cendant Mortgage Corporation the sixth-largest retail mortgage originator in the United States with approximately $26 billion in mortgage originations in 1999; and

- employee relocation services through Cendant Mobility Corporation, the largest provider of corporate relocation services in the world.

MOVE.COM GROUP

We are offering a class of common stock of Cendant intended to track the performance of the Move.com Group, which consists of those businesses, assets and liabilities of Cendant that are dedicated to providing online relocation, real estate and home-related products and services. Move.com Group does not represent a separately incorporated entity. The activities of the Move.com Group commenced with Cendant's acquisition of Rent Net in February 1996, although prior to that time and until July 31, 1999, Cendant operated portions of the move.com network.

Move.com Group operates a popular network of Web sites, which offer a wide selection of quality relocation, real estate and home-related products and services. These Web sites include move.com, launched in January 2000, rent.net, century21.com, coldwellbanker.com, era.com, seniorhousing.net, corporatehousing.net, selfstorage.net and welcomewagon.com. Move.com Group seeks to improve the often stressful and demanding moving experience by providing a one-source, "friend-in-need" solution

before, during and after the move. Move.com Group strives to establish strong, long-term relationships with consumers by offering quality products and services for each phase of the moving process from finding a home to improving an existing home. Move.com Group also provides a broad-based distribution platform for businesses with which it has a contractual relationship, who are trying to reach a highly targeted and valued group of consumers at the most opportune times. Move.com Group currently generates the following types of revenue from these businesses: listing subscription fees, advertising and sponsorship fees, e-commerce transaction fees and Web site management fees.

Move.com Group seeks to build long-term relationships with consumers by providing them access to:

- relocation services, guides and planning tools;

- neighborhood information;

- up-to-date listings of homes for sale across the United States, Canada and in 32 other countries from Cendant's CENTURY 21(-Registered Trademark-), COLDWELL BANKER(-Registered Trademark-) and ERA(-Registered Trademark-) brands;

- listings of apartments in over 3,000 cities in all 50 states and Canada through rent.net, the most visited real estate rentals Web site as measured by the number of unique visitors in December 1999, according to Media Metrix;

- listings of self storage, temporary/corporate housing and senior housing facilities across the United States and Canada;

- mortgages and refinancings financed by Cendant Mortgage;

- disconnection and connection services through National Home Connections;

- advertising and discounts from local merchants throughout the United States and Canada through Cendant's Welcome Wagon; and

- home-related products and services in categories such as home improvement, maintenance and furnishings from quality-oriented business partners.

Move.com Group develops relationships with quality-oriented businesses by providing them access to a highly targeted and valued group of consumers across multiple distribution/sales channels including:

- a network of high-traffic Web sites;

- CENTURY 21(-Registered Trademark-), COLDWELL BANKER(-Registered Trademark-) and ERA(-Registered Trademark-) real estate agents and brokers operating through offices across the United States and Canada;

- over one million direct mail solicitations delivered annually by Welcome Wagon; and

- toll-free customer service center of National Home Connections.

Move.com Group's assets include move.com and the businesses of Rent Net, Inc. and National Home Connections, LLC. Agreements with Cendant give Move.com Group access to home listings from the CENTURY 21(-Registered Trademark-), COLDWELL BANKER(-Registered Trademark-) and ERA(-Registered Trademark-) real estate franchise systems, discount offers from Welcome Wagon's local merchant customers, mortgage products and services of Cendant Mortgage and a variety of relocation services and information from Cendant Mobility. Although century21.com, coldwellbanker.com, era.com and welcomewagon.com Web sites are part of the move.com network, they are not owned by Move.com Group. Such Web sites are operated and maintained by Move.com Group pursuant to agreements with Cendant Group, as owner of such Web sites.

MOVE.COM GROUP'S STRATEGY

Move.com Group intends to achieve its objective of becoming the leading provider of quality online relocation, real estate and home-related products and services through the following strategic initiatives:

- develop brand awareness by aggressively advertising Move.com Group's services online and offline, as well as through national and regional promotions by Cendant Group's leading real estate franchise systems and Welcome Wagon;

- increase product and service offerings;

- develop strong relationships with consumers by providing personalized, targeted content and services;

- expand and enhance relationships with real estate professionals and quality-oriented businesses; and

- pursue strategic alliances and acquisitions, including international opportunities.

Move.com Group has a history of operating losses and expects to incur losses for the next several years. An investment in Move.com Group constitutes an investment in a class of common stock of Cendant and is subject therefore not only to the risks involving Move.com Group, but also to those involving Cendant. See Risk Factors commencing on page 14 for a fuller description of the risks of this offering.

RECENT EVENTS

LIBERTY DIGITAL INVESTMENT. As provided in a purchase agreement dated March 22, 2000, on March 31, 2000, Liberty Digital, Inc. purchased 1,598,030 shares of Move.com stock for $31.29 per share for consideration consisting of $10 million in cash and 813,215 shares of Liberty Digital Class A Common Stock. Liberty Digital and Cendant also agreed to use their good faith efforts to negotiate and enter into mutually acceptable agreements relating to the development of real estate-related programming for Liberty Digital's interactive home channel based on Move.com Group's Web content.

NRT INVESTMENT. On March 28, 2000, NRT Incorporated and Cendant entered into a purchase agreement in which NRT agreed to purchase 319,591 shares of Move.com stock for $31.29 per share or approximately $10 million in cash. The sale is subject to customary closing conditions, but is expected to close on or before April 15, 2000. Cendant owns preferred stock of NRT which is convertible into up to approximately 50% of NRT's common stock.

CHATHAM STREET HOLDINGS, LLC INVESTMENT. On March 31, 2000, Chatham Street Holdings, LLC exercised a contractual right to purchase 1,561,000 shares of Move.com stock for $16.02 per share or approximately $25 million in cash.

In March 2000, Cendant made a $25 million investment in WMC Finance Co., an online provider of sub-prime mortgages, and an affiliate of Chatham. As part of the investment, WMC agreed to enter into a sponsorship agreement in which Move.com will coordinate technology with, and direct appropriate broker and consumer inquiries to WMC's Internet Web sites. It is anticipated that Move.com will offer a sub-prime mortgage product through WMC by the end of the second quarter of 2000.

Move.com Group's principal executive offices are located at 795 Folsom Street, San Francisco, California 94107. Move.com Group's telephone number is (415) 796-0000. The content of the move.com network is not part of this prospectus. Cendant's principal executive offices are located at 9 West 57th Street, New York, New York 10019. Our telephone number is (212) 413-1800.

BASIC INVESTMENT CHARACTERISTICS

Move.com stock is a type of stock sometimes referred to as a tracking stock, which is a separate series of common stock that represents an ownership interest in the corporation that issues it, but is designed to reflect, or track, the performance of a specified group of the corporation's assets or businesses instead of the overall economic performance of the corporation. Move.com stock is intended to track the economic performance of Move.com Group by incorporating liquidation rights, redemption, exchange and dividend terms, modeled after other publicly traded tracking stocks, that attempt to provide economic rights in the businesses they track that are similar to the rights that common stock would have if the "tracked business" were a separate corporation. The business and assets tracked are not, however, those of a separate corporation and no transfer of title or assumption of liabilities is made.

Although we intend Move.com stock to reflect the performance of Move.com Group, Move.com stock is common stock of Cendant and holders of Move.com stock will be subject to all of the risks associated with an investment in Cendant and all of its businesses, assets and liabilities.

VOTING RIGHTS

Each share of Move.com stock will entitle the holder to one vote. Holders of CD stock and Move.com stock will vote together as a single class, except on any amendment to the charter that would increase or decrease the par value of the shares of either class or alter or change the powers, preferences or special rights of the shares of such class so as to affect them adversely. Following this offering, the holders of the Move.com stock will have a % voting interest in Cendant. Each share will continue to have one vote per share following a stock split, stock dividend or similar reclassification.

DIVIDENDS ON MOVE.COM STOCK

We currently intend to retain all of Move.com Group's earnings to finance its operations, repay indebtedness and fund future growth. We do not expect to pay any dividends on Move.com stock for the foreseeable future. The terms of the Move.com stock prohibit the payment of dividends on Move.com stock in excess of the amounts which would ordinarily be available for dividends if Move.com Group were a separate corporation. If Move.com Group were a separate corporation, it would currently be unable to pay dividends.

YOUR RIGHTS IF WE SELL ALL OR SUBSTANTIALLY ALL OF THE ASSETS OF MOVE.COM GROUP

If we dispose of all or substantially all of the assets of Move.com Group and the disposition is not an exempt disposition (as defined below), we would be required to choose one of the following three alternatives:

- pay a dividend to holders of Move.com stock in an amount equal to the proportionate interest of the holders of Move.com stock in the net proceeds of the disposition;

- redeem from holders of Move.com stock all outstanding shares of Move.com stock in an amount equal to the proportionate interest of the holders of Move.com stock in the net proceeds of such disposition; or

- in exchange for outstanding Move.com stock, issue CD stock (or, if we create additional series of common stock in the future designed to track any of our other businesses, shares of any such series) at a 10% premium to the market value of the Move.com stock being exchanged. The fair market value of any stock issued would be determined by the Board of Directors of Cendant with the advice of its financial advisors.

An exempt disposition means any of the following:

- a disposition in connection with the liquidation, dissolution or winding-up of Cendant and the distribution of assets to stockholders,

- a disposition to any person or entity controlled by Cendant, as determined by the board of directors of Cendant in its sole discretion,

- a disposition by either Move.com Group or Cendant Group, for which Cendant receives consideration primarily consisting of equity securities of an entity which is primarily engaged or proposes to engage primarily in one or more businesses similar or complementary to businesses conducted by such Group prior to the disposition, as determined by the board of directors of Cendant in its sole discretion,

- a dividend, out of Move.com Group's assets, to holders of Move.com stock and a transfer of a corresponding amount of Move.com Group's assets to Cendant Group in respect of its retained interest in Move.com Group,

- a dividend, out of Cendant Group's assets, to holders of CD stock and

- any other disposition, if (1) at the time of the disposition there is only one class of common stock outstanding, or (2) before the 30th trading day following the disposition we have mailed a notice stating that we are exercising our right to exchange all of the outstanding shares of CD stock or Move.com stock for newly issued shares of the other series of common stock as contemplated under "Exchange of CD stock or Move.com stock at Cendant's option."

At any time within one year after completing a special dividend or partial redemption referred to above, we will have the right to issue CD stock in exchange for the remaining outstanding Move.com stock at a 10% premium to the value of the Move.com stock being exchanged (based upon average market values over a specified 20 trading day period before the exchange). Under existing federal law, any such exchange would not be a taxable event for holders of Move.com stock.

EXCHANGE OF CD STOCK OR MOVE.COM STOCK AT CENDANT'S OPTION

On and after the 18-month anniversary of this offering of Move.com stock, we will have the right to issue CD stock in exchange for outstanding Move.com stock at a premium. The premium will initially be 20% and will decline ratably each month over the following 18 months to 15%. From and after the third anniversary of this offering of Move.com stock, we will have the right, if outstanding Move.com stock exceeds 40% but does not exceed 60% of total market capitalization of the two classes of Cendant common stock, to issue either series of common stock in exchange for the other without a premium. In the event that Move.com stock exceeds 60% of total market capitalization, we will lose the right to effect an exchange without a premium during such period.

Despite the exchange provisions outlined above, if we receive an opinion of tax counsel to the effect that as a result of changes in tax law it is more likely than not that either (1) we, our subsidiaries or affiliates, successors or stockholders are, or will be, subject to tax upon the issuance of either of the CD stock or the Move.com stock or (2) either the CD stock or the Move.com stock is not, or will not be, treated solely as our stock, we will have the right to issue shares of CD stock in exchange for outstanding shares of Move.com stock at a 10% premium, regardless of when such adverse tax law changes take place.

For purposes of determining the exchange ratio, we will value CD stock and Move.com stock based on their average market values over the 20 consecutive trading day period ending on, and including, the fifth trading day immediately preceding the date on which we mail the notice of exchange to holders of the outstanding shares being exchanged.

OUR RIGHT TO ISSUE SHARES OF COMMON STOCK OF A SUBSIDIARY OF CENDANT IN EXCHANGE FOR SHARES OF MOVE.COM STOCK

We will have the right, at any time, to issue shares of stock of a subsidiary of Cendant in exchange for Move.com stock if all of the assets and liabilities of Move.com Group are held by or transferred to that subsidiary. If we exercise this right, holders of Move.com stock would have the legal rights of owners of the subsidiary and would cease to be stockholders of Cendant.

LIQUIDATION

Upon liquidation of Cendant, holders of CD stock and Move.com stock will be entitled to receive the net assets of Cendant, if any, remaining for distribution to stockholders after payment or provision for all liabilities of Cendant and payment of the liquidation preference payable to any holders of preferred stock. Amounts due upon liquidation in respect of shares of CD stock and Move.com stock will be distributed pro rata in accordance with the average market values of CD stock and Move.com stock over a specified 20 trading day period prior to the liquidation.

THE OFFERING

Move.com stock offered	shares
Cendant Group's retained interest in Move.com stock after this offering and the concurrent offering	shares
Move.com stock to be outstanding after the offering and the concurrent offering	shares(1)
Use of proceeds	The net proceeds from this offering and the concurrent offering, assuming all shares offered are purchased, will be approximately $ million, all of which will be allocated to Move.com Group. We will also allocate to Move.com Group the net proceeds from any exercise by the underwriters of their over-allotment option. Move.com Group intends to use the net proceeds to provide working capital to increase marketing expenditures, develop new products and expand the move.com network, and for general corporate purposes. In addition, Move.com Group may use a portion of the net proceeds to acquire or invest in complementary businesses, technologies, services or products to be contained in the Move.com Group. See "Use of Proceeds."
Proposed New York Stock Exchange symbol	"MOV"

Unless otherwise indicated, all information in this prospectus assumes no underwriters' exercise of their option. The net proceeds from any exercise of the underwriters' option will be allocated to Move.com Group.

The shares of Move.com stock to be outstanding after the offering exclude shares of Move.com stock that have been reserved for issuance under Move.com Group's stock option plan and other outstanding options. See "Management's Discussion and Analysis of Financial Condition and Results of Operations of Move.com Group," "Move.com Group Management--Move.com Group Stock Option Plan," "Description of Capital Stock" and "Underwriting."

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(1) Assumes that all shares being offered in the concurrent offering are purchased.

CONCURRENT OFFERING

We are concurrently offering, by a separate prospectus and not through underwriter, up to shares of Move.com stock to brokers and agents of CENTURY 21(-Registered Trademark-), COLDWELL BANKER(-Registered Trademark-) and ERA(-Registered Trademark-), other businesses who we have contracted with, and to Move.com Group and Cendant Group employees. The purchase price for those shares will be the initial public offering price indicated on the cover of this prospectus. Shares sold to such persons will be subject to lockup agreements which will expire 180 days from the date of sale.

SUMMARY SELECTED FINANCIAL DATA
OF CENDANT CORPORATION

The following table presents summary historical consolidated data for Cendant Corporation as of and for the years ended December 31, 1999, 1998, 1997, 1996 and 1995. This information was derived from the consolidated financial statements of Cendant Corporation and should be read in conjunction with the consolidated financial statements and the notes to those statements for Cendant Corporation which are included elsewhere in this prospectus.

	AT OR FOR THE YEAR ENDED DECEMBER 31,				
	1999	1998	1997	1996	1995
	(IN MILLIONS, EXCEPT PER SHARE DATA)				
OPERATIONS					
Net revenues	$ 5,402	$ 5,284	$ 4,240	$ 3,238	$2,616
Operating expense	1,795	1,870	1,322	1,183	1,025
Marketing and reservation expense	1,017	1,158	1,032	911	744
General and administrative expense	671	666	636	341	283
Depreciation and amortization expense	371	323	238	146	100
Other charges	3,032(1)	838(2)	704(3)	109(4)	97(5)
Interest expense, net	199	114	51	14	17
Net gain on dispositions of businesses	(1,109)	--	--	--	--
Provision (benefit) for income taxes	(406)	104	191	220	143
Minority interest, net of tax	61	51	--	--	--
INCOME (LOSS) FROM CONTINUING OPERATIONS	$ (229)	$ 160	$ 66	$ 314	$ 207
INCOME (LOSS) FROM CONTINUING OPERATIONS PER SHARE:					
Basic	$ (0.30)	$ 0.19	$ 0.08	$ 0.41	$ 0.30
Diluted	(0.30)	0.18	0.08	0.39	0.28
FINANCIAL POSITION					
Total assets	$15,149	$20,217	$14,073	$12,763	$8,520
Long-term debt	2,445	3,363	1,246	781	336
Assets under management and mortgage programs	2,726	7,512	6,444	5,729	4,956
Debt under management and mortgage programs	2,314	6,897	5,603	5,090	4,428
Mandatorily redeemable preferred securities issued by subsidiary holding solely senior debentures issued by the Company	1,478	1,472	--	--	--
Shareholders' equity	2,206	4,836	3,921	3,956	1,898
OTHER INFORMATION(6)					
Cash flows provided by (used in):					
Operating activities	$ 3,032	$ 808	$ 1,213	$ 1,493	$1,144
Investing activities	1,860	(4,352)	(2,329)	(3,091)	(1,789)
Financing activities	(4,788)	4,690	901	1,781	661

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(1) Represents charges of (i) $2,894 million ($1,839 million, after tax or $2.45 per diluted share) associated with the preliminary agreement to settle the principal shareholder securities class action suit, (ii) $7 million ($4 million, after tax or $0.01 per diluted share) in connection with the termination of the proposed acquisition of RAC Motoring Services, (iii) $21 million ($13 million, after tax or $0.02 per diluted share) of investigation-related costs, (iv) $87 million ($49 million, after tax or $0.07 per diluted share) comprised principally of an $85 million ($48 million, after tax or $0.06 per diluted share) charge incurred in conjunction with the Netmarket Group, Inc. transaction and (v) $23 million ($15 million, after tax or $0.02 per diluted share) of additional charges to fund an irrevocable contribution to an independent technology trust responsible for completing the transition of the Company's lodging franchisees to a Company sponsored property management system.

(2) Represents charges of (i) $351 million ($228 million, after tax or $0.26 per diluted share) associated with the agreement to settle the PRIDES securities class action suit, (ii) $433 million ($282 million, after tax or $0.32 per diluted share) for the costs of

terminating the proposed acquisitions of American Bankers Insurance Group, Inc. and Providian Auto and Home Insurance Company, and (iii) $121 million ($79 million, after tax or $0.09 per diluted share) for investigation-related costs, including incremental financing costs, and executive terminations. Such charges are partially offset by a net credit of $67 million ($44 million, after tax or $0.05 per diluted share) associated with changes to the estimate of previously recorded merger-related costs and other unusual charges.

(3) Represents merger-related costs and other unusual charges of $704 million ($505 million, after tax or $0.58 per diluted share) primarily associated with the merger of HFS Incorporated and CUC International Inc. and the merger with PHH Corporation ("PHH") in April 1997.

(4) Represents merger-related costs and other unusual charges of $109 million ($70 million, after tax or $0.09 per diluted share) substantially related to the Company's August 1996 merger with Ideon Group, Inc. ("Ideon").

(5) Represents a provision of $97 million ($62 million after tax or $0.08 per diluted share) for costs related to the abandonment of certain Ideon development efforts and the restructuring of certain Ideon operations.

(6) There were no dividends declared during the periods presented above except for PHH and Ideon, which declared and paid dividends to their shareholders prior to their respective mergers with the Company.

SUMMARY FINANCIAL AND OTHER DATA FOR MOVE.COM GROUP

In order to prepare separate financial statements for Move.com Group, Cendant Corporation has allocated all of its consolidated assets, liabilities, revenue, expenses and cash flow between Cendant Group and Move.com Group. Thus, the financial statements for Cendant will include separate financial data for Move.com Group. Cendant will provide separate financial statements and management's discussion and analysis for Move.com Group. The actual assets and liabilities of Cendant will not be transferred and the interests of Cendant's creditors will not be affected.

Cendant allocates a portion of the cost of various corporate, general and administrative services and shared services to the Move.com Group generally based on utilization. Where determination based on utilization is impracticable, overhead typically is allocated on a percentage of revenue basis. A portion of the income tax benefit and balance sheet accounts are based on allocations from the Cendant Group and are computed as if the Move.com Group reported its income taxes on a stand alone basis. For a more complete description of how we will allocate cash between Cendant Group and Move.com Group, see "Cash Management and Allocation Policies."

The following table presents summary historical combined data for Move.com Group as of and for the years ended December 31, 1999, 1998 and 1997 and as of and for the period from February 8, 1996 (the Rent Net acquisition date) through December 31, 1996. This information was derived from the combined financial statements of Move.com Group and should be read in conjunction with the consolidated financial statements of Cendant which are included elsewhere in this prospectus. After the issuance of Move.com stock, Cendant will report earnings per share data using the two class method.

	AS OF OR FOR THE YEAR ENDED DECEMBER 31,(1)			PERIOD FROM FEBRUARY 8, 1996 (THE RENT NET ACQUISITION DATE) THROUGH DECEMBER 31,
	1999	1998	1997	1996(1)
	(IN THOUSANDS, EXCEPT PER SHARE DATA)			
STATEMENT OF OPERATIONS DATA:				
Net revenue	$ 17,647	$9,674	$5,670	$ 1,081
Cost of revenue	3,149	1,664	1,091	632
Gross profit	14,498	8,010	4,579	449
Operating expenses:				
Product development	3,940	193	--	14
Selling and marketing	16,020	5,484	3,906	2,335
General and administrative	16,751	1,922	1,227	604
Depreciation and amortization	2,217	1,826	934	604
Loss before income tax benefit	(24,430)	(1,415)	(1,488)	(3,108)
Income tax benefit	9,976	572	603	1,266
Net loss	$(14,454)	$ (843)	$ (885)	$(1,842)
BALANCE SHEET DATA:				
Cash and cash equivalents	$ 1,009	$ --	$ --	$ --
Total assets	22,000	8,614	7,417	3,559
Total liabilities	20,975	4,379	2,181	878
Group equity	1,025	4,235	5,236	2,681
OTHER DATA:				
Net cash provided by (used in) operating activities	$ (4,435)	$1,279	$ 428	$(1,215)
Net cash used in investing activities	(5,070)	(1,121)	(3,868)	(242)
Net cash provided by (used in) financing activities	10,514	(158)	3,440	1,457
Capital expenditures	(2,482)	(881)	(662)	(242)

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(1) Earnings per share for the Move.com Group is not presented because it is not a stand-alone entity, and as a result, the presentation of earnings per share is not applicable. After the issuance of Move.com stock, Cendant intends to present earnings per share using the two-class method. Under this method, an earnings allocation formula is used to determine earnings per share for each class of common stock according to the participation rights in undistributed earnings. Earnings per share for the Move.com Group will be computed by dividing (a) the product of the earnings of Move.com Group multiplied by the outstanding Move.com stock "fraction," by (b) the weighted average number of shares of outstanding Move.com stock and dilutive Move.com Group stock equivalents during the applicable period. The outstanding Move.com Group "fraction" is a fraction, the numerator of which is the number of shares of Move.com stock outstanding and the denominator of which is the number of shares that, if issued, would represent 100% of the equity in earnings or losses of Move.com Group. Basic and diluted earnings per share will be presented for each class of stock.

RISK FACTORS

THIS OFFERING INVOLVES A HIGH DEGREE OF RISK. YOU SHOULD CAREFULLY CONSIDER THE RISK FACTORS DESCRIBED BELOW, AND THE OTHER INFORMATION IN THIS PROSPECTUS AND THE INFORMATION IN THE DOCUMENTS INCORPORATED BY REFERENCE, BEFORE DECIDING TO INVEST IN MOVE.COM STOCK. MOVE.COM GROUP'S BUSINESS, FINANCIAL CONDITION OR RESULTS OF OPERATIONS COULD BE MATERIALLY ADVERSELY AFFECTED BY ANY OF THESE RISKS. THE TRADING PRICE OF MOVE.COM STOCK COULD DECLINE DUE TO ANY OF THESE RISKS, AND YOU MAY LOSE ALL OR PART OF YOUR INVESTMENT.

RISKS RELATING TO MOVE.COM STOCK

HOLDERS OF MOVE.COM STOCK WILL NOT HAVE ANY LEGAL RIGHTS RELATING TO SPECIFIC ASSETS OF CENDANT.

We cannot assure you that the market value of Move.com stock will reflect the performance of Move.com Group as we intend. Even though we have allocated, for financial reporting purposes, all of our consolidated assets, liabilities, revenue, expenses and cash flow between Move.com Group and Cendant Group in order to prepare the financial statements of Move.com Group, that allocation will not change the legal title to any assets or responsibility for any liabilities and will not affect the rights of any of our creditors. Holders of CD stock and Move.com stock will not have any legal rights related to specific assets of either Group, and, in any liquidation, will receive a share of the net assets of Cendant based on the relative trading prices of CD stock and Move.com stock rather than on any assessment of the actual value of Cendant Group or Move.com Group. Holders of CD stock and Move.com stock will be common stockholders of Cendant and, as such, will be subject to all of the risks associated with an investment in Cendant and all of its businesses, assets and liabilities, including the pending class action litigation.

THE VALUE OF MOVE.COM STOCK COULD DECREASE DUE TO THE PERFORMANCE OF THE CENDANT GROUP.

Financial results of Cendant Group's businesses will affect Cendant's consolidated results of operations, financial position and borrowing costs. This could affect the results of operations, financial position or borrowing costs of Move.com Group or the market price of Move.com stock. Since the CD stock and Move.com stock are series of common stock of Cendant, investors may attribute negative results for Cendant Group's businesses to Move.com Group and the price of the Move.com stock may decline if there are negative perceptions relating to Cendant Group's businesses.

In addition, net losses of Cendant Group's businesses, and any dividends or distributions on, or repurchases of, CD stock or any preferred stock, may reduce the assets of Cendant available to pay dividends on Move.com stock. For these reasons, you should read the financial information for Move.com Group included elsewhere in this prospectus together with financial information for Cendant incorporated by reference into this prospectus.

HAVING TWO SERIES OF COMMON STOCK IS LIKELY TO CREATE CONFLICTS AND COULD RESULT IN THE BOARD OF DIRECTORS OF CENDANT MAKING DECISIONS THAT ADVERSELY AFFECT HOLDERS OF MOVE.COM STOCK.

Having two series of common stock could give rise to occasions when the interests of holders of one series might conflict with the interests of holders of the other series. In addition, due to the extensive relationships between Cendant Group and Move.com Group, there will likely be inherent conflicts of interest between the two Groups. Businesses in the Cendant Group have entered into various agreements with businesses in the Move.com Group which can lead to conflicts between the Groups relating to the services and products rendered. Officers and directors of Cendant owe fiduciary duties to both classes of stockholders. However, the fiduciary duties owed by such officers and directors are to

Cendant as a whole, and decisions deemed to be in the best interest of Cendant as a whole may not be in the best interest of Move.com Group when considered on its own. Examples include:

- decisions as to whether to allocate the proceeds of issuances of Move.com stock to Cendant Group in respect of its retained interest in Move.com Group, which would reduce its ownership but result in no proceeds allocated to the benefit of the other holders of Move.com stock, or to the equity of Move.com Group--which decisions would affect the amount of funds available to each Group to fund its operational and cash requirements and the cost of such funds;

- decisions as to how to allocate consideration received in connection with a merger involving Cendant between holders of CD stock and Move.com stock, which will be based on the Board of Director's determination as to the relative fair market values of each of the securities and which would not necessarily be based solely on the public trading price if the Board did not deem that price to represent fair market value--which decisions could be favorable or unfavorable to stockholders of either class depending on how such proceeds are allocated;

- decisions as to whether and when to issue CD stock in exchange for Move.com stock or Move.com stock in exchange for CD stock--which decisions could be favorable or unfavorable to stockholders of either class depending on their investment strategy and whether or not such issuance requires the payment of a premium;

- decisions as to whether and when to approve dispositions of assets of either Group--which decisions could be favorable or unfavorable to the stockholders of either class depending on the amount and type of the consideration received in such disposition, the holder's investment strategy and the board of directors' determination to either pay a dividend or redeem his or her shares or to issue shares of the other class in exchange therefor;

- decisions as to how to allocate available cash between Cendant Group and Move.com Group and decisions as to whether and how to make transfers of funds from one Group to another--which decisions would affect the amount of funds available to each Group to fund its operational and cash requirements and the cost of such funds;

- decisions as to whether to pay or omit the payment of dividends on CD stock or Move.com stock; and

- decisions as to whether and to what extent the two Groups compete with each other and how corporate opportunities are allocated between the two Groups--which decisions could be favorable or unfavorable to the stockholders of either class depending on the effect of such competition on the relevant Group and how the corporate opportunities are allocated.

If Cendant directors own disproportionate interests (in percentage or value terms) in CD stock and Move.com stock, that disparity could create or appear to create potential conflicts of interest when they are faced with decisions that could have different implications for the stockholders of either Group. Immediately following this offering, the Cendant directors as a group will beneficially own % of the outstanding CD stock and % of the outstanding Move.com stock.

Except as set forth under "Description of Capital Stock--Determinations by the Board of Directors "and "Cash Management and Allocation Policies," no formal policies have been established to resolve conflicts of interest between the Groups or to determine which issues are presented to the special committee created to resolve conflicts between the Groups. The members of the board of directors or of the special committee will make all determinations in good faith and in the best interest of Cendant as a whole.

PRINCIPLES OF DELAWARE LAW MAY PROTECT DECISIONS OF THE BOARD OF DIRECTORS THAT HAVE A DISPARATE IMPACT UPON HOLDERS OF CD STOCK AND MOVE.COM STOCK.

Delaware law provides that a board of directors owes an equal duty to all stockholders regardless of class or series and does not have separate or additional duties to the holders of any particular class or series of stock. Recent cases in Delaware involving tracking stocks have established that decisions by directors or officers involving differing treatment of tracking stocks may be judged under the "business judgment rule." Under these principles of Delaware law and the "business judgment rule," you may not be able to challenge board of directors' decisions that have a disparate impact upon holders of Move.com stock if the board of directors is adequately informed with respect to such decisions and acts in good faith and in the honest belief that it is acting in the best interests of all of Cendant's stockholders and members of the board of directors do not have any personal conflicts of interest. If, for example, the board of directors were to make a decision that it in good faith believed to be in the best interest of Cendant as a whole, and such decision were to have a positive impact on CD stock and negative impact on Move.com stock, holders of Move.com stock may not be able to challenge the board of directors' decision.

AT TIMES, WE HAVE THE OPTION TO ISSUE CD STOCK IN EXCHANGE FOR MOVE.COM STOCK AND THIS MAY BE DISADVANTAGEOUS TO HOLDERS OF MOVE.COM STOCK.

If we sell all or substantially all of the assets of Move.com Group or at any time on or after the 18-month anniversary of this offering, we have the right to issue CD stock in exchange for Move.com stock. Because some exchanges would be at a premium to the market value of the shares being exchanged, and since we could determine to effect an exchange at a time when either or both of CD stock and Move.com stock may be considered to be overvalued or undervalued, any such exchange may be disadvantageous to holders of Move.com stock. In addition, such exchange would preclude holders of Move.com stock from retaining their investment in a security that is intended to reflect separately the performance of Move.com Group. The right of Cendant to issue CD stock in exchange for Move.com stock could adversely affect the trading price of one or both series of stock because it could reduce the attractiveness of the security to investors following an exchange and could limit the premium potentially available to investors without an exchange option being incorporated into the terms of the security.

For example, if we issue Move.com stock in exchange for all of the outstanding shares of CD stock, Cendant only would have one class of common stock outstanding. If Cendant had the right to make this exchange during a period when Cendant was required to pay the holders of CD stock a premium for their stock, then the holders of CD stock would receive a greater number of shares of Move.com stock and the proportionate ownership and voting rights of the holders of the Move.com stock would be diluted. In addition, the Move.com stock in those circumstances would no longer track only the online real estate businesses of Cendant.

WE MAY DISPOSE OF ASSETS OF EITHER MOVE.COM GROUP OR CENDANT GROUP WITHOUT YOUR APPROVAL.

Delaware law requires stockholder approval only for a sale or other disposition of all or substantially all of the assets of Cendant. As long as the assets attributed to a Group represent less than substantially all of Cendant's assets, we may approve sales and other dispositions of any amount of the assets of that Group without any stockholder approval. If we dispose of all or substantially all of the assets allocated to

Move.com Group, we would be required, if the disposition is not an exempt disposition under the terms of our charter, to choose one of the following three alternatives:

- declare and pay a dividend in an amount equal to the proportionate interest of the holders of Move.com stock in the net proceeds of such disposition;

- redeem Move.com stock for an amount equal to the proportionate interest of holders of Move.com stock in the net proceeds of such disposition; or

- issue shares of CD stock or that of another subsidiary in exchange for Move.com stock at a 10% premium.

Consequently, holders of Move.com stock may receive less value for their shares than the value that a third-party buyer might pay for all or substantially all of the assets of Move.com Group. In addition, we can not assure you that the net proceeds per share of the Move.com stock will be equal to or more than the market value per share of such common stock prior to or after announcement of a disposition. The Cendant board of directors will decide, in its sole discretion, how to proceed and is not required to select the option that would result in the highest value to holders of Move.com stock, if such option would not be in the best interests of Cendant's stockholders as a whole.

THE CENDANT BOARD OF DIRECTORS HAS SOLE DISCRETION TO CHANGE CASH MANAGEMENT AND ALLOCATION POLICIES AND THIS MAKES IT RISKIER TO BE A HOLDER OF MOVE.COM STOCK THAN A HOLDER OF ORDINARY COMMON STOCK.

The Cendant board of directors has adopted policies relating to cash management and allocations between Cendant Group and Move.com Group. The board of directors in its sole discretion may modify or rescind our policies with respect to the allocation of corporate overhead, taxes, debt, interest and other matters, or may adopt additional policies, in its sole discretion without stockholder approval. The board of directors' discretion to change these policies without stockholder approval makes it riskier to be a holder of Move.com stock than a holder of ordinary common stock. A board of directors decision to modify or rescind these policies, or adopt additional policies could have different effects on holders of Move.com stock and CD stock or could result in a benefit or detriment to one class of stockholders compared to the other class. The board of directors of Cendant will make any such decision in accordance with its good faith business judgment, so that the decision is in the best interests of Cendant and all of its stockholders as a whole. There may be certain circumstances in which a decision can be made only in a fashion that will have a disproportionate impact on the holders of one class compared to the holders of the other class. In such situations, the interests of Cendant's stockholders as a whole will not be consistent and the board may turn to the special committee or retain outside advisors with respect to the interests of one or both of the classes. Although it is not possible to indicate all factors or even specific factors that may influence the board's decision, the board will consider all relevant factors under the circumstances including the fairness to all stockholders taken as a whole. For a more comprehensive description of these policies, see "Cash Management and Allocation Policies."

HOLDERS OF CD STOCK AND MOVE.COM STOCK WILL GENERALLY VOTE TOGETHER AS A SINGLE CLASS AND FOLLOWING THIS OFFERING MOVE.COM STOCK WILL REPRESENT ONLY % OF THAT CLASS.

Holders of CD stock and Move.com stock will vote together as a single class, except if any amendment to the charter would increase or decrease the par value of the shares of either class or alter or change the powers, preferences or special rights of the shares of such class so as to affect them adversely. When holders of CD stock and Move.com stock vote together as a single class, holders of the series of common stock having a majority of the votes will be in a position to control the outcome of the vote even if the matter involves a conflict of interest between holders of CD stock and holders of Move.com stock. We expect that, for the foreseeable future, the holders of CD stock will have a

substantial majority of the voting power of Cendant because following this offering there will be outstanding shares of CD stock and shares of Move.com stock.

AGREEMENTS BETWEEN MOVE.COM GROUP BUSINESSES AND CENDANT GROUP BUSINESSES WILL NOT BE THE RESULT OF THIRD-PARTY NEGOTIATIONS AND MAY BE ALTERED AT ANY TIME.

Because Cendant Group and Move.com Group are both engaged in real estate businesses, Move.com Group and Cendant Group will to some extent be competing with each other when offering their products and services to potential consumers.

Move.com Operations, Inc., a wholly-owned subsidiary of Cendant and part of the Move.com Group, on behalf of Move.com Group, has entered into a number of arrangements with Cendant Group entities. These agreements and any future agreements between Move.com Group and Cendant Group entities did not result, or will not result, from arm's-length negotiations. Consequently, such agreements may be less favorable to Move.com Group than those that it could have obtained from unaffiliated third parties. In some cases, these agreements do not provide precise rules as to the allocations of costs and benefits. All of these arrangements may be altered at any time, subject to the judgment of the Cendant Board of Directors.

In addition, Move.com Group, as a part of Cendant, may from time to time be precluded from engaging in certain activities that compete with other activities of Cendant's businesses or due to commitments made by Cendant with respect to exclusive relationships, such as its preferred alliance relationships and its agreement with Homestore.com discussed elsewhere in this prospectus. All agreements between Cendant Group and Move.com Group will be subject to amendment. Since all the entities in both groups are controlled by Cendant, Cendant's officers and directors will have broad discretion as to the amendment of such agreements. To the extent that Move.com Group derives benefits from its close relationship with Cendant, those benefits could be reduced or eliminated in the future. Cendant is not obligated to engage in any future business transactions or jointly pursue opportunities, except for those expressly provided for in the intracompany agreements.

THE VALUE OF MOVE.COM STOCK MAY DECLINE DUE TO FUTURE ISSUANCES OF MOVE.COM STOCK.

Our charter allows the board of directors, in its sole discretion, to issue authorized but unissued shares of either class of common stock. This could dilute the value of shares of Move.com stock. The board of directors of Cendant may issue CD stock or Move.com stock to, among other things:

- raise capital;

- provide compensation or benefits to employees;

- pay stock dividends; or

- acquire companies or businesses.

Under Delaware general corporation law, the board of directors of Cendant would not need your approval for these issuances. We do not intend to seek your approval for any such issuances unless stock exchange regulations or other applicable law require approval or the board of directors of Cendant deems it advisable.

We cannot predict the effect, if any, that sales of Move.com stock, or the availability of such shares for sale, will have on the market price prevailing from time to time. Nevertheless, sales of significant amounts of Move.com stock in the public market, or the perception that such sales may occur, could adversely affect prevailing market prices.

WE ARE NOT REQUIRED TO PAY DIVIDENDS EQUALLY ON CD STOCK AND MOVE.COM STOCK.

Although we do not intend to pay cash dividends in the foreseeable future, the Cendant board of directors could elect to pay dividends on CD stock or Move.com stock, or both, in equal or unequal amounts. Such a decision would not necessarily have to reflect:

- the financial performance of either Cendant Group or Move.com Group;

- the amount of assets available for dividends on either series; or

- the amount of prior dividends declared on either series.

STOCKHOLDERS WILL NOT VOTE ON HOW TO ALLOCATE THE TYPE OR AMOUNT OF CONSIDERATION RECEIVED IN CONNECTION WITH A MERGER AMONG HOLDERS OF CD STOCK AND HOLDERS OF MOVE.COM STOCK, WHICH WILL BE DETERMINED SOLELY BY THE CENDANT BOARD OF DIRECTORS.

Our charter will not contain any provisions governing how consideration received in connection with a merger or consolidation involving Cendant is to be allocated between holders of CD stock and holders of Move.com stock. Neither holders of CD stock nor holders of Move.com stock will have a separate class vote in any merger or consolidation so long as we divide the type and amount of consideration between holders of CD stock and holders of Move.com stock in a manner which the board of directors determines, in good faith, to be fair. In any such merger or consolidation, the different ways we may divide the consideration may have materially different results. Merger consideration received by Cendant's stockholders (which could include cash, stock or other securities) may be divided between stockholders of CD stock and Move.com stock in a manner that does not provide the same dollar amount or percentage premium to each class of stockholders or in a manner that provides different forms of consideration (cash, stock or other securities) to different classes of stockholders. As a result, the consideration to be received by holders of Move.com stock in any such merger or consolidation may be materially less valuable than the consideration they would have received if that business had been sold separately or if they had a separate class vote on such merger or consolidation.

HAVING TWO SERIES OF COMMON STOCK MAY INHIBIT OR PREVENT ACQUISITION BIDS FOR CENDANT, CENDANT GROUP OR MOVE.COM GROUP.

If Cendant Group and Move.com Group were separate companies, any person interested in acquiring either Cendant Group or Move.com Group without negotiating with management could seek control of that entity by obtaining control of its outstanding voting stock by means of a tender offer or proxy contest. Although we intend CD stock and Move.com stock to reflect the separate performances of Cendant Group and Move.com Group, respectively, a person interested in acquiring Move.com Group without negotiation with Cendant's management could obtain control of Move.com Group only by obtaining control of the outstanding voting stock of Cendant. In addition, since Cendant believes the issuance of Move.com stock could lead to an increase in its market value, the cost of obtaining control by a third party would be greater and the acquirer would be required to deal with holders of two separate classes of stock who might have entirely different investment objectives.

The existence of two series of common stock could present complexities to an acquiring person which could prevent stockholders from profiting from an increase in the market value of their shares as a result of a change in control of Cendant by delaying or preventing such a change in control.

CENDANT'S AMENDED AND RESTATED CERTIFICATE OF INCORPORATION AND BY-LAWS COULD INHIBIT CHANGES OF CONTROL OF CENDANT NOT APPROVED BY ITS BOARD OF DIRECTORS.

The following provisions of our amended and restated certificate of incorporation, by-laws and Delaware law may inhibit changes of control not approved by the board of directors:

- the board of directors may issue shares of preferred stock without further stockholder approval;

- stockholders may not take action by written consent and special meetings 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;

- our by-laws require advance notice for stockholder nominations and proposals of new business, and this provision of the by-laws may only be amended by an affirmative vote of at least 80% of the stock entitled to vote;

- our amended and restated certificate of incorporation includes a "fair price provision", which require that a business combination transaction between us and any 5% stockholder must be approved by holders of 80% of our voting stock unless it is approved by a majority of disinterested directors or stockholders receive a fair price and other procedural requirements are met; and

- we are subject to the business combination provisions of Section 203 of the Delaware general corporation law, which restrict the ability of an interested stockholder from acquiring control of a corporation unless approved by the board of directors.

For a more detailed explanation of these anti-takeover constraints, see "Description of Capital Stock--Certain Other Provisions of the Amended and Restated Certificate of Incorporation, By-laws and Delaware Law."

WE CANNOT ASSURE YOU THAT A MARKET WILL DEVELOP FOR MOVE.COM STOCK OR WHAT ITS MARKET PRICE WILL BE.

There is currently no public trading market for Move.com stock, and we cannot assure you that one will develop or be sustained after the offering. We cannot predict the extent to which investor interest in Move.com Group will lead to the development of a trading market in Move.com stock or how liquid that market might become. We cannot predict the prices at which Move.com stock will trade after the offering. The initial public offering price for Move.com stock will be determined through negotiations with the underwriters and may not bear any relationship to the market price at which Move.com stock will trade after the offering or to any other established criteria for value.

The market prices of securities of technology companies, particularly Internet-related companies, have experienced high volatility that often is unrelated or disproportionate to the operating performance of those companies. These broad market fluctuations could adversely affect the market price of the Move.com stock, and investors may not be able to resell their shares at or above the initial public offering price.

Some of the terms of CD stock and Move.com stock may adversely affect the trading price of Move.com stock. These terms include, among others:

- the right of Cendant's board of directors to exchange shares of one series of common stock for shares of the other series; and

- the discretion of Cendant's board of directors in making determinations relating to a variety of cash management and allocation matters.

The market price of the Move.com stock will be determined in the trading markets. Many factors could affect the market price of the Move.com stock.

THE ADOPTION OF A RECENT CLINTON ADMINISTRATION TAX PROPOSAL COULD RESULT IN AN OPTIONAL EXCHANGE OF MOVE.COM STOCK FOR CD STOCK.

We may exercise our right to issue CD stock in exchange for Move.com stock at a premium of 10% if, as a result of the enactment of legislative changes or administrative proposals or changes, we or our stockholders will, more likely than not, be subject to tax upon issuance of the CD stock or Move.com stock or such stock will not be treated for U.S. federal income tax purposes as stock of Cendant. A recent proposal by the Clinton Administration could result in treatment of the Move.com stock as other than our stock. As proposed by the Clinton Administration, this provision would be effective upon the date of its enactment by Congress. Although we expect the offering to be consummated prior to the effective date of the proposed legislation, it is possible that further issuances of the Move.com stock could be affected by the enactment of these proposals. Under such circumstances, Cendant might decide to exercise its right to redeem all of the outstanding shares of Move.com stock for CD stock at a premium, in order to eliminate any tracking stock from its capital structure. We cannot predict whether the proposal will be enacted by Congress and, if enacted, whether it will be in the form proposed by the Clinton Administration. See "Description of Capital Stock--Optional Exchange of One Series of Common Stock for the Other Series".

RISKS RELATING TO MOVE.COM GROUP'S BUSINESS

MOVE.COM GROUP'S LIMITED OPERATING HISTORY MAKES EVALUATING ITS BUSINESS DIFFICULT.

Rent Net began operating in March 1995 and was acquired by Cendant in 1996, Move.com Group began to be operated as a business unit in July 1999 and Move.com Group launched the move.com Web site in January 2000. Accordingly, Move.com Group has only a limited operating history upon which you can evaluate its business and prospects. An investor in Move.com stock must consider the risks, expenses and difficulties frequently encountered by early stage businesses in new and rapidly evolving markets, including Web-based relocation and real estate information and services businesses. To address these risks and uncertainties, Move.com Group must, among other things:

- form relationships with businesses and attract consumers to the Move.com Group, which conducts an unproven online business and without which the business will not grow;

- fund the significant marketing and personnel costs associated with an early stage business, before they are covered by revenues, resulting in continuing losses;

- create, maintain and enhance awareness and loyalty for the move.com brand, at a time of proliferating online brand offerings, and expand the product and service offerings of the move.com network;

- attract, integrate, retain and motivate qualified personnel, when such personnel are becoming increasingly difficult to find and keep and to whom greater levels of compensation must be paid; and

- adapt to meet changes in the competitive online real estate market, many of which are not foreseeable.

Move.com Group may not be successful in accomplishing these objectives. In addition, Move.com Group has never operated during a downturn in the real estate market and we cannot assure you that Move.com Group will be successful in such a market. For more information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations of Move.com Group."

MOVE.COM GROUP HAS A HISTORY OF LOSSES AND WE ANTICIPATE LOSSES WILL CONTINUE.

As of December 31, 1999, Move.com Group had an accumulated deficit of $18.0 million before funding from Cendant. Move.com Group incurred net losses of approximately $14.5 million for the year ended December 31, 1999. Move.com Group has not achieved profitability and expects to continue to incur net losses in 2000 and subsequent fiscal periods. Move.com Group expects to continue to incur significant research and development, general, administrative and marketing expenses. As a result, Move.com Group must generate significant revenue to achieve profitability, which may not occur. Even if Move.com Group does achieve profitability, Move.com Group may be unable to sustain or increase profitability on a quarterly or annual basis in the future. For more information see "Selected Historical Combined Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations of Move.com Group."

THE MARKET FOR WEB-BASED ADVERTISING PRODUCTS AND SERVICES RELATING TO RELOCATION OR REAL ESTATE IS INTENSELY COMPETITIVE.

Move.com Group's main existing and potential competitors for consumers and advertisers include:

- Web sites offering home or apartment listings together with other related services, such as apartments.com, cyberhomes.com, homehunter.com, homestore.com, homeseekers.com, homeadvisor.com, iown.com, newhomenetwork.com and realestate.com;

- online services or Web sites targeting buyers and sellers of real estate properties and financial services companies, offering real estate-related products and services;

- general purpose consumer Web sites, search engine providers, and Web sites maintained by Internet service providers that offer relocation, real estate or home-related content;

- traditional forms of media such as radio, television, newspapers and magazines; and

- offline relocation, real estate and home-related product and service companies.

We believe Move.com Group's content and services compete favorably with Move.com Group's competitors. However, many of Move.com Group's existing competitors, as well as a number of potential new competitors, have longer operating histories on the Internet market, greater name recognition, larger consumer bases, greater user traffic and significantly greater financial, technical and marketing resources. Move.com Group's competitors may be able to undertake more extensive marketing campaigns, adopt more aggressive pricing policies, make more attractive offers to potential employees, distribution partners and content providers and respond more quickly to new or emerging technologies and changes in Internet user requirements. Move.com Group's competitors may develop content that is equal or superior to or that achieves greater market acceptance than that of Move.com Group. The barriers to entry to Web-based services and businesses are low, making it possible for new competitors to emerge and rapidly acquire significant market share.

Move.com Group may not be able to compete successfully for consumers, clients and advertisers and increased competition could result in price reductions, reduced margins or loss of market share, any of which could materially adversely affect Move.com Group's business, results of operations and financial condition.

MOVE.COM GROUP'S BUSINESS IS AFFECTED BY CYCLICAL ECONOMIC CONDITIONS AND THESE FACTORS ARE BEYOND MOVE.COM GROUP'S CONTROL.

The residential real estate industry traditionally has been subject to cyclical economic swings which could materially adversely affect Move.com Group's business. Move.com Group's business is dependent on the residential real estate industry and related industries which supply goods or services to, or invest in, the residential real estate industry. The success of Move.com Group's operations depends, to a

significant extent, upon a number of factors relating to discretionary consumer and business spending, and the overall economy, as well as regional and local economic conditions in markets where Move.com Group operates, including:

- perceived and actual economic conditions;

- interest rates;

- taxation policies;

- availability of credit;

- employment levels; and

- wage and salary levels.

In addition, because a consumer's purchase of real property and related products and services is a significant investment and is relatively discretionary, any reduction in disposable income in general may affect Move.com Group more significantly than companies in other industries.

Move.com Group may experience seasonality in its business. The residential real estate industry experiences a decrease in activity during the winter. However, because of Move.com Group's limited operating history under its current business model, we do not know if or when any seasonal pattern will develop or the size or nature of any seasonal pattern in Move.com Group's business. Move.com Group's limited operating history and rapid growth make it difficult for us to assess the impact of seasonal factors on its business. Nevertheless, we expect Move.com Group's revenue to be subject to seasonal fluctuations, reflecting a combination of seasonality trends for the products and services offered by Move.com Group and seasonality patterns affecting Internet use. For example, home sales typically peak during the spring and fall seasons and decline in the summer and winter. The rental market typically peaks during the summer and declines in the winter. We further believe that advertising sales in traditional media, such as television and radio, generally are lower in the first and third calendar quarters of each year. Internet usage may also decline during the summer months.

Operating results may also fluctuate due to a decline in residential home buying that decreases the demand for purchase mortgage loans or an increase in interest rates that decreases the demand for refinancing existing mortgage loans. Similar seasonal or other patterns may develop and affect Move.com Group's revenue. For more information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations of Move.com Group."

MOVE.COM GROUP'S BUSINESS HAS RISKS ASSOCIATED WITH CHANGING LEGISLATION IN THE REAL ESTATE INDUSTRY.

Real estate is a heavily regulated industry in the United States, including regulation under the Fair Housing Act, the Real Estate Settlement Procedures Act and state advertising laws. In addition, states could enact legislation or regulatory policies in the future which could require Move.com Group to expend significant resources to comply. As the real estate industry evolves in the Internet environment, legislators, regulators and industry participants may advocate additional legislative or regulatory initiatives. Should existing laws or regulations be amended or new laws or regulations be adopted, Move.com Group may need to comply with additional legal requirements and incur resulting costs, or it may be precluded from certain activities. To date, we have not spent significant resources on lobbying or related government issues. Any need to significantly increase our lobbying or related activities in connection with Move.com Group's business could substantially increase Move.com Group's operating costs.

MOVE.COM GROUP'S COMPETITIVE POSITION DEPENDS ON ITS ABILITY TO ATTRACT AND RETAIN KEY PERSONNEL AND TO INTEGRATE ITS NEWLY FORMED MANAGEMENT TEAM.

Move.com Group's failure to attract and retain qualified personnel could diminish its competitive position. Move.com Group's performance is substantially dependent on the continued services and performance of its senior executive officers and the other key personnel identified in this prospectus under the caption "Move.com Management."

In addition, Move.com Group recently hired its new chief executive officer, chief financial officer and chief technology officer. These individuals will have to be integrated into our management team successfully. Except for Phil Marcus and Jed Katz, Move.com Group does not have long-term employment agreements with any of its key personnel and maintains no "key person" life insurance policies.

Move.com's future success also depends on its ability to identify, attract, retain and motivate highly skilled technical, sales, marketing and managerial personnel. We intend to hire a substantial number of such persons in the next 12 months. Competition for such persons is intense. We have no employment agreements with such persons and, although we have non-compete agreements, not all employees sign non-compete agreements and the extent to which courts will enforce these agreements is undetermined. We cannot assure you that Move.com Group will be able to attract or retain such personnel.

POTENTIAL FLUCTUATIONS IN MOVE.COM GROUP'S QUARTERLY FINANCIAL RESULTS MAKE FINANCIAL FORECASTING DIFFICULT.

Move.com Group's quarterly operating results may fluctuate significantly in the future as a result of a variety of factors, many of which are outside Move.com Group's control. We believe that quarter-to-quarter comparisons of Move.com Group's operating results may not be a good indication of Move.com Group's future performance, nor would Move.com Group's operating results for any particular quarter be indicative of future operating results. Due to Move.com Group's limited operating history and the emerging nature of the Internet real estate market, we cannot firmly predict Move.com Group's future revenue or results of operations. In some future quarters Move.com Group's operating results may be below the expectations of public market analysts and investors. In such an event, the price of Move.com stock may fall.

Important factors which could cause Move.com Group's results to fluctuate materially include:

- overall usage levels of the Internet and of the move.com network in particular;
- seasonal trends in Internet use and advertising;
- the amount of advertising sold and timing of payments for this advertising;
- Move.com Group's ability to attract and retain users, advertisers and sponsors;
- the amount and timing of Move.com Group's operating expenses and capital expenditures;
- new Internet sites, services or products introduced by us or our competitors;
- costs related to acquisitions of businesses and technologies;
- Move.com Group's ability to upgrade and develop its systems and infrastructure and attract new personnel in a timely and effective manner;
- Move.com Group's ability to successfully integrate operations and technologies from any acquisitions, joint ventures or other business combinations or investments; and
- technical difficulties or system downtime affecting the operation of the move.com network of sites.

WE MAY BE UNABLE TO MANAGE OUR GROWTH, WHICH MAY HARM OUR BUSINESS.

Move.com Group's operations have experienced rapid growth, having increased from net revenue of $1.1 million from the acquisition of Rent Net to December 31, 1996 to $17.6 million for the year ended December 31, 1999, and with the number of its employees increasing from 95 at January 1, 1999 to 270 at March 31, 2000. Move.com intends to hire approximately 175 additional employees during this fiscal year. Move.com Group's rapid growth has placed, and the anticipated future growth for Move.com Group will continue to place, a significant strain on Move.com Group's managerial, operational and financial resources. To manage Move.com Group's growth, it must continue to implement and improve its managerial controls and procedures and operational and financial systems. We cannot assure you that Move.com Group has made adequate allowances for the costs and risks associated with this expansion, that Move.com Group's systems, procedures or controls will be adequate to support its operations, or that its management will be able to successfully offer and expand Move.com Group's services. If Move.com Group is unable to manage its growth effectively, the quality of Move.com Group's services, results of operations and financial condition could be materially adversely affected.

ANY CAPACITY CONSTRAINTS OR SYSTEM DISRUPTION COULD HAVE A MATERIAL ADVERSE EFFECT ON MOVE.COM GROUP.

The performance and reliability of the move.com network infrastructure are critical to its reputation and ability to attract and retain users, real estate clients, advertisers, merchants and strategic partners. Any system error or failure, or a sudden and significant increase in traffic, may result in the unavailability of its Web sites and significantly delay response times. Individual, sustained or repeated occurrences could result in a loss of potential or existing users, real estate clients, advertisers or strategic partners. In addition, because Move.com Group's advertising revenue is directly related to the number of advertisements it delivers to users, system interruptions or delays would reduce the number of impressions delivered and thereby reduce its revenue. Since the beginning of this year, we have experienced a total of eight unscheduled outages for rent.net and six for move.com. These outages averaged less than 10 minutes, with the longest being 15 minutes for move.com.

Move.com Group's systems and operations are vulnerable to interruption or malfunction due to certain events beyond its control, including natural disasters, power loss, telecommunication failures, break-ins, sabotage, computer viruses, intentional acts of vandalism and similar events. Move.com Group also relies on Web browsers and online service providers to provide Internet access to its sites. We cannot assure you that Move.com Group will be able to expand its network infrastructure, either itself or through use of a third party hosting systems or service providers, on a timely basis sufficient to meet demand. Some of the Web sites in the move.com network presently have only a limited amount of redundant facilities or systems, no formal disaster recovery plan and no sufficient business interruption insurance to compensate for losses that may occur. Such interruptions could result in financial losses, litigation or other consumer claims and damage to the Move.com brand. Any interruption to Move.com Group's systems or operations could have a material adverse effect on Move.com Group's business and its ability to retain users, real estate clients, advertisers and strategic partners.

MOVE.COM GROUP'S NETWORKS MAY BE VULNERABLE TO SECURITY RISKS WHICH COULD DISRUPT THE PERFORMANCE OF THE MOVE.COM NETWORK, REDUCE MOVE.COM GROUP'S ADVERTISING REVENUE, DECREASE ITS CLIENT AND CONSUMER BASE AND INCREASE ITS WEB SECURITY EXPENDITURES.

Move.com Group's networks may be vulnerable to unauthorized access, computer viruses; coordinated attacks by computer hackers and other security problems. Persons who circumvent security measures could wrongfully use information of Move.com Group or cause interruptions or malfunctions in Move.com Group's operations. Concern about the transmission of confidential information over the Internet has been a significant barrier to electronic commerce and communications over the Web. Any well-publicized compromise of security could deter more people from using the Web or from using it to

conduct transactions that involve the transmission of confidential information, such as purchasing goods or services. Because many of our advertisers seek to advertise on the move.com network to encourage people to use the Web to purchase goods or services, Move.com Group's business, results of operations and financial condition could be materially adversely affected if Internet users significantly reduce their use of the Web because of security concerns.

Move.com Group may be required to expend significant resources to protect against the threat of security breaches or to alleviate problems caused by any breaches. Although Move.com Group intends to continue to implement industry-standard security measures, these measures may be inadequate.

MOVE.COM GROUP DEPENDS ON LICENSED TECHNOLOGY FROM THIRD PARTIES AND MOVE.COM GROUP'S FAILURE TO MAINTAIN THESE ARRANGEMENTS WITH THIRD PARTIES COULD ADVERSELY AFFECT ITS BUSINESS.

Move.com Group relies on certain technology licensed from third parties. This technology includes the software for 360 DEG. virtual viewing of apartments and houses licensed by IPIX, the computer systems of Cendant Mortgage, which allow Move.com Group to satisfy offers for home mortgages, customer content and advertisement targeting software licensed by Broadvision, Inc., database technology licensed by Oracle Corporation and FileMaker, hardware licensed by SUN Microsystems, Inc. and Dell Computer Corporation, and database and operating system technology licensed by Microsoft Corporation. All of these licenses are critical to Move.com Group's ability to satisfy its expectations for the quality of its products and services. Move.com Group's ability to generate revenue from Internet commerce may also depend on data encryption and authentication technologies that it may be required to license from third parties. We cannot assure you that such technology licenses will be available at all, that they will be available on reasonable commercial terms or that they will operate as intended.

In addition, the third-party software currently used in Move.com Group's products and the delivery of Move.com Goup's services may become obsolete or incompatible with the products and services Move.com Group offers in the future. If Move.com Group has to replace third-party software for any of those reasons, its business could suffer during the replacement period. Any interruption in these third-party services, or a deterioration in their performance, could be disruptive to Move.com Group's business. In the event Move.com Group's arrangement with any of such third parties is terminated, we may not be able to find an alternative source of systems support on a timely basis or on commercially reasonable terms.

MOVE.COM GROUP DEPENDS ON ARRANGEMENTS WITH THIRD PARTIES FOR INTERNET TRAFFIC TO THE MOVE.COM NETWORK AND MOVE.COM GROUP'S FAILURE TO MAINTAIN THESE ARRANGEMENTS WITH THIRD PARTIES COULD ADVERSELY AFFECT ITS BUSINESS.

Move.com Group's ability to advertise on and maintain links from other Internet sites is an important element to its success. Traffic originating from links existing on other Internet sites, particularly search engines, directories and other navigational tools managed by Internet service providers and Web browser companies, is an important segment of the overall traffic on the move.com network. Move.com Group has special linking arrangements to generate additional traffic with major internet search engines and portals, which are either short-term contracts and/or can be terminated with little notice. The traffic generated from these arrangements amounted to 15,000 out of 85,000 user sessions. Move.com Group intends to pursue additional distribution relationships in the future and it may not succeed in these efforts. To secure these distribution relationships, Move.com Group often pays significant fees. These fees aggregated $4.95 million in the year ended December 31, 1999 and may increase substantially in future years. Move.com Group may not, however, experience sustained increases in user traffic from these distribution relationships. There is intense competition for these types of linking arrangements. We cannot assure you that these arrangements will be maintained or that advertising or links will continue to be available on reasonable commercial terms or at all. If any of these agreements is not renewed,

Move.com Group would experience a decline in the number of its users and its competitive position could be significantly weakened.

MOVE.COM GROUP RELIES ON INTELLECTUAL PROPERTY RIGHTS AND PROPRIETARY RIGHTS WHICH MAY NOT BE ADEQUATELY PROTECTED UNDER CURRENT LAWS AND MAY BE SUBJECT TO INTELLECTUAL PROPERTY CLAIMS.

To establish and protect Move.com Group's trademarks, service marks and other proprietary rights in its products and services, Move.com Group relies on a combination of trademark, copyright, unfair competition, service mark and trade secret laws, confidentiality agreements and other contractual arrangements with its employees, affiliates, clients, strategic partners and others. The protective steps we have taken may be inadequate to deter misappropriation of Move.com Group's proprietary information, and certain tradenames, trademarks and servicemarks used by Move.com Group, including the move.com name, may not be protectable. In addition, there can be no assurance that other parties will not assert claims of infringement of intellectual property against us or one of our subsidiaries which is part of the Move.com Group. We may be unable to detect the unauthorized use of, or take appropriate steps to enforce, our intellectual property rights. Failure to adequately protect Move.com Group's intellectual property could harm the Move.com brand, devalue Move.com Group's proprietary content and affect its ability to compete effectively. Move.com Group entities may be subject to claims of alleged infringement of the trademarks and other intellectual property rights of third parties. If such claims are successful, those entities may be required to change their trademarks, alter their content or pay financial damages. Further, defending Move.com Group's intellectual property rights could result in the expenditure of significant financial and managerial resources, which could materially adversely affect Move.com Group's business, results of operations and financial condition. There can be no assurance that any such claims or the defense of such claims will not adversely affect Move.com Group's business.

Legal standards relating to the validity, enforceability and scope of protection of certain proprietary rights in Internet-related businesses are uncertain and evolving, and we can give no assurance regarding the future viability or value of any of Move.com Group's proprietary rights.

Move.com Group may be required to obtain licenses from others to refine, develop, market and deliver new services. There can be no assurance that Move.com Group will be able to obtain such licenses on commercially reasonable terms or at all or that rights granted pursuant to any licenses will be valid and enforceable.

MOVE.COM GROUP WILL NEED TO INTRODUCE NEW SERVICES AND PRODUCTS TO REMAIN COMPETITIVE.

Move.com Group's future success depends in part on its ability to develop and enhance its services and products. We anticipate that Move.com Group will introduce additional and enhanced services in order to retain Move.com Group's current clients and consumers and attract new clients and consumers. If Move.com Group introduces a service that is not favorably received, Move.com Group's current clients and consumers may choose a competitive service over Move.com Group's. We may also experience difficulties that could delay or prevent Move.com Group from introducing new services. Furthermore, the new services Move.com Group may introduce could contain errors that are discovered after these services are introduced. Move.com Group's business, results of operations and financial condition could be materially adversely affected if Move.com Group experiences difficulties in introducing new services or if these new services are not accepted by Move.com Group's clients and consumers.

MOVE.COM GROUP'S BRAND MAY NOT ACHIEVE THE BROAD RECOGNITION NECESSARY TO SUCCEED AND WE CANNOT ASSURE YOU THAT MOVE.COM GROUP WILL CONTINUE TO DEVELOP THE MOVE.COM BRAND.

We cannot assure you that efforts to build brand awareness will be successful, and such failure would cause Move.com Group's financial performance to suffer. We believe that brand identity is important to attracting and expanding Move.com Group's user base, Internet traffic and advertising and

commerce relationships. Move.com Group believes the significance of brand recognition will intensify as the number of Web sites offering relocation services, real estate listings and related services increases.

Move.com Group's brand-building efforts will involve significant expense and we expect to spend approximately $70 million on such efforts during the next 12 months. If Move.com Group's brand enhancement strategy is unsuccessful, these expenses may never be recovered and Move.com Group's future revenue may not increase. In addition, even if brand-recognition increases, the number of new users or the number of transactions on the move.com network may not increase. Also, even if the number of new users increases, those users may not use the move.com network on a regular basis.

There are thousands of Web site addresses, or "domain names" containing the word "move," that have been registered to other users. To the extent consumers confuse other Web sites with those of Move.com Group, Move.com Group's reputation could be harmed and its business could suffer.

WE ARE CONTRACTUALLY RESTRICTED UNTIL SEPTEMBER 2002 FROM DISTRIBUTING LISTINGS TO THIRD PARTIES OR AGGREGATING LISTINGS FROM THIRD PARTIES ON THE MOVE.COM NETWORK AND THEREFORE MOVE.COM GROUP'S ABILITY TO EXPAND ITS LISTINGS IS LIMITED.

Under the terms of an agreement with an affiliate of homestore.com that expires in September 2002, we have agreed not to distribute or license individual home listings other than those represented by Cendant's real estate franchise systems on the move.com network. Under the same agreement, we may not aggregate home listings other than those represented by Cendant's real estate franchise systems. If possessing a larger number of home listings becomes an essential aspect of competing in the online relocation and real estate industries, Move.com Group's competitiveness may be reduced.

MOVE.COM GROUP MAY BE UNABLE TO SECURE MORTGAGE BROKER LICENSES IN ALL STATES.

Although Move.com Group's licenses are pending in all 50 states and the District of Columbia, Move.com is not currently authorized to do business as a mortgage broker. If Move.com fails to secure or maintain license approvals and exemptions throughout the country, Move.com Group will be unable to serve as a mortgage broker in some states, and consequently may not achieve expected revenue goals.

RISKS RELATED TO MOVE.COM GROUP'S INDUSTRY

MOVE.COM GROUP DEPENDS ON INCREASED USE OF THE INTERNET TO EXPAND ITS RELOCATION AND REAL ESTATE-RELATED ADVERTISING PRODUCTS AND SERVICES.

If the Internet fails to become a viable marketplace for relocation or real estate content and information, Move.com Group's business will not grow. Broad acceptance and adoption of the Internet by consumers and businesses when searching for relocation, real estate and related products and services will only occur if the Internet provides them with greater efficiencies and improved access to information. Move.com Group depends on selling many types of advertisements on the move.com network.

Move.com Group's business would be adversely affected if the market for Internet advertising fails to develop or develops more slowly than expected. Move.com Group's ability to generate advertising revenue from selling banner advertising and sponsorships on the move.com network will depend on, among other factors, the development of the Internet as an advertising medium, the amount of traffic on the move.com network and its ability to achieve and demonstrate user demographic characteristics that are attractive to advertisers. Most potential advertisers and their advertising agencies have only limited experience with the Internet as an advertising medium and have not devoted a significant portion of their advertising expenditures to Internet-based advertising. No standards have been widely accepted to measure the effectiveness of Web advertising. If these standards develop, existing advertisers might

reduce their current levels of Internet advertising or eliminate their spending entirely. The widespread adoption of technologies that permit Internet users to selectively block out unwanted graphics, including advertisements attached to Web pages, also could adversely affect the growth of the Internet as an advertising medium. In addition, advertisers in the real estate industry, including real estate professionals, have traditionally relied upon other advertising media, such as newsprint and magazines, and have invested substantial resources in other advertising methods. These persons may be reluctant to adopt a new strategy and advertise on the Internet.

INCREASED GOVERNMENT REGULATION AND LEGAL UNCERTAINTIES RELATING TO THE WEB COULD INCREASE MOVE.COM GROUP'S COSTS OF TRANSMITTING DATA AND INCREASE MOVE.COM GROUP'S LEGAL AND REGULATORY EXPENDITURES AND COULD DECREASE THE ATTRACTIVENESS OF ONLINE BUSINESS TO OTHER BUSINESSES AND OUR CUSTOMERS.

Existing domestic and international laws or regulations specifically regulate communications or commerce on the Internet. A number of legislative and regulatory proposals under consideration by federal, state, local and foreign governmental organizations may lead to laws or regulations concerning various aspects of the Internet, including:

- online content;

- user privacy;

- taxation;

- access charges;

- liability for third-party activities; and

- jurisdiction.

Several telecommunications companies have petitioned the Federal Communications Commission to regulate Internet service providers and online services providers in a manner similar to the regulation of long-distance telephone carriers and to impose access fees on such companies. This regulation, if imposed, could increase the cost of transmitting data over the Internet. Moreover, it may take years to determine the extent to which existing laws relating to issues such as intellectual property ownership and infringement and personal privacy are applicable to the Internet. The Federal Trade Commission and government agencies in certain states have been investigating certain Internet companies regarding their use of personal information. We could incur additional expenses if any new regulations regarding the use of personal information are introduced or if these agencies choose to investigate our privacy practices. Any new laws or regulations relating to the Internet, or certain application or interpretation of existing laws, could decrease the growth in the use of the Internet, decrease the demand for products and services offered on the move.com network or otherwise materially adversely affect Move.com Group's business.

AN INCREASE IN INTEREST RATES MAY REDUCE MORTGAGE TRANSACTIONS.

A high percentage of mortgage loan transactions involve the refinancing of existing mortgages. Homeowners are motivated to refinance primarily when interest rates fall below the rates of their existing mortgages. In the event interest rates increase significantly, homeowners' incentive to refinance will be greatly reduced and the number of loans that the industry originates could decline significantly. Similarly, if there were a sustained increase in interest rates, there would eventually be some impact on the market for purchase mortgages as higher monthly payments would make housing less affordable.

IF MOVE.COM GROUP IS UNABLE TO COMPLY WITH MORTGAGE BROKERAGE RULES AND REGULATIONS, MOVE.COM GROUP'S ABILITY TO ACT AS A MORTGAGE BROKER MAY BE RESTRICTED.

The mortgage brokering business is heavily regulated under federal and state laws. These laws and related regulations impose numerous obligations and restrictions on Move.com Group's activities. In particular, these rules limit the broker fees Move.com Group may assess, require extensive disclosure to consumers, regulate advertising practices, prohibit discrimination and impose on Move.com Group's multiple qualification and licensing obligations. Move.com Group may not always be in compliance with these requirements.

Move.com Group's failure to comply with these standards could lead to revocation of required licenses or registrations, loss of approved status, voiding of loan contracts, demands for loan repurchases from mortgage loan purchasers, class action lawsuits and administrative enforcement actions. These regulatory requirements are subject to change and may in the future become more restrictive, making compliance more difficult or expensive or otherwise restricting our ability to conduct our business. At the state level, we are subject to licensing and regulation in most of the states where we act as a mortgage broker.

Further, given our goals of creating a more integrated consumer experience around the home-buying process, we will increasingly find ourselves in a position where we market settlement services provided by vendors with whom we have business relationships or provide additional services ourselves in a way that may cause us to unintentionally be in violation of these rules.

Many federal laws and regulations that limit brokers' fees are unclear. In the last three years there has been significant litigation concerning limits on mortgage broker fees. The lack of clarity in this area of law is compounded when applied to mortgage brokers and lenders operating in an Internet environment and it is possible that plaintiffs' attorneys may attempt to assert similar allegations against Internet lenders.

RISKS RELATED TO CENDANT

DISCOVERY OF ACCOUNTING IRREGULARITIES AND RELATED LITIGATION AND SEC INVESTIGATION

Since the April 15, 1998 announcement of the discovery of accounting irregularities in the former business units of CUC International, Inc., the predecessor of Cendant, approximately 70 lawsuits claiming to be class action lawsuits, two lawsuits claiming to be brought derivatively on Cendant's behalf and several individual lawsuits and arbitration proceedings have been commenced in various courts and other forums against Cendant and other defendants, asserting various claims under the federal securities laws and certain state statutory and common laws, including claims that Cendant's previously issued financial statements allegedly were false and misleading and that Cendant allegedly knew or should have known that they caused the price of Cendant's securities to be artificially inflated. In addition, the staff of the SEC and the United States Attorney for the District of New Jersey are conducting investigations relating to the accounting issues. The SEC Staff has advised Cendant that its inquiry should not be construed as an indication by the SEC or its staff that any violations of law have occurred. For a full description of such litigation and proceedings, see Cendant's Annual Report on Form 10-K for the fiscal year ending December 31, 1999.

On December 7, 1999, we announced that Cendant reached a preliminary agreement to settle the principal securities class action pending against it in the U.S. District Court in Newark, New Jersey relating to the aforementioned class action lawsuits. Under the agreement, Cendant would pay the class members $2.83 billion in cash. The settlement remains subject to execution of a definitive settlement agreement and approval by the U.S. District Court. If the preliminary settlement is not approved by the U.S. District Court, Cendant can make no assurances that the final outcome or settlement of such proceedings will not be for an amount greater than that set forth in the preliminary agreement. If the

preliminary agreement is not approved and the final outcome is for an amount greater than previously agreed, it could have an adverse impact on the price of Move.com stock. For a description of the preliminary agreement to settle the common stock class action litigation, see Cendant's Form 8-K, dated December 7, 1999.

FORWARD LOOKING STATEMENTS; MARKET DATA

Certain statements under the captions "Prospectus Summary," "Risk Factors," "Use of Proceeds," "Management's Discussion and Analysis of Financial Condition and Results of Operations of Move.com Group" and "Business," and elsewhere in this prospectus are "forward-looking statements." These forward-looking statements include, but are not limited to, statements about our plans, objectives, expectations, intentions and assumptions and other statements that are not historical facts. When used in this prospectus, the words "expect," "anticipate," "intend," "plan," "believe," "seek," "estimate," and similar expressions are generally intended to identify forward-looking statements. Because these forward-looking statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. We do not intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by law.

This prospectus contains market data related to the residential real estate and Internet industries. This data has been included in the studies published by the Internet market research firms of Media Metrix, Forrester Research and International Data Corporation and the real estate information was obtained from various industry sources, including Realty Times and the National Association of Realtors. Although we believe that data from these companies is generally reliable, we have not independently verified such data.

WHERE YOU CAN FIND MORE INFORMATION

We file reports, prospectuses, proxy statements and other information with the SEC. You may read and copy any reports, proxy statements or other information we file at the SEC's public reference rooms in Washington, D.C., New York, New York and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. The SEC filings of Cendant Corporation are also available to the public from commercial document retrieval services and at the Web site maintained by the SEC at "HTTP://WWW.SEC.GOV."

The SEC allows us to "incorporate by reference" information into this prospectus. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus, except for any information superseded by information in this prospectus or in any subsequently filed document that is incorporated by reference in this prospectus. This prospectus incorporates by reference the documents set forth below that we have previously filed with the SEC. These documents contain important information about Cendant and its finances.

CENDANT CORPORATION SEC FILINGS (FILE NO. 1-10308)	PERIOD
Annual Report on Form 10-K	Year ended December 31, 1999
Current Report on Form 8-K	February 3, 2000

We also incorporate by reference any future filings made with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, prior to the termination of the offering.

We will provide you without charge upon written or oral request, a copy of any or all of the documents that are incorporated by reference into this prospectus. However, we will not send exhibits to such documents, unless the exhibits are specifically incorporated by reference in such documents. Requests should be directed to Cendant Corporation, 9 West 57th Street, New York, New York 10019, Attention: Investor Relations, Telephone: (212) 413-1800.

We intend to provide you with annual reports containing financial statements relating to Move.com Group and Cendant audited by our independent public accountants, with a discussion of such financial information and including a summary of Move.com Group's business.

You should rely only on the information contained in this prospectus. We have not authorized anyone to give any information or make any representation about us or this offering that is different from, or in addition to, that contained in this prospectus or in the materials that we have incorporated into this document. Therefore, if anyone does give you information of this sort, you should not rely on it. If you are in a jurisdiction where offers to sell, or solicitations of offers to buy, the securities offered by this document are unlawful, or if you are a person to whom it is unlawful to direct these types of activities, then the offer presented in this document does not extend to you. The information contained in this document speaks only as of the date of this document unless the information specifically indicates that another date applies.

USE OF PROCEEDS

We estimate that the net proceeds to Move.com Group from the sale of the shares of Move.com stock offered by this prospectus will be approximately $ ($ if the underwriters' over-allotment option is exercised in full), at an assumed initial public offering price of $ per share and, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. We will allocate all of the net proceeds from this offering to Move.com Group, including any net proceeds from the exercise of the underwriters' over-allotment option. If the underwriters' over-allotment is exercised in full and the concurrent offering is fully subscribed, the net proceeds to Move.com Group will be approximately $.

The principal purposes of this offering are to provide working capital to increase marketing expenditures, develop new products and expand the move.com network, to fund general corporate purposes, to create a public market for our Move.com stock and to facilitate our future access to the public capital markets. In addition, we may use a portion of the net proceeds to acquire or invest in complementary businesses, technologies, services or products. However, we currently have no commitments or agreements with respect to any such transactions. Since we have no specific allocation of proceeds committed at the present time, Move.com Group management will have broad discretion. Pending final application of the proceeds, they will be invested in short-term investment-grade instruments, certificates of deposit or direct or guaranteed obligations of the U.S. government or may be loaned to Cendant Group as an intercompany revolving credit balance. See "Cash Management and Allocation Policies."

DIVIDEND POLICY

We do not expect to pay any dividends for the foreseeable future on Move.com stock. We will, however, be permitted to pay dividends on:

- CD stock out of the assets of Cendant legally available for the payment of dividends under Delaware law, but the total amounts paid as dividends on CD stock cannot exceed the available dividend amount for Cendant Group; and

- Move.com stock out of the assets of Cendant legally available for the payment of dividends under Delaware law (and transfer corresponding amounts to Cendant Group in respect of its retained interest in Move.com Group), but the total of the amounts paid as dividends on Move.com stock and the corresponding amounts transferred to Cendant Group in respect of its retained interest in Move.com Group cannot exceed the available dividend amount for Move.com Group.

The "available dividend amount" for Cendant Group and Move.com Group, as the case may be, is based on the amount that would be legally available for the payment of dividends under Delaware law if either Cendant Group or Move.com Group, as applicable, was a single, separate Delaware corporation. For more information on the "available dividend amount" for Cendant Group and Move.com Group, see "Description of Capital Stock--Dividends." We expect that determinations to pay dividends on Move.com stock would be based primarily upon the financial condition, results of operations, capital requirements, any restrictions contained in financing or other agreements binding upon us and other factors that the board of directors deems relevant.

CAPITALIZATION

The following table sets forth the capitalization of Cendant as of December 31, 1999, as adjusted to give effect to:

- the re-classification of existing common stock of Cendant into CD stock and the creation of Move.com stock,

- the offering at an assumed initial public offering price of $ per share, after deducting estimated underwriting discounts and estimated expenses and assuming the underwriters do not exercise their option to purchase additional shares, and

- the closing of the concurrent offering and the sales of shares to Liberty Digital, Inc., Chatham Street Holdings LLC, and NRT Incorporated.

These tables should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations of Cendant Corporation" and the consolidated financial statements and the notes to those statements included elsewhere in this prospectus.

	AS OF DECEMBER 31, 1999	
	ACTUAL	AS ADJUSTED
	(IN MILLIONS)	
Cash and cash equivalents	$ 1,164	
Long-term debt(1)	$ 2,445	
Mandatorily redeemable preferred securities issued by subsidiary trust holding solely senior debentures issued by Cendant	1,478	
Shareholders' equity:		
Preferred stock, $0.01 par value, 10 million shares authorized; none issued and outstanding	--	
Move.com stock, $0.01 par value, 500 million shares authorized; none issued and outstanding		
CD stock, $0.01 par value, 2 billion shares authorized; issued 870,399,635	9	
Additional paid-in capital	4,102	
Retained earnings	1,425	
Accumulated other comprehensive loss	(42)	
Treasury stock, at cost, 163,818,148 shares	(3,288)	
Total shareholders' equity	2,206	
Total capitalization	$ 6,129	
Net book value per share	$ 3.12	
Net tangible book value per share	$ (2.44)	

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(1) Long-term debt excludes an aggregate of $2.3 billion of indebtedness of PHH, one of our subsidiaries, which is self sufficient in managing its funding sources to ensure adequate liquidity to finance assets under management.

SELECTED FINANCIAL DATA OF CENDANT CORPORATION

The following selected consolidated financial data is qualified by reference to, and should be read in conjunction with, the consolidated financial statements and the notes to those statements for Cendant Corporation and "Management's Discussion and Analysis of Financial Condition and Results of Operations of Cendant Corporation" appearing elsewhere in this prospectus.

	AT OR FOR THE YEAR ENDED DECEMBER 31,				
	1999	1998	1997	1996	1995
	(IN MILLIONS, EXCEPT PER SHARE DATA)				
OPERATIONS					
Net revenues	$ 5,402	$ 5,284	$ 4,240	$ 3,238	$2,616
Operating expense	1,795	1,870	1,322	1,183	1,025
Marketing and reservation expense	1,017	1,158	1,032	911	744
General and administrative expense	671	666	636	341	283
Depreciation and amortization expense	371	323	238	146	100
Other charges	3,032(1)	838(2)	704(3)	109(4)	97(5)
Interest expense, net	199	114	51	14	17
Net gain on dispositions of businesses	(1,109)	--	--	--	--
Provision (benefit) for income taxes	(406)	104	191	220	143
Minority interest, net of tax	61	51	--	--	--
INCOME (LOSS) FROM CONTINUING OPERATIONS	$ (229)	$ 160	$ 66	$ 314	$ 207
INCOME (LOSS) FROM CONTINUING OPERATIONS PER SHARE:					
Basic	$ (0.30)	$ 0.19	$ 0.08	$ 0.41	$ 0.30
Diluted	(0.30)	0.18	0.08	0.39	0.28
FINANCIAL POSITION					
Total assets	$15,149	$20,217	$14,073	$12,763	$8,520
Long-term debt	2,445	3,363	1,246	781	336
Assets under management and mortgage programs	2,726	7,512	6,444	5,729	4,956
Debt under management and mortgage programs	2,314	6,897	5,603	5,090	4,428
Mandatorily redeemable preferred securities issued by subsidiary holding solely senior debentures issued by the Company	1,478	1,472	--	--	--
Shareholders' equity	2,206	4,836	3,921	3,956	1,898
OTHER INFORMATION(6)					
Cash flows provided by (used in):					
Operating activities	$ 3,032	$ 808	$ 1,213	$ 1,493	$1,144
Investing activities	1,860	(4,352)	(2,329)	(3,091)	(1,789)
Financing activities	(4,788)	4,690	901	1,781	661

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(1) Represents charges of (i) $2,894 million ($1,839 million, after tax or $2.45 per diluted share) associated with the preliminary agreement to settle the principal shareholder securities class action suit, (ii) $7 million ($4 million, after tax or $0.01 per diluted share) in connection with the termination of the proposed acquisition of RAC Motoring Services, (iii) $21 million ($13 million, after tax or $0.02 per diluted share) of investigation-related costs, (iv) $87 million ($49 million, after tax or $0.07 per diluted share) comprised principally of an $85 million ($48 million, after tax or $0.06 per diluted share) charge incurred in conjunction with the Netmarket Group, Inc. transaction and (v) $23 million ($15 million, after tax or $0.02 per diluted share) of additional charges to fund an irrevocable contribution to an independent technology trust responsible for completing the transition of the Company's lodging franchisees to a Company sponsored property management system.

(2) Represents charges of (i) $351 million ($228 million, after tax or $0.26 per diluted share) associated with the agreement to settle the PRIDES securities class action suit, (ii) $433 million ($282 million, after tax or $0.32 per diluted share) for the costs of terminating the proposed acquisitions of American Bankers Insurance Group, Inc. and Providian Auto and Home Insurance Company, and (iii) $121 million ($79 million, after tax or $0.09 per diluted share) for investigation-related costs, including incremental financing costs, and executive terminations. Such charges are partially offset by a net credit of $67 million ($44 million, after tax or $0.05 per diluted share) associated with changes to the estimate of previously recorded merger-related costs and other unusual charges.

(3) Represents merger-related costs and other unusual charges of $704 million ($505 million, after tax or $0.58 per diluted share) primarily associated with the merger of HFS Incorporated and CUC International Inc. and the merger with PHH Corporation ("PHH") in April 1997.

(4) Represents merger-related costs and other unusual charges of $109 million ($70 million, after tax or $0.09 per diluted share) substantially related to the Company's August 1996 merger with Ideon Group, Inc. ("Ideon").

(5) Represents a provision of $97 million ($62 million after tax or $0.08 per diluted share) for costs related to the abandonment of certain Ideon development efforts and the restructuring of certain Ideon operations.

(6) There were no dividends declared during the periods presented above except for PHH and Ideon, which declared and paid dividends to their shareholders prior to their respective mergers with the Company.

OVERVIEW

We are one of the foremost providers of real estate related, travel related and direct marketing consumer and business services in the world. We were created through the December 1997 merger (the "Cendant Merger") of HFS Incorporated ("HFS") and CUC International Inc. ("CUC"). We provide business services to our customers, many of which are consumer services companies, and also provide fee-based services directly to consumers, generally without owning the assets or sharing the risks associated with the underlying businesses of our customers or collaborative partners.

We operate in four principal divisions--travel related services, real estate related services, direct marketing services and diversified services. Our businesses provide a wide range of complementary consumer and business services, which together represent eight business segments. The travel related services businesses facilitate vacation timeshare exchanges and franchise car rental and hotel businesses; the real estate related services businesses franchise real estate brokerage businesses, provide home buyers with mortgages, assist in employee relocation and provide consumers with relocation, real estate and home-related products and services through the move.com network of Web sites; and the direct marketing services businesses, provide an array of value driven products and services. Our diversified services include our tax preparation services franchise, information technology services, car parking facility services and other consumer-related services.

As a franchisor of hotels, real estate brokerage offices, car rental operations and tax preparation services, we license the owners and operators of independent businesses to use our brand names. We do not own or operate hotels, real estate brokerage offices, car rental operations or tax preparation offices (except for certain company-owned Jackson Hewitt Inc. offices, which we intend to franchise). Instead, we provide our franchisee customers with services designed to increase their revenue and profitability.

In connection with our previously announced program to focus on maximizing the opportunities and growth potential of our existing businesses, we divested several non-strategic businesses and assets and have completed or commenced certain other strategic initiatives related to our Internet businesses. Pursuant to such program, we completed the dispositions of North American Outdoor Group, Global Refund Group, the fleet business segment, Central Credit, Inc., Spark Services, Inc., Match.com, National Leisure Group, National Library of Poetry, Essex Corporation, Cendant Software Corporation, Hebdo Mag International, Inc., the Green Flag Group and Entertainment Publications, Inc. As a result of the divestitures program, we divested former CUC businesses representing approximately 45% of CUC's revenues in 1997, the year in which CUC merged with HFS (see "Liquidity and Capital Resources--Divestitures").

In addition to the above mentioned divestitures, we have recently initiated certain Internet strategies outlined below.

On March 21, 2000, our stockholders approved a proposal authorizing a new series of Cendant common stock to track the performance of the Move.com Group, an operator of a popular network of Web sites, which offer a wide selection of quality relocation, real estate and home-related products and services. The Move.com Group will integrate and enhance the online efforts of our residential real estate brands and those of our other real estate business units drawing on the success of our RentNet, Inc. ("RentNet") online apartment guide model. The Move.com Group commenced operations in the third quarter of 1999 with the move.com Internet site, our flagship site, becoming functional during January 2000. Prior to the formation of the Move.com Group, RentNet's historical financial information was included in our individual membership segment.

The Move.com Group currently generates the following types of revenue from its business partners: listing subscription fees, advertising fees, e-commerce, and Web site management fees. E-commerce revenue primarily includes mortgage referral and marketing fees. In addition to the move.com site itself, the Move.com Group assets include RentNet, our online apartment rental business acquired in January 1996 and previously included in our individual membership segment, National Home Connections, LLC, a facilitator of connecting and disconnecting utilities, processor of address changes and facilitator of moving related services and products, which was acquired in May 1999, and the assets of MetroRent, an online provider of apartment rental listings for buildings with 25 or fewer units, which was acquired in December 1999.

On September 15, 1999, we donated Netmarket Group, Inc., ("NGI") outstanding common stock to a charitable trust and NGI began operations as an independent company that will pursue the development of certain interactive businesses formerly within our direct marketing division. For a detailed discussion regarding the NGI transaction, see "Merger-Related Costs and Other Unusual Charges (Credits)--1999."

The following discussion should be read in conjunction with the information contained in our Consolidated Financial Statements and accompanying Notes thereto included elsewhere herein.

CONSOLIDATED OPERATIONS--1999 VS. 1998

REVENUES

Revenues increased $118 million (2%) in 1999 over 1998, which reflected growth in substantially all of our reportable operating segments despite the effects of dispositions of non-strategic businesses. Significant contributing factors which gave rise to such revenue growth included an increase in the amount of royalty fees received from our franchised brands within both our travel and real estate franchise segments and an increase in loan servicing revenues within our mortgage segment. In addition, we experienced growth and efficiencies within our direct marketing businesses. Revenues in 1999 included the full year operating results of our car park subsidiary, which was acquired in April 1998, compared to the post acquisition period in 1998. A detailed discussion of revenue trends from 1998 to 1999 is included in the section entitled "Results of Reportable Operating Segments--1999 vs. 1998."

OTHER CHARGES

LITIGATION SETTLEMENTS. On December 7, 1999, we reached a preliminary agreement to settle the principal securities class actions pending against us, other than certain claims relating to FELINE PRIDES securities discussed below. As a result of the settlement, we recorded a pre-tax charge of approximately $2.89 billion, an increase from approximately $2.87 billion previously reported. The increase is primarily the result of continued negotiation toward definitive documents relating to additional costs to be paid to the plaintiff class. This settlement is subject to final documentation and court approval (see "Liquidity and Capital Resources--Litigation").

During 1998, we reached a final agreement to settle a class action lawsuit that was brought on behalf of the holders of the FELINE PRIDES. As a result of the settlement, we recorded a pre-tax charge of $351 million.

TERMINATION OF PROPOSED ACQUISITIONS. During 1999, we announced our intention not to proceed with the acquisition of RAC Motoring Services and recorded a $7 million charge in connection with the write-off of acquisition costs. During 1998, we recorded a $433 million charge in connection with the termination of the proposed acquisitions of American Bankers Insurance Group, Inc. and Providian Auto and Home Insurance Company.

INVESTIGATION-RELATED COSTS. During 1999 and 1998, we incurred investigation-related costs of $21 million and $33 million, respectively, in connection with our discovery and announcement of accounting irregularities on April 15, 1998.

MERGER-RELATED COSTS AND OTHER UNUSUAL CHARGES (CREDITS). During 1999 and 1998, we recorded merger-related costs and other unusual charges (credits) of $110 million and ($67) million, respectively (see "Merger-Related Costs and Other Unusual Charges (Credits)").

OTHER CHARGES. During 1998, we incurred other charges of $53 million and $35 million in connection with the termination of certain of our former executives and investigation-related financing costs, respectively.

For a detailed discussion regarding Other Charges, see Note 5 to the Consolidated Financial Statements.

DEPRECIATION AND AMORTIZATION EXPENSE

Depreciation and amortization expense increased $48 million (15%) in 1999 over 1998 as a result of incremental amortization of goodwill and other intangible assets from 1998 acquisitions and capital spending primarily to support growth and enhance marketing opportunities in our businesses, partially offset by the impact of the disposal of non-strategic businesses.

INTEREST EXPENSE AND MINORITY INTEREST

Interest expense, net increased $85 million (75%) in 1999 over 1998 primarily as a result of an increase in the average debt balances outstanding and a nominal increase in the cost of funds. In addition, the composition of average debt balances during 1999 included longer term fixed rate debt carrying higher interest rates as compared to 1998. The weighted average interest rate on long-term debt increased to 6.4% in 1999 from 6.2% in 1998. Minority interest, net of tax increased $10 million (20%). Minority interest, net of tax is primarily related to distributions payable in cash on our FELINE PRIDES and the trust preferred securities issued in February 1998.

NET GAIN ON DISPOSITIONS OF BUSINESSES

During 1999, we recorded a net gain of $1.1 billion in connection with the disposition of certain non-strategic businesses. For a detailed discussion regarding such dispositions, see "Liquidity and Capital Resources--Divestiture Program."

PROVISION (BENEFIT) FOR INCOME TAXES

Our effective tax rate increased to a benefit of 70.7% in 1999 from an expense of 33.2% in 1998 primarily due to the impact of the disposition of our fleet businesses which was accounted for as a tax-free merger. Accordingly, nominal income taxes were provided on the net gain realized upon such disposition.

DISCONTINUED OPERATIONS

Pursuant to our program to divest non-strategic businesses and assets, we disposed of our consumer software and classified advertising businesses in January 1999 and December 1998, respectively. During 1998, we recorded a $405 million gain, net of tax, on the disposal of discontinued operations, which included our classified advertising and consumer software businesses. During 1999, we recorded an additional $174 million gain, net of tax, on the sale of discontinued operations, related to

the disposition of our consumer software business, coincident with the closing of the transaction and in connection with certain post-closing adjustments. Loss from discontinued operations, net of tax, was $25 million in 1998. For a detailed discussion regarding discontinued operations, see Note 4 to the Consolidated Financial Statements.

NET INCOME (LOSS)

Net income (loss) for 1999 decreased $595 million from 1998. Excluding the impact of (i) other charges in 1999 and 1998 of $1.92 billion and $545 million, respectively; (ii) net gain on dispositions of businesses in 1999 of $879 million and (iii) results of discontinued operations in 1999 and 1998 of $174 million and $380 million, respectively, net income increased $107 million (15%). The increase in net income reflected growth in our continuing businesses, see "Results of Reportable Operating Segments 1999 vs. 1998."

RESULTS OF REPORTABLE OPERATING SEGMENTS--1999 VS. 1998

The underlying discussions of each segment's operating results focuses on Adjusted EBITDA, which is defined as earnings before non-operating interest, income taxes, depreciation, amortization, and minority interest, adjusted to exclude net gains on dispositions of businesses and certain other charges which are of a non-recurring or unusual nature and are not included in assessing segment performance or are not segment-specific. Our management believes such discussion is the most informative representation of how management evaluates performance. However, our presentation of Adjusted EBITDA may not be comparable with similar measures used by other companies. For additional information, including a description of the services provided in each of our reportable operating segments, see Note 24 to the Consolidated Financial Statements.

	YEAR ENDED DECEMBER 31,							
	REVENUES			ADJUSTED EBITDA			ADJUSTED EBITDA MARGIN	
(DOLLARS IN MILLIONS)	1999	1998	% CHANGE	1999(1)	1998(2)	% CHANGE	1999	1998
Travel	$1,148	$1,063	8%	$ 586	$ 542	8%	51%	51%
Individual Membership	972	920	6%	127	(59)	*	13%	(6%)
Insurance/Wholesale	575	544	6%	180	138	30%	31%	25%
Real Estate Franchise	571	456	25%	424	349	21%	74%	77%
Relocation	415	444	(7%)	122	125	(2%)	29%	28%
Mortgage	397	353	12%	182	188	(3%)	46%	53%
Move.com Group	18	10	80%	(22)	1	*	*	10%
Diversified Services	1,099	1,107	(1%)	239	132	81%	22%	12%
Fleet	207	387	*	81	174	*	39%	45%
Total	$5,402	$5,284	2%	$1,919	$1,590	21%	36%	30%

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* Not meaningful.

(1) Excludes (i) a charge of $2.9 billion associated with the preliminary agreement to settle the principal shareholder securities class action suit, (ii) a charge of $7 million in connection with the termination of the proposed acquisition of RAC Motoring Services, (iii) a charge of $21 million of investigation-related costs, (iv) a charge of $87 million primarily incurred in connection with the Netmarket Group, Inc. transaction, (v) $23 million of additional charges to fund an irrevocable contribution to an independent technology trust responsible for completing the transition of the Company's lodging franchisees to a Company sponsored property management system and (vi) a credit of $1.1 billion for the net gain on the dispositions of businesses.

(2) Excludes (i) a charge of $351 million associated with the agreement to settle the PRIDES securities class action suit, (ii) charges of $433 million for the costs of terminating the proposed acquisitions of American Bankers Insurance Group, Inc.

and Providian Auto and Home Insurance Company, (iii) charges of $121 million for investigation-related costs, including incremental financing costs, and executive terminations and (iv) a net credit of $67 million associated with changes to the estimate of previously recorded merger-related costs and other unusual charges.

TRAVEL

Revenues and Adjusted EBITDA increased $85 million (8%) and $44 million (8%), respectively, in 1999 compared to 1998. Franchise fees increased $39 million (7%) in 1999, consisting of increases in lodging and car rental franchise fees of $26 million (7%) and $13 million (8%), respectively. Our franchise businesses experienced growth in 1999 compared to 1998 primarily due to increases in the amount of weighted average available rooms (24,000 incremental rooms domestically) and car rental days. Timeshare subscriptions and exchange revenues increased $18 million (5%), primarily as a result of increased volume. Also contributing to the revenue and Adjusted EBITDA increases was an $11 million bulk timeshare exchange transaction in 1999, largely offset by a $7 million decrease in gains from the sale of portions of our equity investment in Avis Rent A Car, Inc. ("ARAC"). The Adjusted EBITDA margin remained unchanged at 51% in 1999. Total expenses increased $40 million (8%), primarily due to increased volume; however, such increase included a $19 million increase in marketing and reservation fund expenses associated with our lodging franchise business unit that was offset by increased marketing and reservation revenues received from franchisees.

INDIVIDUAL MEMBERSHIP

Revenues and Adjusted EBITDA increased $52 million (6%) and $186 million, respectively, in 1999 compared to 1998. The Adjusted EBITDA margin improved to positive 13% from negative 6% for the same periods. The revenue growth is principally due to a greater number of members added year over year and increases in the average price of a membership. The increase in the Adjusted EBITDA margin is primarily due to the revenue increases, since many of the infrastructure costs associated with providing services to members are not dependent on revenue volume, and reduction in solicitation spending, as we further refined the targeted audiences for our direct marketing efforts and achieved greater efficiencies in reaching potential new members. Beginning September 15, 1999, certain of individual membership's online businesses were no longer consolidated into our operations as a result of the NGI transaction. In October 1999, we completed the divestiture of our North American Outdoor Group ("NAOG") business unit. The operating results of our former online membership businesses and NAOG were included through their respective disposition dates in 1999 versus being included for the full year in 1998. The divested businesses accounted for a net increase in revenues and Adjusted EBITDA of $11 million and $21 million, respectively in 1999 versus 1998. Excluding the operating results of our former online businesses and NAOG, revenues and Adjusted EBITDA increased $41 million and $165 million, respectively, in 1999 over 1998 and the Adjusted EBITDA margin increased to positive 18% from negative 3%. Additionally, revenues and Adjusted EBITDA in 1999 were incrementally benefited $13 million and $5 million, respectively, by the April 1998 acquisition of a company that, among other services, provides members with access to their personal credit information.

INSURANCE/WHOLESALE

Revenues and Adjusted EBITDA increased $31 million (6%) and $42 million (30%), respectively, in 1999 compared to 1998 primarily due to customer growth, which resulted from increases in affiliations with financial institutions. The increase in affiliations with financial institutions was attributable principally to international expansion, while the Adjusted EBITDA increase was due to improved profitability in international markets as well as a $25 million expense decrease related to longer amortization periods for certain customer acquisition costs as a result of a change in accounting estimate. International revenues and Adjusted EBITDA increased $28 million (23%) and $15 million (164%), respectively,

primarily due to a 37% increase in customers. The Adjusted EBITDA margin increased to 31% in 1999 from 25% in 1998. The Adjusted EBITDA margin for domestic operations was 37% in 1999, versus 31% in 1998. The Adjusted EBITDA margin for international operations was 16% for 1999, versus 7% in 1998. Domestic operations, which represented 74% of segment revenues in 1999, generated higher Adjusted EBITDA margins than international operations as a result of continued expansion costs incurred internationally to penetrate new markets. International operations, however, have become increasingly profitable as they have expanded over the last two years.

REAL ESTATE FRANCHISE

Revenues and Adjusted EBITDA increased $115 million (25%) and $75 million (21%), respectively, in 1999 compared to 1998. Royalty fees for the CENTURY 21(-Registered Trademark-), COLDWELL BANKER(-Registered Trademark-) and ERA(-Registered Trademark-) franchise brands collectively increased by $67 million (17%) primarily as a result of a 5% increase in home sale transactions by franchisees and an 8% increase in the average price of homes sold. Home sales by franchisees benefited from strong existing domestic home sales for the majority of 1999, as well as from expansion of our franchise system. Existing domestic home sales are expected to decline compared to 1999 as a result of increases in interest rates. Declining home sales will impact royalty income since royalty income is based on gross commission income earned by agents and brokers on the sale of homes. These declines are expected to be partially offset by increases in other areas of our business, such as real estate franchise sales and higher home resale prices. Beginning in the second quarter of 1999, the financial results of the advertising funds for the COLDWELL BANKER-Registered Trademark- and ERA-Registered Trademark- brands were consolidated into the results of the real estate franchise segment, increasing revenues by $31 million and expenses by a like amount, with no impact on Adjusted EBITDA. Revenues in 1999 benefited from $20 million generated from the sale of portions of our preferred stock investment in NRT Incorporated ("NRT"), the independent company we helped form in 1997 to serve as a consolidator of residential real estate brokerages. Since most costs associated with the real estate franchise business do not vary significantly with revenues, the increases in revenues, exclusive of the aforementioned consolidation of the advertising funds, contributed to an improvement of the Adjusted EBITDA margin to 79% in 1999 from 77% in 1998.

RELOCATION

Revenues and Adjusted EBITDA decreased $29 million (7%) and $3 million (2%), respectively, in 1999 compared with 1998 and the Adjusted EBITDA margin increased to 29% in 1999 from 28% in 1998. Operating results in 1999 benefited from a $13 million increase in referral fees and international relocation service revenue, offset by a comparable decline in home sales revenue. Total expenses decreased $26 million (8%), which included $15 million in cost savings from regional operations, technology and telecommunications, and $11 million in reduced expenses resulting from reduced government home sales and the sale of an asset management company in the third quarter of 1998. The asset management company contributed 1998 revenues and Adjusted EBITDA of $21 million and $16 million, respectively. In 1999, revenues and Adjusted EBITDA benefited from the sale of a minority interest in an insurance subsidiary, which resulted in $7 million of additional revenue and Adjusted EBITDA. In 1998, revenues and Adjusted EBITDA also benefited from an improvement in receivable collections, which permitted an $8 million reduction in billing reserve requirements.

MORTGAGE

Revenues increased $44 million (12%) and Adjusted EBITDA decreased $6 million (3%), respectively, in 1999 compared with 1998. The increase in revenues resulted from a $32 million increase in loan servicing revenues and a $12 million increase in loan closing revenues. The average servicing portfolio increased $10 billion (29%), with the average servicing fee increasing approximately seven basis points because of a reduction in the rate of amortization on servicing assets. The reduced rate of amortization was caused by higher mortgage interest rates in 1999. Total mortgage closing volume in 1999 was $25.6 billion, a decline of $400 million from 1998. However, purchase mortgage volume (mortgages for home buyers) increased $3.7 billion (24%) to $19.1 billion, offset by a $4.2 billion decline in mortgage refinancing volume. Moreover, purchase mortgage volume from the teleservices business (Phone In--Move In) and Internet business (Log In--Move In) increased $4.7 billion (63%), primarily because of increased purchase volume from our real estate franchisees. Industry origination volume is expected to be lower in 2000 compared to 1999 as a result of recent increases in interest rates and reduced refinancing volume. We expect to offset lower refinancing volume with increased purchase mortgage volume in 2000. The Adjusted EBITDA margin decreased from 53% in 1998 to 46% in 1999. Adjusted EBITDA decreased in 1999 because of a $17 million increase in expenses incurred within servicing operations for the larger of the increase in the average servicing portfolio and other expense increases for technology, infrastructure and teleservices to support capacity for volume anticipated in future periods. We anticipate that increased costs to support future volume will negatively impact Adjusted EBITDA through the first six months of 2000.

MOVE.COM GROUP

Move.com Group provides a broad range of quality relocation, real estate, and home-related products and services through its flagship portal site, move.com, and the move.com network. Revenues increased $8 million (80%) to $18 million, while Adjusted EBITDA decreased $23 million to a loss of $22 million in 1999 compared to 1998. These results reflect our increased investment in marketing and development of the portal and retention bonuses paid to Move.com Group employees.

DIVERSIFIED SERVICES

Revenues decreased $8 million (1%) and Adjusted EBITDA increased $107 million (81%), in 1999 compared to 1998. The April 1998 acquisition of National Car Park ("NCP") subsidiary, contributed incremental revenues and Adjusted EBITDA of $103 million and $48 million, respectively, in 1999 over 1998. Also contributing to an increase in revenues and Adjusted EBITDA in 1999 was $39 million of incremental income from investments and $13 million of revenues recognized in connection with a litigation settlement. The aforementioned revenue increases were partially offset by the impact of disposed operations, including Essex Corporation ("Essex") in January 1999, National Leisure Group and National Library of Poetry ("NLP") in May 1999, Spark Services, Inc. and Global Refund Group in August 1999, Central Credit, Inc. in September 1999 and Entertainment Publications, Inc. ("EPub") and Green Flag Group ("Green Flag") in November 1999. The operating results of disposed businesses were included through their respective disposition dates in 1999 versus being included for the full year in 1998 (except for Green Flag which was acquired in April 1998). Accordingly, revenues from divested businesses were incrementally less in 1999 by $138 million while Adjusted EBITDA improved $15 million. The increase in Adjusted EBITDA in 1999 over 1998 also reflects offsetting reductions in preferred alliance revenues and corporate expenses.

FLEET

On June 30, 1999, we completed the disposition of our fleet business segment (see "Liquidity and Capital Resources--Divestiture Program--Fleet). Revenues and Adjusted EBITDA were $207 million

and $81 million, respectively, in the first six months of 1999 and $387 million and $174 million, respectively, for the full year in 1998.

CONSOLIDATED OPERATIONS--1998 VS. 1997

REVENUES

Revenues increased $1.0 billion (25%) in 1998 over 1997, which reflected growth in substantially all of our reportable operating segments. Significant contributing factors which gave rise to such increases included substantial growth in the volume of mortgage services provided and an increase in the amount of royalty fees received from our franchised brands, principally within the real estate franchise segment.

DEPRECIATION AND AMORTIZATION EXPENSE

Depreciation and amortization expense increased $85 million (36%) in 1998 over 1997 as a result of incremental amortization of goodwill and other intangible assets from 1998 acquisitions and increased capital spending primarily to accommodate growth in our businesses.

OTHER CHARGES

We recorded a $351 million charge in connection with an agreement to settle a class action lawsuit that was brought on behalf of the holders of our Income and Growth FELINE PRIDES securities who purchased their securities on or prior to April 15, 1998. In addition, we recorded a $433 million charge related to the termination of proposed acquisitions, a $53 million charge related to the termination of certain of our former executives, and charges of $33 million and $35 million, respectively, of investigation-related costs and investigation-related financing costs. In addition, we recorded merger-related and other unusual charges (credits) of ($67) million and $704 million during 1998 and 1997, respectively. For a more detailed discussion of such charges (credits) see "Merger-Related Costs and Other Unusual Charges (Credits)" and Note 5 to the Consolidated Financial Statements.

INTEREST EXPENSE AND MINORITY INTEREST

Interest expense, net increased $63 million (124%) in 1998 over 1997 primarily as a result of incremental average borrowings during 1998 and a nominal increase in the cost of funds. We primarily used debt to finance $2.9 billion of acquisitions and investments during 1998, which resulted in an increase in the average debt balance outstanding as compared to 1997. The weighted average interest rate on long-term debt increased from 6.0% in 1997 to 6.2% in 1998. In addition to interest expense on long-term debt, we also incurred $51 million of minority interest, net of tax, primarily related to the preferred dividends payable in cash on our FELINE PRIDES and trust preferred securities issued in March 1998.

PROVISION FOR INCOME TAXES

Our effective tax rate was reduced to 33.2% in 1998 from 74.3% in 1997 due to the non-deductibility of a significant amount of unusual charges recorded during 1997 and the favorable impact in 1998 of reduced rates in international tax jurisdictions in which we commenced business operations during 1998. The 1997 effective income tax rate included a tax benefit on 1997 unusual charges, which were deductible at an effective rate of only 29.1%. Excluding unusual charges, the effective income tax rate on income from continuing operations in 1997 was 40.6%.

DISCONTINUED OPERATIONS

Pursuant to our program to divest non-strategic businesses and assets, we committed to discontinue our consumer software and classified advertising businesses in August 1998 and subsequently

sold such businesses in January 1999 and December 1998, respectively. We recorded a $405 million gain, net of tax on the disposition of such businesses in 1998. Loss from discontinued operations, net of tax was $25 million in 1998 compared to $26 million in 1997.

CUMULATIVE EFFECT OF ACCOUNTING CHANGE

In August 1998, we changed our accounting policy with respect to revenue and expense recognition for our membership businesses, effective January 1, 1997, and recorded a non-cash after-tax charge of $283 million to account for the cumulative effect of an accounting change.

NET INCOME (LOSS)

Net income (loss) for 1998 increased $757 million from 1997. Excluding the impact of (i) other charges of in 1998 and 1997 of $545 million and $505 million, respectively; (ii) results of discontinued operations in 1998 and 1997 of $380 million and ($26) million, respectively, and (iii) the cumulative effect of accounting change of $283 million, net income increased $108 million (18%). The increase in net income reflected growth in our continuing businesses, see "Results of Reportable Operating Segments--1998 vs. 1997."

RESULTS OF REPORTABLE OPERATING SEGMENTS--1998 VS. 1997

	YEAR ENDED DECEMBER 31,							
	REVENUES			ADJUSTED EBITDA			ADJUSTED EBITDA MARGIN	
(DOLLARS IN MILLIONS)	1998	1997	% CHANGE	1998 (1)	1997 (2)	% CHANGE	1998	1997
Travel	$1,063	$ 971	9%	$ 542	$ 467	16%	51%	48%
Individual Membership	920	773	19%	(59)	6	*	(6%)	1%
Insurance/Wholesale	544	483	13%	138	111	24%	25%	23%
Real Estate Franchise	456	335	36%	349	227	54%	77%	68%
Relocation	444	402	10%	125	93	34%	28%	23%
Mortgage	353	179	97%	188	75	151%	53%	42%
Move.com Group	10	6	67%	1	(1)	200%	10%	(17%)
Diversified Services	1,107	767	44%	132	151	(13%)	12%	20%
Fleet	387	324	19%	174	121	44%	45%	37%
Total	$5,284	$4,240	25%	$1,590	$1,250	27%	30%	29%

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* Not meaningful.

(1) Excludes (i) a charge of $351 million associated with the agreement to settle the PRIDES securities class action suit, (ii) charges of $433 million for the costs of terminating the proposed acquisitions of American Bankers Insurance Group, Inc. and Providian Auto and Home Insurance Company, (iii) charges of $121 million for investigation-related costs, including incremental financing costs, and executive terminations and (iv) a net credit of $67 million associated with changes to the estimate of previously recorded merger-related costs and other unusual charges.

(2) Excludes unusual charges of $704 million primarily associated with the Cendant Merger and the PHH Merger.

TRAVEL

Revenues and Adjusted EBITDA increased $92 million (9%) and $75 million (16%), respectively, in 1998 over 1997. Contributing to the revenue and Adjusted EBITDA increase was a $35 million (7%) increase in franchise fees, consisting of increases of $23 million (6%) and $12 million (8%) in lodging and car rental franchise fees, respectively. Our franchise businesses experienced increases during 1998 in worldwide available rooms (29,800 incremental rooms, domestically), revenue per available room, car rental days and average car rental rates per day. Timeshare subscription and exchange revenue increased $27 million (9%) as a result of a 7% increase in average membership volume and a 4% increase in the number of exchanges. Also contributing to the revenue and Adjusted EBITDA increase was $16 million of incremental fees received from preferred alliance partners seeking access to our franchisees and their customers, $13 million of fees generated from the execution of international master license agreements and an $18 million gain on our sale of one million shares of ARAC common stock in 1998. The aforementioned drivers supporting increases in revenues and Adjusted EBITDA were partially offset by a $37 million reduction in the equity in earnings of our investment in the car rental operations of ARAC as a result of reductions in our ownership percentage in such investment during 1997 and 1998. A $17 million (7%) increase in marketing and reservation costs resulted in the $17 million increase in total expenses while other operating expenses were relatively flat due to leveraging our corporate infrastructure among more businesses, which contributed to an improvement in the Adjusted EBITDA margin from 48% in 1997 to 51% in 1998.

INDIVIDUAL MEMBERSHIP

Revenues increased $147 million (19%) in 1998 over 1997 while Adjusted EBITDA and Adjusted EBITDA margin decreased $65 million and 7 percentage points, respectively, for the same period. The revenue growth was primarily attributable to an incremental $28 million associated with an increase in the average price of a membership, $26 million of increased billings as a result of incremental marketing arrangements, primarily with telephone and mortgage companies, and $36 million from the acquisition of a company in April 1998 that, among other services, provides members access to their personal credit information. Also contributing to the revenue growth are increased product sales and service fees, which are offered and provided to individual members. The reduction in Adjusted EBITDA and the Adjusted EBITDA margin is a direct result of a $104 million (25%) increase in membership solicitation costs. We increased our marketing efforts during 1998 to solicit new members and as a result increased our gross average annual membership base by approximately 3 million members (11%) at December 31, 1998, compared to the prior year. The growth in members during 1998 resulted in increased servicing costs during 1998 of approximately $33 million (13%). While the costs of soliciting and acquiring new members were expensed in 1998, the revenue associated with these new members will not begin to be recognized until 1999, upon expiration of the membership period.

INSURANCE/WHOLESALE

Revenues and Adjusted EBITDA increased $61 million (13%) and $27 million (24%), respectively, in 1998 over 1997, primarily due to customer growth. This growth generally resulted from increases in affiliations with financial institutions. Domestic operations, which comprised 77% of segment revenues in 1998, generated higher Adjusted EBITDA margins than the international businesses as a result of continued expansion costs incurred internationally to penetrate new markets.

Domestic revenues and Adjusted EBITDA increased $25 million (6%) and $24 million (22%), respectively. Revenue growth, which resulted from an increase in customers, also contributed to an improvement in the overall Adjusted EBITDA margin from 23% in 1997 to 25% in 1998, as a result of the absorption of such increased volume by the existing domestic infrastructure. International revenues and Adjusted EBITDA increased $36 million (41%) and $3 million (54%), respectively, due primarily to a 42% increase in customers while the Adjusted EBITDA margin remained relatively flat at 7%.

REAL ESTATE FRANCHISE

Revenues and Adjusted EBITDA increased $121 million (36%) and $122 million (54%), respectively, in 1998 over 1997. Royalty fees collectively increased for our CENTURY 21, COLDWELL BANKER and ERA franchise brands by $102 million (35%) as a result of a 20% increase in home sales by franchisees and a 13% increase in the average price of homes sold. Home sales by franchisees benefited from existing home sales in the United States reaching a record 5 million units in 1998, according to data from the National Association of Realtors, as well as from expansion of our franchise systems. Because many costs associated with the real estate franchise business, such as franchise support and information technology, do not vary directly with home sales volumes or royalty revenues, the increase in royalty revenues contributed to an improvement in the Adjusted EBITDA margin from 68% to 77%.

RELOCATION

Revenues and Adjusted EBITDA increased $42 million (10%) and $32 million (34%), respectively, in 1998 over 1997. The Adjusted EBITDA margin improved from 23% to 28%. The primary source of revenue growth was a $29 million increase in revenues from the relocation of government employees. We also experienced growth in the number of relocation-related services provided to client corporations and in the number of household goods moves handled, partially offset by lower home sale volumes. The divestiture of certain niche-market property management operations accounted for other revenue of $8 million. Expenses associated with government relocations increased in conjunction with the volume and revenue growth, but economies of scale and a reduction in overhead and administrative expenses permitted the reported improvement in the Adjusted EBITDA margin.

MORTGAGE

Revenues and Adjusted EBITDA increased $174 million (97%) and $113 million (151%), respectively, in 1998 over 1997, primarily due to strong mortgage origination growth and average fee improvement. The Adjusted EBITDA margin improved from 42% to 53%. Mortgage origination grew across all lines of business, including increased refinancing activity and a shift to more profitable sale and processing channels and was responsible for substantially all of the segment's revenue growth. Mortgage closings increased $14.3 billion (122%) to $26.0 billion and average origination fees increased 12 basis points, resulting in a $180 million increase in origination revenues. Although the servicing portfolio grew $9.6 billion (36%), net servicing revenue was negatively impacted by average servicing fees declining 7 basis points due to the increased refinancing levels in the 1998 mortgage market, which shortened the servicing asset life and increased amortization charges. Consequently, net servicing revenues decreased $9 million, partially offset by a $6 million increase in the sale of servicing rights. Operating expenses increased in all areas, reflecting increased hiring and expansion of capacity in order to support continued growth; however, revenue growth marginally exceeded such infrastructure enhancements.

MOVE.COM GROUP

Revenues and Adjusted EBITDA increased $4 million (67%) and $2 million (200%), respectively, in 1998 compared to 1997, primarily due to increases in listings, prices and the addition of new sponsors on the RentNet site. Offsetting the increase in revenue were increases in expenses primarily related to selling and marketing, product development and personnel costs. The revenues and expenses include only the operations of RentNet, which has been attributed to the Move.com Group. RentNet was previously included in our individual membership segment.

DIVERSIFIED SERVICES

Revenues increased $340 million (44%), while Adjusted EBITDA decreased $19 million (13%). Revenues increased primarily from acquired NCP, Green Flag and Jackson Hewitt Inc. operations, which contributed $410 million and $54 million to 1998 revenues and Adjusted EBITDA, respectively. The revenue increase attributable to 1998 acquisitions was partially offset by a $140 million reduction in revenues associated with the operations of certain of our ancillary businesses which were sold during 1997, including Interval International, Inc. ("Interval"), which contributed $121 million to 1997 revenues.

The revenue increase did not translate into increases in Adjusted EBITDA primarily due to asset write-offs, dispositions of certain ancillary business operations and approximately $8 million of incre-mental operating costs associated with establishing a consolidated worldwide data center. We wrote-off $37 million of impaired goodwill associated with NLP, and $13 million of certain of our equity investments in interactive membership businesses. Adjusted EBITDA in 1997 associated with aforementioned disposed ancillary operations included $27 million from Interval and $18 million related to services formerly provided to the casino industry. Our NCP, Green Flag and Jackson Hewitt Inc. subsidiaries contributed $93 million and $27 million to 1998 Adjusted EBITDA, respectively.

FLEET

On June 30, 1999, we completed the disposition of our fleet business segment for aggregate consideration of $1.8 billion (see "Liquidity and Capital Resources--Divestiture Program--Fleet"). Fleet business segment revenues and Adjusted EBITDA increased $63 million (19%) and $53 million (44%), respectively, in 1998 over 1997, contributing to an improvement in the Adjusted EBITDA margin from 37% to 45%. We acquired The Harpur Group Ltd. ("Harpur"), a fuel card and vehicle management company in the United Kingdom ("UK"), on January 20, 1998. Harpur contributed incremental revenues and Adjusted EBITDA in 1998 of $32 million and $21 million, respectively. The revenue increase is further attributable to a 12% increase in fleet leasing fees and a 31% increase in service fee revenue. The fleet leasing revenue increase is due to a 5% increase in pricing and a 7% increase in the number of vehicles leased, while the service fee revenue increase is the result of a 40% increase in number of fuel cards and vehicle maintenance cards partially offset by a 7% decline in pricing. The Adjusted EBITDA margin improvement reflects streamlining of costs at newly acquired Harpur and a leveraging of our corporate infrastructure among more businesses.

MERGER-RELATED COSTS AND OTHER UNUSUAL CHARGES (CREDITS)

1999. On September 15, 1999, Netmarket Group, Inc. began operations as an independent company that pursues the development of certain interactive businesses formerly within our direct marketing division. NGI owns, operates and develops the online membership businesses, including Netmarket.com, Travelers Advantage, Auto Vantage, Privacy Guard and Hagglezone.com, which collectively have approximately 1.4 million online members. Prior to September 15, 1999, our ownership of NGI was restructured into common stock and preferred stock interests. On September 15, 1999 (the "donation date"), we donated NGI's outstanding common stock to a charitable trust (the "Trust"), and NGI issued additional shares of its common stock to certain of its marketing partners. The structure allows NGI to use its equity to attract, retain and incent employees and permits NGI to pursue strategic alliances and acquisitions and to make operational and strategic decisions without the need to consider the impact of those decisions on Cendant. In addition, the contribution establishes a charitable foundation that may enhance our image in the marketplace. Although no assurances can be given, we believe the donation of NGI to a separate autonomous entity will increase the likelihood that NGI will be successful and increase in value thereby increasing the value of our investment. Our shareholders should benefit from the potential increased value of NGI. The beneficiaries of the Trust include The Inner City Games Foundation, the Susan G. Komen Breast Cancer Foundation, Inc. and Community Funds, Inc. The fair market value of NGI common stock on the donation date was estimated to be

approximately $20 million. We retained the opportunity to participate in NGI's value through the ownership of convertible preferred stock of NGI, which is ultimately convertible, at our option, beginning September 14, 2001, into approximately 78% of NGI's diluted common shares. The convertible preferred stock is accounted for using the cost method of accounting. The convertible preferred stock has a $5 million annual preferred dividend, which will be recorded in income if and when it becomes realizable. Accordingly, as a result of the change in ownership of NGI's common stock from us to independent third parties, prospective from the donation date, NGI's operating results are no longer included in our Consolidated Financial Statements. Subsequent to our contribution of NGI's common stock to the Trust, we provided a development advance of $77 million to NGI, which is contingently repayable to us if certain financial targets related to NGI are achieved. The purpose of the development advance was to provide NGI with the funds necessary to develop Internet related products and systems, that if successful, would significantly increase the value of NGI. Without these funds, NGI would not have sufficient funds for development activities contemplated in its business plans. Repayment of the advance is therefore solely dependent on the success of the development efforts. We recorded a charge, inclusive of transaction costs, of $85 million in connection with the donation of NGI shares to the charitable trust and the subsequent development advance.

Additionally in 1999, we incurred $23 million of additional charges to fund an irrevocable contribution to an independent technology trust responsible for completing the transition of our lodging franchisees to a Company sponsored property management system and $2 million of costs (included as a component of the table below) primarily resulting from further consolidation of European call centers in Cork, Ireland.

1997. We incurred merger-related costs and other unusual charges ("Unusual Charges") in 1997 related to continuing operations of $704 million primarily associated with the Cendant Merger ("the Fourth Quarter 1997 Charge") and the merger with PHH Corporation ("PHH") in April 1997 (the "PHH Merger" or the "Second Quarter 1997 Charge").

		ACTIVITY			
(IN MILLIONS)	UNUSUAL CHARGES	1997	1998	1999	DECEMBER 31, 1999
Fourth Quarter 1997 Charge	$455	$(258)	$(130)	$ (6)	$61
Second Quarter 1997 Charge	283	(207)	(60)	(5)	11
Total	738	(465)	(190)	(11)	72
Reclassification for discontinued operations	(34)	34	--	--	--
Total Unusual Charges related to continuing operations	$704	$(431)	$(190)	$(11)	$72

FOURTH QUARTER 1997 CHARGE. We incurred Unusual Charges in the fourth quarter of 1997 totaling $455 million substantially associated with the Cendant Merger and our merger in October 1997 with Hebdo Mag International, Inc., a classified advertising business. Reorganization plans were formulated prior to and implemented as a result of the mergers. We determined to streamline our corporate organization functions and eliminate several office locations in overlapping markets. Our management's plan included the consolidation of European call centers in Cork, Ireland and terminations of franchised hotel properties.

Unusual charges included $93 million of professional fees, primarily consisting of investment banking, legal, and accounting fees incurred in connection with the mergers. Personnel related costs of $171 million included $73 million of retirement and employee benefit plan costs, $24 million of restricted stock compensation, $61 million of severance resulting from consolidations of European call centers and certain corporate functions and $13 million of other personnel related costs. We provided for 474

employees to be terminated, the majority of which were severed. Business termination costs of $78 million consisted of a $48 million impairment write down of hotel franchise agreement assets associated with a quality upgrade program and $30 million of costs incurred to terminate a contract which may have restricted us from maximizing opportunities afforded by the Cendant Merger. Facility related and other unusual charges of $113 million included $70 million of irrevocable contributions to independent technology trusts for the direct benefit of lodging and real estate franchisees, $16 million of building lease termination costs and a $22 million reduction in intangible assets associated with our wholesale annuity business for which impairment was determined in 1997. During 1999 and 1998, we recorded a net adjustment of $2 million and ($27) million, respectively, to Unusual Charges with a corresponding increase (decrease) in liabilities primarily as a result of a change in the original estimate of costs to be incurred. We made cash payments of $8 million, $103 million and $152 million during 1999, 1998 and 1997, respectively, related to the Fourth Quarter 1997 Charge. Liabilities of $61 million remained at December 31, 1999, which were primarily attributable to future severance costs and executive termination benefits, which we anticipate that such liabilities will be settled upon resolution of related contingencies.

SECOND QUARTER 1997 CHARGE. We incurred $295 million of Unusual Charges in the second quarter of 1997 primarily associated with the PHH Merger. During the fourth quarter of 1997, as a result of changes in estimate, we adjusted certain merger-related liabilities, which resulted in a $12 million credit to Unusual Charges. Reorganization plans were formulated in connection with the PHH Merger and were implemented upon consummation. The PHH Merger afforded us, at such time, an opportunity to rationalize our combined corporate, real estate and travel-related businesses, and enabled our corresponding support and service functions to gain organizational efficiencies and maximize profits. We initiated a plan just prior to the PHH Merger to close hotel reservation call centers, combine travel agency operations and continue the downsizing of fleet operations by reducing headcount and eliminating unprofitable products. In addition, we initiated plans to integrate our relocation, real estate franchise and mortgage origination businesses to capture additional revenues through the referral of one business unit's customers to another. We also formalized a plan to centralize the management and headquarters functions of our corporate relocation business unit subsidiaries. Such initiatives resulted in write-offs of abandoned systems and leasehold assets commencing in the second quarter of 1997. The aforementioned reorganization plans included the elimination of PHH corporate functions and facilities in Hunt Valley, Maryland.

Unusual charges included $30 million of professional fees, primarily comprised of investment banking, accounting and legal fees incurred in connection with the PHH Merger. Personnel related costs of $154 million were associated with employee reductions necessitated by the planned and announced consolidation of our corporate relocation service businesses worldwide as well as the consolidation of corporate activities. Personnel related charges also included termination benefits such as severance, medical and other benefits and provided for retirement benefits pursuant to pre-existing contracts resulting from a change in control. Business termination charges of $56 million, which were comprised of $39 million of costs to exit certain activities primarily within our fleet management business (including $36 million of asset write-offs associated with exiting certain activities), a $7 million termination fee associated with a joint venture that competed with the PHH Mortgage Services business (presently Cendant Mortgage Corporation) and $10 million of costs to terminate a marketing agreement with a third party in order to replace the function with internal resources. Facility related and other charges totaling $43 million included costs associated with contract and lease terminations, asset disposals and other charges incurred in connection with the consolidation and closure of excess office space. During the year ended December 31, 1998, we recorded a net credit of $40 million to Unusual Charges with a corresponding reduction to liabilities primarily as a result of a change in the original estimate of costs to be incurred. We made cash payments of $5 million, $28 million and $150 million during 1999, 1998 and 1997, respectively, related to the Second Quarter 1997 Charge. Liabilities of $11 million remained at December 31, 1999, which are attributable to future severance and lease termination payments. We anticipate that severance will be paid in installments through April 2003 and lease terminations will be paid in installments through August 2002.

LIQUIDITY AND CAPITAL RESOURCES

STRATEGIC ALLIANCE

On December 15, 1999, we entered into a strategic alliance with Liberty Media Corporation ("Liberty Media") to develop Internet and related opportunities associated with our travel, mortgage, real estate and direct marketing businesses. Such efforts may include the creation of joint ventures with Liberty Media and others as well as additional equity investments in each others businesses.

We also agreed to assist Liberty Media in creating a new venture that will seek to provide broadband video, voice and data content to our hotels and their guests on a worldwide basis, in consideration for which we expect to receive an equity participation in such venture, subject to negotiation of mutually agreeable terms. We also agreed to pursue opportunities within the cable industry with Liberty Media to leverage our direct marketing resources and capabilities subject to negotiation of mutually agreeable terms.

On February 7, 2000, Liberty Media invested $400 million in cash to purchase 18 million shares of our common stock and a two-year warrant to purchase approximately 29 million shares of our common stock at an exercise price of $23.00 per share. The common stock, together with the common stock underlying the warrant, represents approximately 6.3% of our outstanding shares after giving effect to the aforementioned transaction. Liberty Media's Chairman, John C. Malone, Ph.D., will join our Board of Directors and has also committed to purchase one million shares of our common stock for approximately $17 million in cash.

MOVE.COM TRACKING STOCK

On March 21, 2000, our stockholders approved a proposal to authorize the issuance of a new series of our common stock ("tracking stock"). The tracking stock is intended to track the performance of the Move.com Group. There is currently no common stock outstanding related to the Move.com Group. Although the Move.com Group stock is intended to track the performance of the Move.com Group, holders, if any, will be subject to all of the risks associated with an investment in the Company and all of its businesses, assets and liabilities. The tracking stock offering will enable us to sell all or part of the Move.com Group stock in one or more private or public financings and perhaps create a public trading market for the Move.com Group stock. The use of proceeds from the current offering will be allocated to Move.com Group. In the third quarter of 1999, the Company began reporting the results of the Move.com Group as a separate business segment. See Note 24--Segment Information--Move.com Group for a description of the services provided.

OTHER

In connection with the recapitalization of NRT Incorporated ("NRT") in September 1999, we entered into an agreement with Chatham Street Holdings, LLC ("Chatham") as consideration for certain amendments made with respect to the NRT franchise agreements. Pursuant to the agreement, Chatham was granted the right, until September 30, 2001, to purchase up to 1.6 million shares of Move.com Group stock for approximately $16.02 per share. In addition, for every two shares of Move.com Group stock purchased by Chatham pursuant to the agreement, Chatham will be entitled to receive a warrant to purchase one share of Move.com Group stock at a price equal to $64.08 per share and a warrant to purchase one share of Move.com Group stock at a price equal to $128.16 per share. In March 2000, we made a $25 million investment in WMC Finance Co. ("WMC"), an online provider of sub-prime mortgages and an affiliate of Chatham. Chatham also granted us an option to purchase additional equity in WMC.

DIVESTITURE PROGRAM

In 1999, we completed our program to divest non-strategic businesses and assets, which began in the third quarter of 1998. Proceeds have been primarily used to repurchase our common stock and reduce our indebtedness. As a result of the divestiture program, we divested former CUC businesses representing 45% of CUC's revenues in 1997, the year in which CUC merged with HFS.

ENTERTAINMENT PUBLICATIONS, INC. On November 30, 1999, we completed the sale of approximately 85% of our EPub unit for $281 million in cash. We retained approximately 15% of EPub's common equity in connection with the transaction. In addition, we will have a designee on EPub's Board of Directors. We account for our investment in EPub using the equity method. We realized a net gain of approximately $156 million ($78 million, after tax).

GREEN FLAG. On November 26, 1999, we completed the sale of our Green Flag business unit for approximately $401 million in cash, including dividends of $37 million. We realized a net gain of approximately $27 million ($8 million, after tax).

FLEET. On June 30, 1999, we completed the disposition of our fleet business segment ("fleet segment" or "fleet businesses") to ARAC. Pursuant to the agreement, ARAC acquired the net assets of the fleet businesses through the assumption and subsequent repayment of $1.44 billion of intercompany debt and the issuance to us of $360 million of convertible preferred stock of Avis Fleet Leasing and Management Corporation ("Avis Fleet"), a wholly-owned subsidiary of ARAC. Coincident to the closing of the transaction, ARAC refinanced the assumed debt under management programs which was payable to us. Accordingly, we received additional consideration from ARAC comprised of $3.0 billion of cash proceeds and a $30 million receivable. We realized a net gain on the disposition of the fleet business segment of $881 million ($866 million, after tax) of which $715 million ($702 million, after tax) was recognized at the time of closing and $166 million ($164 million, after tax) was deferred at the date of disposition. The fleet segment disposition was structured as a tax-free reorganization and, accordingly, no tax provision has been recorded on a majority of the gain. However, pursuant to a recent interpretive ruling, the Internal Revenue Service ("IRS") has taken the position that similarly structured transactions do not qualify as tax-free reorganizations under Internal Revenue Code Section 368(a)(1)(A). If the transaction is not considered a tax-free reorganization, the resultant incremental liability could range between $10 million and $170 million depending upon certain factors including utilization of tax attributes and contractual indemnification provisions. Notwithstanding the IRS interpretive ruling, we believe that, based upon analysis of current tax law, our position would prevail, if challenged.

OTHER BUSINESSES. During 1999, we completed the dispositions of certain businesses, including NAOG, Central Credit, Inc., Global Refund Group, Spark Services, Inc., Match.com, National Leisure Group and NLP. Aggregate consideration received on the dispositions of such businesses was comprised of approximately $407 million in cash, including dividends of $21 million and $43 million in marketable securities. The Company realized a net gain of $202 million ($81 million, after tax) on the dispositions of these businesses.

FINANCING (EXCLUSIVE OF MANAGEMENT AND MORTGAGE PROGRAM FINANCING)

We have sufficient liquidity and access to liquidity through various sources, including our ability to access public equity and debt markets and financial institutions. We currently have a $750 million term loan facility with a syndicate of financial institutions. In addition, we also have committed back-up facilities totaling $1.8 billion, which are currently undrawn and available, with the exception of $5 million of letters of credit. Furthermore, we also had $2.55 billion of availability under existing shelf registration statements at December 31, 1999 which was subsequently reduced by $400 million in connection with the Liberty Media transaction. Our long-term debt, including current portion, was $2.8 billion at December 31, 1999 and consisted of (i) approximately $2.1 billion of publicly issued fixed rate debt comprised of $400 million of 7 1/2% senior notes, $1,148 million of 7 3/4% senior notes and $547 million of 3%

convertible subordinated notes and (ii) $750 million of borrowings under a term loan facility. On January 21, 2000, we redeemed all outstanding 7 1/2% senior notes at a redemption price of 100.695% of par, plus accrued interest, using available cash. Our credit facilities contain certain restrictive covenants, including restrictions on indebtedness of material subsidiaries, mergers, limitations on liens, liquidations and sale and leaseback transactions, and require the maintenance of certain financial ratios.

FINANCING RELATED TO MANAGEMENT AND MORTGAGE PROGRAMS

Our PHH subsidiary operates our mortgage and relocation services businesses as a separate public reporting entity and supports the origination of mortgages and advances under relocation contracts primarily by issuing commercial paper and medium term notes and maintaining secured obligations. Such financing is not classified based on contractual maturities, but rather is included in liabilities under management and mortgage programs rather than long-term debt since such debt corresponds directly with high quality related assets. PHH continues to pursue opportunities to reduce its borrowing requirements by securitizing increasing amounts of its high quality assets. Additionally, we entered into a revolving sales agreement, under which an unaffiliated buyer (the "Buyer"), Bishops Gate Residential Mortgage Trust, a special purpose entity, committed to purchase, at our option, mortgage loans originated by us on a daily basis, up to the Buyer's asset limit of $2.1 billion. Under the terms of this sale agreement, we retain the servicing rights on the mortgage loans sold to the Buyer and arrange for the sale or securitization of the mortgage loans into the secondary market. The Buyer retains the right to select alternative sale or securitization arrangements. At December 31, 1999 and 1998, we were servicing approximately $813 million and $2.0 billion, respectively, of mortgage loans owned by the Buyer.

PHH debt is issued without recourse to the parent company. Our PHH subsidiary expects to continue to maximize its access to global capital markets by maintaining the quality of its assets under management. This is achieved by establishing credit standards to minimize credit risk and the potential for losses. PHH minimizes its exposure to interest rate and liquidity risk by effectively matching floating and fixed interest rate and maturity characteristics of funding to related assets, varying short and long-term domestic and international funding sources, and securing available credit under committed banking facilities. Depending upon asset growth and financial market conditions, our PHH subsidiary utilizes the United States commercial paper markets, public and private debt markets, as well as other cost-effective short-term instruments. Augmenting these sources, our PHH subsidiary will continue to manage outstanding debt with the potential sale or transfer of managed assets to third parties while retaining fee-related servicing responsibility. At December 31, 1999, aggregate borrowings were comprised of commercial paper, medium-term notes, secured obligations and other borrowings of $0.6 billion, $1.3 billion, $0.3 billion, and $0.1 billion, respectively.

PHH filed a shelf registration statement with the SEC, effective March 2, 1998, for the aggregate issuance of up to $3.0 billion of medium-term note debt securities. These securities may be offered from time to time, together or separately, based on terms to be determined at the time of sale. As of December 31, 1999, PHH had approximately $375 million of availability remaining under this shelf registration statement. Proceeds from future offerings will continue to be used to finance assets PHH manages for its clients and for general corporate purposes.

SECURED OBLIGATIONS. In December 1999, our PHH subsidiary renewed its 364 day financing agreement to sell mortgage loans under an agreement to repurchase such mortgages. The agreement is collateralized by the underlying mortgage loans held in safekeeping by the custodian to the agreement. The total commitment under this agreement is $500 million and is renewable on an annual basis at the discretion of the lender in accordance with the securitization agreement. Mortgage loans financed under this agreement at December 31, 1999 and 1998 totaled $345 million and $378 million, respectively.

We are currently in the process of creating a new securitization facility to purchase interests in the rights to payment related to our relocation receivables. Although no assurances can be given, we expect that such facility will be in place by the end of the first quarter of 2000.

OTHER. To provide additional financial flexibility, PHH's current policy is to ensure that minimum committed facilities aggregate 100 percent of the average amount of outstanding commercial paper. As of December 31, 1999, PHH maintained $2.5 billion of unsecured committed credit facilities, which were provided by domestic and foreign banks. On February 28, 2000, PHH reduced these facilities to $1.5 billion to reflect reduced borrowing needs of PHH after the disposition of its fleet businesses. The facilities consist of a $750 million revolving credit maturing in February 2001 and a $750 million revolving credit maturing in February 2005. Our management closely evaluates not only the credit of the banks but also the terms of the various agreements to ensure ongoing availability. The full amount of PHH's committed facilities at December 31, 1999 was undrawn and available. Our management believes that our current policy provides adequate protection should volatility in the financial markets limit PHH's access to commercial paper or medium-term notes funding. PHH continuously seeks additional sources of liquidity to accommodate PHH asset growth and to provide further protection from volatility in the financial markets.

In the event that the public debt market is unable to meet PHH's funding needs, we believe that PHH has appropriate alternative sources to provide adequate liquidity, including current and potential future securitized obligations and its revolving credit facilities.

On July 10, 1998, PHH entered into a Supplemental Indenture No. 1 (the "Supplemental Indenture") with a bank, as trustee, under the Senior Indenture dated as of June 5, 1997, which formalizes PHH's policy of limiting the payment of dividends and the outstanding principal balance of loans to us to 40% of consolidated net income (as defined in the Supplemental Indenture) for each fiscal year. The Supplemental Indenture prohibits PHH from paying dividends or making loans to us if upon giving effect to such dividends and/or loan, PHH's debt to equity ratio exceeds 8 to 1, at the time of the dividend or loan, as the case may be.

LITIGATION

Since 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, two lawsuits claiming to be brought derivatively on our behalf and several individual lawsuits and arbitration proceedings have been commenced in various courts and other forums against us and other defendants by or on behalf of persons claiming to have purchased or otherwise acquired securities or options issued by CUC or us between May 1995 and August 1998. The Court has ordered consolidation of many of the actions.

In addition, in October 1998, an action claiming to be a class action was filed against us and four of our former officers and directors by persons claiming to have purchased American Bankers' stock between January and October 1998. The complaint claimed that we made false and misleading public announcements and filings with the SEC in connection with our proposed acquisition of American Bankers allegedly in violation of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, and that the plaintiff and the alleged class members purchased American Bankers' securities in reliance on these public announcements and filings at inflated prices. On April 30, 1999, the United States District Court for New Jersey found that the class action failed to state a claim upon which relief could be granted and, accordingly, dismissed the complaint. The plaintiff has appealed the District Court's findings to the U.S. Court of Appeals for the Third Circuit as such appeal is pending.

The SEC and the United States Attorney for the District of New Jersey are conducting investigations relating to the matters referenced above. The SEC advised us that its inquiry should not be construed as an indication by the SEC or its staff that any violations of law have occurred. As a result of the findings from our internal investigations, we made all adjustments considered necessary which are reflected in

our previously filed restated financial statements for the years ended 1997, 1996 and 1995 and for the six months ended June 30, 1998. Although we can provide no assurances that additional adjustments will not be necessary as a result of these government investigations, we do not expect that additional adjustments will be necessary.

As previously disclosed, we reached a final agreement with plaintiffs' counsel representing the class of holders of our PRIDES securities who purchased their securities on or prior to April 15, 1998 to settle their class action lawsuit against us through the issuance of a new "Right" for each PRIDES security held. See Notes 5 and 13 to the Consolidated Financial Statements for a more detailed description of the settlement.

On December 7, 1999, we announced that we reached a preliminary agreement to settle the principal securities class action pending against us in the U.S. District Court in Newark, New Jersey relating to the common stock class action lawsuits. Under the agreement, we would pay the class members approximately $2.85 billion in cash, an increase from approximately $2.83 billion previously reported. The increase is a result of continued negotiation toward definitive documents relating to additional costs to be paid to the plaintiff class. The settlement remains subject to execution of a definitive settlement agreement and approval by the U.S. District Court. If the preliminary settlement is not approved by the U.S. District Court, we can make no assurances that the final outcome or settlement of such proceedings will not be for an amount greater than that set forth in the preliminary agreement.

The proposed settlements do not encompass all litigation asserting claims 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 our consolidated financial position or liquidity.

Our plan to finance the settlement reflects the existence of a range of financing alternatives which we have considered to be potentially available. At a minimum, these alternatives entail using various combinations of (i) available cash, (ii) debt securities and/or (iii) equity securities. The choice among alternatives will depend on numerous factors, including the timing of the actual settlement payment, the relative costs of various securities, our cash balance, our projected post-settlement cash flows and market conditions.

CREDIT RATINGS

Our long-term debt credit ratings are BBB with Standard & Poor's Corporations ("Standard & Poor's"), Baa1 with Moody's Investors Service Inc. ("Moody's"), and BBB+ with Duff & Phelps Credit Rating Co. ("Duff & Phelps"). Our short-term debt ratings are P2 with Moody's, and D2 with Duff & Phelps.

Following the execution of our agreement to dispose of our fleet segment, Fitch IBCA lowered PHH's long-term debt rating from A+ to A and affirmed PHH's short-term debt rating at F1, and Standard & Poor's affirmed PHH's long-term and short-term debt ratings at A-/A2. Also, in connection with the closing of the transaction, Duff & Phelps lowered PHH's long-term debt rating from A+ to A and PHH's short-term debt rating was reaffirmed at D1. Moody's lowered PHH's long-term debt rating from A3 to Baa1 and affirmed PHH's short-term debt rating at P2. (A security rating is not a recommendation to buy, sell or hold securities and is subject to revision or withdrawal at any time).

COMMON SHARE REPURCHASES

During 1999, our Board of Directors authorized an additional $1.8 billion of our common stock to be repurchased under our common share repurchase program, increasing the total authorized amount that

can be repurchased under the program to $2.8 billion. As of December 31, 1999, we repurchased a total of $2.0 billion (104 million shares) of our common stock under the program.

Subsequent to December 31, 1999, we repurchased an additional $132 million (6 million shares) of our common stock under the repurchase program as of February 24, 2000.

In July 1999, pursuant to a Dutch Auction self-tender offer to our shareholders, we purchased 50 million shares of our common stock at a price of $22.25 per share.

CASH FLOWS (1999 VS. 1998)

We generated $3.0 billion of cash flows from operations in 1999 representing a $2.2 billion increase from 1998. The increase in cash flows from operations was primarily due to a $1.2 billion increase in net income as adjusted for discontinued operations activity, net gain on dispositions of businesses and non-cash charges. Additionally, the increase in cash flows from operations was due to a $2.1 billion net reduction in mortgage loans held for sale, which reflects larger loan sales to the secondary markets in proportion to loan originations.

We generated $1.9 billion in cash flows from investing activities in 1999 representing a $6.2 billion increase from 1998. The incremental cash flows in 1999 from investing activities was primarily attributable to a $3.2 billion increase in net proceeds from the sale of subsidiaries, primarily related to the fleet businesses, and a $2.6 billion decrease in cash used in acquisition-related activity (acquisitions in 1998 included NCP, Green Flag and Jackson Hewitt). Additionally, we invested $227 million less cash in management and mortgage programs primarily due to the disposition of the fleet businesses.

We used net cash of $4.8 billion in financing activities in 1999 compared to providing net cash of $4.7 billion from such activities in 1998. The increase of $9.5 billion of cash flows used in financing activities during 1999 included $2.6 billion incremental repurchases of common stock in 1999 and a $3.1 billion decrease in proceeds from borrowings in 1999 over 1998. Additionally, we issued the FELINES PRIDES in 1998 for proceeds of approximately $1.5 billion. Net cash used in the financing of management and mortgage programs increased $2.7 billion primarily due to repayments of borrowings.

CAPITAL EXPENDITURES

In 1999, $277 million was invested in property and equipment to support operational growth and enhance marketing opportunities. In addition, technological improvements were made to improve operating efficiencies. Capital spending in 1999 included the development of integrated business systems and other investments in information systems within several of our segments as well as additions to car park properties for NCP.

OTHER INITIATIVES

We continue to explore ways to increase efficiencies and productivity and to reduce the cost structures of our respective businesses. Such actions could include downsizing, consolidating, restructuring or other related efforts, which we anticipate would be funded through current operations. No assurances may be given that any plan of action will be undertaken or completed.

YEAR 2000

The following disclosure is a Year 2000 readiness disclosure statement pursuant to the Year 2000 Readiness and Disclosure Act:

In order to minimize or eliminate the effect of the Year 2000 risk on our business systems and applications, we identified, evaluated, implemented and tested changes to our computer systems, applications and software necessary to achieve Year 2000 compliance. Our computer systems and

equipment successfully transitioned to the Year 2000 with no significant issues. We continue to keep our Year 2000 project management in place to monitor latent problems that could surface at key dates or events in the future. We do not anticipate any significant problems related to these events. The total cost of our Year 2000 compliance plan was approximately $54 million. We expensed and capitalized the costs to complete the compliance plan in accordance with appropriate accounting policies.

IMPACT OF NEW ACCOUNTING PRONOUNCEMENTS

In June 1999, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 137 "Accounting for Derivative Instruments and Hedging Activities--Deferral of the Effective Date of FASB Statement No. 133." SFAS No. 137 defers the effective date of SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities", issued in June 1998, to fiscal years commencing after June 15, 2000. SFAS No. 133 requires that all derivatives be recorded in the Consolidated Balance Sheets as assets or liabilities and measured at fair value. If the derivative does not qualify as a hedging instrument, changes in fair value are to be recognized in net income. If the derivative does qualify as a hedging instrument, changes in fair value are to be recognized either in net income or other comprehensive income consistent with the asset or liability being hedged. We have developed an implementation plan to adopt SFAS No. 133. Completion of the implementation plan and determination of the impact of adopting SFAS No. 133 is expected to be completed by the fourth quarter of 2000. We will adopt SFAS No. 133 on January 1, 2001, as required.

In December 1999, the Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin ("SAB") No. 101 "Revenue Recognition in Financial Statements." SAB No. 101 draws upon the existing accounting rules and explains those rules, by analogy, to other transactions that the existing rules do not specifically address. In accordance with SAB No. 101, we will revise certain revenue recognition policies regarding the recognition of non-refundable one-time fees and the recognition of pro rata refundable subscription revenues. We currently recognize non-refundable one-time fees at the time of contract execution and cash receipt. This policy will be changed to the recognition of non-refundable one-time fees ratably over the life of the underlying contract. We currently recognize pro rata refundable subscription revenue, net of related procurement costs, over the subscription period. This policy will be changed to straight line recognition of the pro rata refundable subscription revenue over the subscription period. The percentage of annual revenues earned from non-refundable one-time fees and from pro rata refundable subscription revenues is not material to consolidated net revenues. We will adopt SAB No. 101 on January 1, 2000, and will record a non-cash charge of approximately $89 million ($56 million, after tax) to account for the cumulative effect of the accounting change.

FORWARD LOOKING STATEMENTS

We make statements about our future results in this Annual Report that may constitute "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on our current expectations and the current economic environment. We caution you that these statements are not guarantees of future performance. They involve a number of risks and uncertainties that are difficult to predict. Our actual results could differ materially from those expressed our implied in the forward-looking statements. Important assumptions and other important factors that could cause our actual results to differ materially from those in the forward-looking statements, include, but are not limited to:

- the resolution or outcome of the pending litigation and government investigations relating to the previously announced accounting irregularities;

- uncertainty as to our future profitability and our ability to integrate and operate successfully acquired businesses and the risks associated with such businesses;

- our ability to successfully implement our plan to create a tracking stock for our new real estate portal;

- our ability to develop and implement operational and financial systems to manage rapidly growing operations;

- competition in our existing and potential future lines of business;

- our ability to obtain financing on acceptable terms to finance our growth strategy and for us to operate within the limitations imposed by financing arrangements; and

- the effect of changes in current interest rates.

We derived the forward-looking statements in this Annual Report from the foregoing factors and from other factors and assumptions, and the failure of such assumptions to be realized as well as other factors may also cause actual results to differ materially from those projected. We assume no obligation to publicly correct or update these forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting such forward-looking statements or if we later become aware that they are not likely to be achieved.

SELECTED FINANCIAL DATA OF MOVE.COM GROUP

The following selected combined financial data is qualified by reference to, and should be read in conjunction with, the combined financial statements and the notes to those statements for Move.com Group and "Management's Discussion and Analysis of Financial Condition and Results of Operations of Move.com Group" appearing elsewhere in this prospectus. The selected combined statement of operations data presented below for the period from February 8, 1996 (the Rent Net acquisition date) through December 31, 1999 are derived from Move.com Group's combined financial statements. The combined financial data of Move.com Group should be read in conjunction with the consolidated financial statements of Cendant appearing elsewhere in this prospectus.

	AS OF OR FOR THE YEAR ENDED DECEMBER 31,			PERIOD FROM FEBRUARY 8, 1996 (THE RENT NET ACQUISITION DATE) THROUGH DECEMBER 31,
	1999(1)	1998(1)	1997(1)	1996(1)
	(IN THOUSANDS)			
STATEMENT OF OPERATIONS DATA:				
Net revenue	$ 17,647	$ 9,674	$ 5,670	$ 1,081
Cost of revenue	3,149	1,664	1,091	632
Gross profit	14,498	8,010	4,579	449
Operating expenses:				
Product development	3,940	193	--	14
Selling and marketing	16,020	5,484	3,906	2,335
General and administrative	16,751	1,922	1,227	604
Depreciation and amortization	2,217	1,826	934	604
Total operating expenses	38,928	9,425	6,067	3,557
Loss before income tax benefit	(24,430)	(1,415)	(1,488)	(3,108)
Income tax benefit	9,976	572	603	1,266
Net loss	$(14,454)	$ (843)	$ (885)	$(1,842)
BALANCE SHEET DATA:				
Cash and cash equivalents	$ 1,009	$ --	$ --	$ --
Working capital deficit	(9,296)	(1,497)	(785)	(287)
Total assets	22,000	8,614	7,417	3,559
Total liabilities	20,975	4,379	2,181	878
Group equity	1,025	4,235	5,236	2,681

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(1) Earnings per share for the Move.com Group is not presented because it is not a stand-alone entity, and as a result, the presentation of earnings per share is not applicable. After the issuance of Move.com stock, Cendant intends to present earnings per share using the two-class method. Under this method, an earnings allocation formula is used to determine earnings per share for each class of common stock according to the participation rights in undistributed earnings. Earnings per share for the Move.com Group will be computed by dividing (a) the product of the earnings of Move.com Group multiplied by the outstanding Move.com stock "fraction," by (b) the weighted average number of shares of outstanding Move.com stock and dilutive Move.com Group stock equivalents during the applicable period. The outstanding Move.com Group "fraction" is a fraction, the numerator of which is the number of shares of Move.com stock outstanding and the denominator of which is the number of shares that, if issued, would represent 100% of the equity in earnings or losses of Move.com Group. Basic and diluted earnings per share will be presented for each class of stock.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF MOVE.COM GROUP

THE FOLLOWING DISCUSSION OF THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF MOVE.COM GROUP SHOULD BE READ IN CONJUNCTION WITH THE COMBINED FINANCIAL STATEMENTS AND RELATED NOTES INCLUDED ELSEWHERE IN THIS PROSPECTUS AND THE CONSOLIDATED FINANCIAL STATEMENTS AND RELATED NOTES OF CENDANT APPEARING ELSEWHERE IN THIS PROSPECTUS.

OVERVIEW

Move.com Group provides a broad range of quality relocation, real estate and home-related products and services through its flagship portal site, move.com, and the move.com network. The move.com Web site was launched on January 27, 2000. Move.com Group's operations include the move.com network and the businesses of:

- Rent Net (an operator of online rental guides acquired in February 1996);

- Metro-Rent, Inc. (an online provider of fee-based apartment vacancy reports, acquired in December 1999);

- National Home Connections, LLC (a facilitator of connecting and disconnecting utilities, processor of address changes and provider of moving-related products and services, acquired in May 1999); and

- Move.com Mortgage, Inc. (a mortgage marketing company).

The non-internet related businesses of Cendant as well as individual Web sites of each of Cendant's real estate franchise systems are part of Cendant Group, which includes all of the businesses operated by Cendant other than the businesses that are part of Move.com Group. However, the franchise systems' Web sites are considered part of the move.com network as a result of Intracompany Agreements that permit Move.com Group to manage and sell advertisements on these sites and display home listings from the CENTURY 21(-Registered Trademark-), COLDWELL BANKER(-Registered Trademark-) and ERA(-Registered Trademark-) real estate franchise systems. Through an additional Intracompany Agreement, Move.com Group provides online local merchant discount offers for customers of Welcome Wagon, a distributor of welcoming packages to new homeowners and consumers throughout the United States and Canada. Move.com Group allows users to apply for and obtain mortgage products and services through arrangements with Cendant Mortgage Corporation, for which Move.com Group is compensated under a marketing agreement with Cendant Mortgage, provides users with relocation services and information derived from Cendant Mobility's expertise, and provides users with access to third-party providers of relocation, real estate and home-related content and services.

Move.com Group is accounted for as a single business segment, although net revenue is derived from four primary sources: subscriptions, sponsorships, e-commerce and other revenue. Subscription revenue includes listing fees paid by various apartment, senior housing, corporate housing and self storage managers. Sponsorship revenue includes advertising and lead-generation fees paid by business partners. E-commerce revenue includes revenue from Welcome Wagon and transaction-based fees from consumers and businesses, related to mortgage referrals, MetroRent and National Home Connections. Other revenue includes fees for Web site management and marketing fees from an online home listing agreement.

Move.com Group has not achieved profitability on a quarterly or annual basis to date, and anticipates that it will incur higher net losses in the future. The extent of these losses will depend, in part, on the amount and rates of growth in Move.com Group's net revenue from subscriptions, sponsorships and e-commerce. Move.com Group expects its operating expenses to increase significantly, especially in the areas of sales and marketing. As a result, Move.com Group will need to increase its net revenue to

achieve profitability. Move.com Group believes that pro forma period-to-period comparisons of its operating results are not meaningful and that you should not rely upon the results for any period as an indication of future performance. Move.com Group's business, results of operations and financial condition will be materially and adversely affected if:

- net revenue does not grow at anticipated rates;

- increases in operating expenses are not offset by commensurate increases in net revenue; and

- it is unable to adjust operating expense levels in response lower than expected net revenue.

Move.com Group intends to continue making acquisitions to increase online reach and traffic and to seek additional strategic alliances with content and distribution partners.

Move.com Group cannot guarantee that it will be able to successfully integrate any businesses, products, technologies or personnel that might be acquired in the future. A failure to integrate acquired entities or assets successfully could seriously harm Move.com Group's business, results of operations and financial condition. In addition, Move.com Group cannot guarantee that it will be successful in identifying and closing transactions with potential acquisition candidates.

We intend to continue to furnish financial statements of Move.com Group prepared in accordance with generally accepted accounting principles in reports filed by Cendant with the Securities and Exchange Commission as long as Move.com stock is outstanding.

RECENT EVENTS

LIBERTY DIGITAL INVESTMENT

As provided in a purchase agreement dated March 22, 2000, on March 31, 2000, Liberty Digital, Inc. ("Liberty Digital") purchased 1,588,030 shares of Move.com stock for $31.29 per share for consideration consisting of $10 million in cash and 813,215 shares of Liberty Digital Class A Common Stock. Liberty Digital and Cendant also agreed to use their good faith efforts to negotiate and enter into mutually acceptable agreements relating to the development of real estate related programming for Liberty Digital's interactive home channel based on Move.com Group's web content.

NRT INVESTMENT

On March 28, 2000, NRT Incorporated ("NRT") and Cendant entered into a purchase agreement in which NRT agreed to purchase 318,581 shares of Move.com stock for $31.29 per share or approximately $10 million. The sale is subject to customary closing conditions, but is expected to close on or before April 15, 2000. Cendant owns preferred stock in NRT which is convertible into up to approximately 50% of NRT's common stock.

ALTAVISTA ALLIANCE

On January 27, 2000, Move.com Group announced a strategic alliance with AltaVista Company, a new-media and commerce network, to create a co-branded real estate channel on the AltaVista Web site. Under the terms of the agreement, Move.com Group will pay AltaVista up to $40 million in cash over three years to be an exclusive real estate content provider of the new AltaVista Real Estate Channel. In addition, the move.com network will be exclusively featured through banners and links on keyword searches for most real estate and moving-related terms. The agreement has a three year term.

WELCOME WAGON AGREEMENT

On January 1, 2000, Move.com Operations, Inc., a wholly owned subsidiary of Cendant and a member of the Move.com Group, entered into an Internet Cooperation Agreement with Getko

Group, Inc., also a wholly owned subsidiary of Cendant, but a member of the Cendant Group, which owns the right to the Welcome Wagon brand name. Under the terms of the 3-year agreement, Move.com Group will develop, host and maintain the Welcome Wagon area of move.com in return for an escalating non-discretionary percentage of Getko's revenue and expenses. The revenue and expense percentage attributions to Move.com Group will increase from 25% to 75% and from 30% to 75%, respectively, during the three year agreement. Getko has historically been profitable.

METRORENT ACQUISITION

On December 17, 1999, Rent Net, Inc., a wholly owned subsidiary of Cendant and a member of Move.com Group, purchased substantially all of the assets and assumed substantially all of the liabilities of MetroRent, an online provider of apartment rental listings for buildings with twenty-five or fewer units, for a total consideration of up to $3 million in cash and up to $6 million of Move.com stock to be paid over the next three years, subject to meeting certain performance targets. The stock portion of the consideration consists of a new class of nonvoting common stock of Move.com, Inc., which is mandatorily redeemable for Move.com stock upon a public offering of Move.com stock. The Move.com, Inc. nonvoting common stock is redeemable for up to 293,000 shares of Move.com stock valued at $20.51 per share. In the event that a public offering has not occurred by December 31, 2005, Move.com, Inc. must redeem each outstanding share of Move.com, Inc. common stock for cash and may do so at any time at its option.

CHATHAM STREET HOLDINGS, LLC AGREEMENT

In September 1999, Cendant entered into an agreement with Chatham Street Holdings, LLC ("Chatham") pursuant to which Chatham was granted the right, until September 30, 2001, to purchase up to 1,561,000 shares of Move.com stock for approximately $16.02 per share. That right was exercised on March 31, 2000. In addition, for every two shares of Move.com stock purchased by Chatham pursuant to the agreement, Chatham will receive a warrant to purchase one share of Move.com stock at a price equal to $64.08 per share and a warrant to purchase one share of Move.com stock at a price equal to $128.16 per share.

RESULTS OF OPERATIONS

(Dollars in thousands)

RESULTS OF OPERATIONS--1999 VS 1998

	FOR THE YEAR ENDED DECEMBER 31,		
	1999	1998	% CHANGE
	(IN THOUSANDS)		
Net revenue	$ 17,647	$ 9,674	82%
Cost of revenue	3,149	1,664	89%
Gross profit	14,498	8,010	81%
Gross margin	82%	83%	
Operating expenses	38,928	9,425	313%
Loss before income tax benefit	(24,430)	(1,415)	*
Income tax benefit	9,976	572	*
Net loss	$(14,454)	$ (843)	*

* Not meaningful

YEAR ENDED DECEMBER 31, 1999 COMPARED TO YEAR ENDED DECEMBER 31, 1998

Net revenue increased $7,973 or 82% in 1999 over 1998. Subscription revenue increased $4,319 or 51% to $12,785 in 1999 (73% of 1999 revenues) due primarily to an increase in apartment listing revenue of $3,094. The listing revenue increased primarily due to a 26% increase in apartment listing prices and a 19% increase in the number of apartments communities listed. The remaining increase in subscription revenue was due to increased listings in the categories of senior housing, corporate housing and self storage listing products. Sponsorship revenue increased $1,828 or 151% to $3,036 in 1999 (17% of 1999 revenues) due primarily to an increase in the number and size of new sponsorship arrangements with customers advertising on the rent.net Web site. This increase resulted from the creation of a new business development department focused on pursuing sponsorship opportunities. E-commerce revenue (a new category in 1999), of $362 (2% of 1999 revenue) consisted primarily of a $360 marketing fee from Cendant Mortgage. National Home Connections and MetroRent revenue were insignificant in 1999 due to the timing of the acquisitions of such entities. Other revenue of $1,464 in 1999 (8% of 1999 revenues) primarily included $811 for marketing fees pertaining to an online home listings agreement that Cendant allocated to the Move.com Group at its creation and approximately $429 for fees received for managing the Web sites of Cendant's real estate franchise systems.

Cost of revenue increased $1,485 or 89% to $3,149 in 1999 over 1998. Cost of revenue consists primarily of cost associated with maintenance and support of the move.com network including compensation, consulting fees, equipment lease costs, bandwidth and related indirect costs. The overall increase is primarily due to costs associated with the direct management of the Web sites for Cendant's real estate franchise systems of approximately $417, plus additional compensation costs incurred to support growth in the business.

Operating expenses increased $29,503 or 313% in 1999 over 1998. Product development expenses increased $3,747 or 1,941% to $3,940, in 1999 due to the hiring of staff and approximately $2,000 for external consultants retained to build the move.com network. Product development expenses includes internal and external personnel costs and certain software licenses used to develop the move.com network including the look and feel of the Web pages and the underlying functionality of the Web sites. In 1998, development costs were minimal.

Selling and marketing expenses increased $10,536 or 192% in 1999 over 1998 due to increased advertising and the hiring of additional staff. Advertising expenses increased $8,324 during 1999 due to the launch of the first television and radio commercials for Rent Net during the third quarter of 1999 and a further expansion of online distribution. Online advertising in 1999 included new distribution on two of the top Web sites, as measured by number of unique visitors in 1999, and expanded distribution on a number of the top 10 Web sites, including the two largest. Compensation expense increased $1,660 or 62% during 1999 due to the creation of an online advertising department, a business development department and the expansion of Move.com Group's national field sales force for its subscription products.

General and administrative expenses increased $14,829 or 772% in 1999 over 1998 due primarily to compensation-related matters. During 1999, expenses of $9,625 were incurred as part of a one-time, broad-based bonus retention program initiated by Cendant. Payroll and related expenses increased $1,174 or 172% due to the hiring of additional members of the executive management team and other additional staff. Recruiting expenses associated with these hirings were $1,038 in 1999.

Depreciation expense increased $103 or 55% in 1999 due primarily to the purchase of computers for additional staff hired and depreciation of computer equipment purchased for National Home Connections. Amortization expense increased $288 or 18% due primarily to an increase in amortization of intangibles resulting from the National Home Connections acquisition.

Move.com Group's effective tax rate increased to 40.8% in 1999, from 40.4% in 1998.

RESULTS OF OPERATIONS--1998 VS 1997

	FOR THE YEAR ENDED DECEMBER 31,		
	1998	1997	% CHANGE
	(IN THOUSANDS)		
Revenue	$9,674	$5,670	71%
Cost of revenue	1,664	1,091	53%
Gross profit	8,010	4,579	75%
Gross margin	83%	81%	
Operating expenses	9,425	6,067	55%
Loss before income tax benefit	(1,415)	(1,488)	(5%)
Income tax benefit	572	603	(5%)
Net loss	$ (843)	$ (885)	(5%)

YEAR ENDED DECEMBER 31, 1998 COMPARED TO YEAR ENDED DECEMBER 31, 1997

Net revenue increased $4,004 or 71% in 1998 over 1997. Subscription revenue increased $3,347 or 65% to $8,466 in 1998 primarily due to an increase in apartment listing revenue of $2,789. The listing revenue increased due to a 40% increase in prices and a 31% increase in the number of communities listed. Sponsorship revenue increased $657 or 119% to $1,208 due to the addition of new sponsors on Rent Net.

Cost of revenue increased $573 or 53% in 1998 over 1997. The overall increase in costs was primarily related to Web server rental cost increases of $216 and higher personnel expenses.

Total operating expenses increased $3,358 or 55% in 1998 over 1997. Product development expenses of $193 in 1998 were incurred to refine Rent Net. There were no product development expenses in 1997. Selling and marketing expenses increased $1,578 or 40% due primarily to increased online distribution costs of $834 or 76% and an increase in compensation expenses of $701 or 36% due to the continued expansion of Move.com Group's sales staff. General and administrative expenses increased $695 or 57% including compensation increases of $186 or 37% and $234 or 365% in higher rent associated with relocation.

Depreciation and amortization expenses increased $892 or 96% as a result of incremental goodwill amortization related to additional payments during 1997 to the sellers of Rent Net.

Move.com Group's effective tax rate was 40.4% and 40.5% during 1998 and 1997, respectively.

LIQUIDITY AND CAPITAL RESOURCES

The liquidity and capital resources available to Move.com Group are directly associated with the liquidity and capital resources of Cendant as well as the ability to raise capital through additional offerings of Move.com stock. Accordingly, potential investors should read the liquidity and capital resource disclosure of Cendant included elsewhere in this prospectus in order to evaluate Move.com Group's ability to borrow from Cendant. The following discussion details the policies in place to address cash flow management and allocation of resources between Move.com Group and Cendant Group.

Cendant manages treasury activities on a centralized, consolidated basis. These activities include the investment of surplus cash, the issuance, repayment and repurchase of short-term and long-term debt and the issuance and repurchase of common stock and preferred stock. Move.com Group generally remits its cash receipts to Cendant, and Cendant generally funds Move.com Group's cash disbursements on a daily basis.

In the historical financial statements of Cendant and Move.com Group:

all external debt and equity transactions (and the proceeds thereof) were attributed to Cendant Group;

whenever Move.com Group held cash, that cash was transferred to Cendant Group and accounted for as a return of capital (i.e., as a reduction in Move.com Group's Group equity and Cendant Group's retained interest); and

whenever Move.com Group had a cash need, that cash need was funded by Cendant Group and accounted for as a capital contribution (i.e., as an increase in Move.com Group equity and Cendant Group's retained interest). Cendant does not intend to continue these practices after this offering. Accordingly, no interest expense has been or will be reflected in Move.com Group's Combined Financial Statements for any period prior to this offering.

After the date of this offering:

Whenever Move.com Group holds cash, it will normally transfer that cash to Cendant Group. Conversely, whenever Move.com Group has a cash requirement, Cendant Group will normally fund that cash requirement. However, the board of directors of Cendant will determine, in its sole discretion, whether to provide any particular funds to Move.com Group or Cendant Group and will not be obligated to do so.

Cendant will account for all cash transfers from one Group to or for the account of the other (other than transfers in return for assets or services rendered or transfers in respect of Cendant Group's retained interest that correspond to dividends paid on Move.com stock), as inter-Group revolving credit advances unless:

- the board of directors of Cendant determines that a given transfer (or type of transfer) should be accounted for as a long-term loan,

- the board of directors of Cendant determines that a given transfer (or type of transfer) should be accounted for as a capital contribution increasing Cendant Group's retained interest in Move.com Group, or

- the board of directors of Cendant determines that a given transfer (or type of transfer) should be accounted for as a return of capital reducing Cendant Group's retained interest in Move.com Group.

There are no specific criteria to determine when Cendant will account for a cash transfer as a long-term loan, a capital contribution or a return of capital rather than an inter-Group revolving credit advance. The board of directors of Cendant would make such a determination in the exercise of its business judgment at the time of such transfer, or the first of such type of transfer, based upon all relevant circumstances. Factors the board of directors would expect to consider include:

- the current and projected capital structure of Move.com Group and Cendant Group,

- the relative levels of internally generated funds of Move.com Group and Cendant Group,

- the financing needs and objectives of Move.com Group and Cendant Group,

- the investment objectives of the transferring Group,

- the availability of, and cost and time required for, alternate financing sources,

- prevailing interest rates and general economic conditions, and

- the nature of the assets or operations to be financed.

The board of directors of Cendant will retain ultimate authority over whether and how to provide funds to Move.com Group. This decision will be made in the best interests of Cendant and all of its stockholders as a whole.

Any cash transfer accounted for as an inter-Group revolving credit advance may bear interest. Although we currently do not intend to charge interest on inter-Group revolving credit advances, if the board determines to charge interest, the combined financial statements of Move.com Group will not be comparable for periods prior to and after charging interest on such credit advances. Any cash transfer accounted for as a long-term loan will have interest rate, amortization, maturity, redemption and other terms that generally reflect the then prevailing terms on which the board of directors, in its sole discretion, determines Cendant could borrow such funds.

Any cash transfer from Cendant Group, or for Move.com Group's account, accounted for as a capital contribution will correspondingly increase Move.com Group equity and Cendant Group's retained interest in Move.com Group. As a result, the number of shares of Move.com stock that Cendant may issue for the account of Cendant Group with respect to its retained interest in Move.com Group which we call the "number of shares issuable with respect to Cendant Group's retained interest in Move.com Group" will increase by the amount of such capital contribution divided by the market value of Move.com stock on the date of transfer.

Any cash transfer from Move.com Group to Cendant Group, or for Cendant Group's account, accounted for as a return of capital, will correspondingly reduce Move.com Group equity and Cendant Group's retained interest in Move.com Group. As a result, the number of shares issuable with respect to Cendant Group's retained interest in Move.com Group will decrease by the amount of such returned capital divided by the market value of Move.com stock on the date of transfer.

As a result of the cash management policies in place between Cendant Group and Move.com Group, Move.com Group is dependent on Cendant Group for continued funding. Accordingly, Move.com Group's liquidity could be adversely affected by the liquidity needs of Cendant Group.

In September 1999, Cendant entered into an agreement with Chatham Street Holdings, LLC pursuant to which Chatham was granted the right, until September 30, 2001, to purchase up to 1,561,000 shares of Move.com stock for approximately $25 million or $16.02 per share. In addition, for every two shares of Move.com stock purchased by Chatham pursuant to the agreement, Chatham will be entitled to receive a warrant to purchase one share of Move.com stock at a price equal to $64.08 per share and a warrant to purchase one share of Move.com stock at a price equal to $128.16 per share. If Chatham exercises its right to purchase shares, Move.com Group will receive the proceeds from the exercise.

In addition, pursuant to certain employment agreements, Cendant is required to grant approximately 312,500 options to purchase Move.com stock at fair market value upon the issuance of Move.com stock to the public.

CASH FLOWS (1999 VS 1998)

Cash flows used in operations were $4,435 in 1999 compared to cash flows provided by operations of $1,279 in 1998. The decrease in cash flows was primarily due to the increase in the loss from 1998 to 1999 offset by changes in working capital, specifically increases in marketing accruals.

Cash flows used in investing activities increased $3,949, due primarily to cash payments of $2,588 made in connection with the MetroRent and National Home Connections acquisitions. Additionally, investing activities included capital expenditures and construction costs associated with the relocation to a new headquarter.

Net funding from Cendant increased $10,672 due to the funding received from Cendant to finance the current loss.

The cash flows of Move.com Group could differ from those that would have resulted had Move.com Group operated autonomously or as an entity independent of Cendant.

From time to time, Cendant may issue additional shares of Move.com stock in one or more private or public financings. Cendant has no current plans for any further public offerings in the near future. The specific terms of the financing, including whether they are private or public, the amount of Move.com stock issued, and the timing of the financing, will depend upon factors such as stock market conditions and performance of the Move.com Group.

Move.com Group believes that the net proceeds from this offering, together with its current cash, cash equivalents and cash generated from operations will be sufficient to meet its anticipate cash needs for working capital and capital expenditures through at least the end of 2000.

Move.com stock is a tracking stock, which is a type of common stock that is intended to reflect or track the performance of a particular business or group of businesses. Move.com Group operates a popular network of Web sites, which offer a wide selection of quality relocation, real estate and home-related products and services. Move.com Group seeks to improve the often stressful and demanding moving experience by providing a one-source, "friend-in-need" solution before, during and after the move. Move.com Group strives to establish strong, long-term relationships with consumers by offering quality products and services for each phase of the moving process from finding a home to improving an existing home. Move.com Group also provides a broad-based distribution platform for businesses who are trying to reach a highly targeted and valued group of consumers at the most opportune times.

INDUSTRY BACKGROUND

GROWTH OF THE INTERNET

The Internet is revolutionizing the way in which businesses and consumers interact, share information and consummate transactions. According to International Data Corporation, or IDC, the number of Internet users worldwide will grow to approximately 502 million by the end of 2003 from approximately 196 million in 1999. The Internet places at consumers' fingertips an unprecedented amount of information and offers a convenient way for them to select and order products and services. The rapid growth in users combined with the Internet's unique ability to connect a broad range of consumers and businesses is driving growth in electronic commerce. IDC estimates that the total value of Internet commerce will increase to $1.3 trillion in 2003 from $111 billion in 1999.

THE RELOCATION MARKETPLACE

According to the most recent data from the U.S. Census Bureau, more than 40 million Americans, or approximately 15% of the U.S. population, relocate annually. On average, Americans move once every five to six years. When consumers buy, sell or rent a home, they typically need assistance with various relocation services, such as storage, moving supplies and truck rentals or van lines. Relocation is often a catalyst for significant expenditures related to the home and becoming established in a new community. Move.com Group estimates that the average homeowner spends approximately $9,400 while the average renter spends approximately $3,700 during the 90-day period surrounding a move. Homeowners who move spend more for home-related purchases in the three months around their move than established residents spend in five years. Consumers spent approximately $130 billion in 1999 for home and apartment moves, including moving services and related product purchases such as household appliances, furnishings and floor coverings.

THE RESIDENTIAL REAL ESTATE INDUSTRY

BUYING AND SELLING. Recent years have been among the strongest ever for home sales in the United States. The 1993-1999 period includes seven of the eight strongest years on record for existing single-family home sales. The National Association of Realtors, or NAR, estimates that approximately 5.2 million homes were sold in 1999, representing a three-year annual compound growth rate of 7.3% since 1996, the fourth consecutive annual record. NAR currently expects home sales to remain strong and total a robust 4.9 million homes in 2000. Based on average sale prices, the value of home sales for 1999 totaled approximately $875 billion and represented a three-year compound annual growth rate of 14%. Consumers paid approximately $49 billion in transaction fees, such as mortgage origination fees, insurance premiums and property report fees, related to home purchases in 1999. Moreover, homeowners spent approximately $95 billion on remodeling in 1999.

Real estate brokers and agents are involved in the vast majority of home sale transactions. Although the real estate brokerage industry is highly fragmented, franchise systems such as CENTURY 21-Registered Trademark-,

COLDWELL BANKER-Registered Trademark- and ERA-Registered Trademark- have steadily increased their market share over the last decade. Both consumers and real estate professionals are increasingly relying on the Internet for real estate-related needs and information. According to a January 2000 Realty Times survey conducted on the Internet, approximately 37% of consumers said they would begin a search for a home on the Internet. In addition, according to a recent California survey, 72% of real estate firms reported obtaining a portion of their business through the Internet.

RENTING. Although there are fewer renters than homeowners in the United States, renters move far more frequently than homeowners. According to the U.S. Census Bureau, although only approximately 34% of households live in rental units, they are responsible for 71% of moves. Based on most recently available data, there are over 37 million rental units in the United States of which over 3 million are vacant. Property managers and owners need to advertise frequently to fill vacancies. Move.com Group believes that most managers of the largest apartment properties with more than 100 units advertise on a continuous monthly basis, thus creating a constant demand for listing services. Apartment property managers generally use online rental guide services as an additional, non-exclusive medium for advertising. Apartment guide publications that display local listings typically are distributed free to consumers and published on a monthly or semi-monthly basis, whereas Internet listing guides generally are updated far more frequently. In 1998, apartment property managers spent approximately $1.8 billion on advertising.

Managers of senior housing and self storage facilities also advertise vacancies on a continuous basis and use similar advertising channels as apartment managers. As of the end of 1999, there were approximately 50,000 senior housing properties containing approximately 3.5 million units in the United States. Move.com Group estimates that there are 30,000 self storage facilities in the United States and Canada.

FINANCING. According to Inside Mortgage Finance, residential mortgage originations totaled $1.4 trillion and $1.3 trillion in 1998 and 1999, respectively. Large-scale mortgage providers, such as Cendant Mortgage, have garnered an increasing market share. The top 25 lenders accounted for 57% of mortgage originations in 1999, up from 33% in 1994.

Mortgage origination is well suited to an Internet-based distribution model. Online mortgage lending can be faster and more convenient than offline mortgage origination. Forrester Research estimates online mortgage originations will increase from approximately $19 billion in 1999 (approximately 1.5% of total mortgage originations) to more than $91 billion in 2003 (approximately 10% of total mortgage originations), resulting in a 48% compound annual growth rate over the time period.

ONLINE ADVERTISING

The growth of the Internet has created an important new advertising channel for a wide variety of product and service providers. In particular, the emergence of industry-focused sites has allowed advertisers to target specific groups of consumers with an affinity for and interest in particular products and services. Tools not available in traditional advertising media, such as real-time measurement of response rates to advertising banners, further increase the attractiveness of Internet advertising by giving advertisers instant feedback on campaigns. Consequently, advertisers are able to deliver targeted messages in a more cost-effective manner. Forrester Research projects that the value of online advertising will increase from approximately $2.8 billion in 1999 to approximately $22.2 billion in 2004. Less than 2% of the approximately $5.0 billion of real estate and home-related advertising spending is currently online.

THE MOVE.COM GROUP OPPORTUNITY

The marketplace for relocation, real estate and home-related products and services is highly fragmented. For most consumers, the traditional home-finding and relocation process involves locating, selecting and coordinating multiple product and service providers. Consequently, the process of moving

and settling into a new home is often one of the most stressful events in a person's life. Moving often leads to significant lifestyle changes, including new schools, banks, grocers, cleaners, utility providers and other retail and service relationships. Move.com Group estimates that the average U.S. homeowner moves every seven to eleven years, while the average renter moves every 20 to 24 months. A company that can provide a comprehensive array of dependable, quality content and services that meets consumers' relocation, real estate and home-related needs has an opportunity to develop long-lasting relationships with both consumers and business providers and generate significant repeat business.

THE MOVE.COM GROUP SOLUTION

BENEFITS TO CONSUMERS. Move.com Group provides valuable "friend-in-need" services to assist consumers during all stages of the relocation process and serves as a single source for quality content and services. Move.com Group also provides products and services to enhance the attractiveness and enjoyment of consumers' homes. The following chart outlines Move.com Group's principal relocation, real estate and home-related content and services.

CONTENT AND SERVICES	PLANNING	RENTING	BUYING	SELLING	MOVING	LIVING
	NEIGHBORHOOD INFORMATION BUDGETING TOOLS MOVING PLANNER RENT VS. BUY ANALYSIS MORTGAGE CALCULATOR JOB LISTINGS	APARTMENT LISTINGS TEMPORARY/ CORPORATE HOUSING FACILITIES SENIOR HOUSING FACILITIES SELF STORAGE FACILITIES VACATION RENTALS RENTAL GUIDE	HOME LISTINGS FINANCE GUIDE MORTGAGE RATES MONITOR MORTGAGE PRE-QUALIFICATION, APPLICATION AND PRE-APPROVAL	BROKERS/ AGENTS DIRECTORY SELLING GUIDE SHOW AND SELL CHECKLIST	MOVING ADVICE MOVING SUPPLIES VAN LINES TRUCK RENTALS SELF STORAGE FACILITIES CONNECTION/ DISCONNECTION SERVICES FOR UTILITIES, TELEPHONE AND NEWSPAPERS CHANGE OF ADDRESS VEHICLE AND VOTER REGISTRATION	HOME MAINTENANCE CHECKLIST HOME FURNISHINGS AND DECORATION HARDWARE HOME IMPROVEMENT INSURANCE BOOKS AUTO CENTER CHILD CARE GUIDE AND SEARCH

Move.com Group's content and services reflected in the chart above include content and services that is both proprietary and derived from or supplied by third parties, services provided directly by Move.com Group, such as connection/disconnection services provided through third parties, such as mortgage pre-approvals, and direct hyperlinks to third parties' Web sites, such as improvenet.com and furniture.com. As we expand and supplement our products and services the relative mix continues to change.

BENEFITS TO REAL ESTATE BROKERS AND AGENTS. Real estate brokers and agents play a critical role in the residential real estate marketplace by facilitating transactions between home buyers and sellers. By providing consumers planning, budgeting and listings information, Move.com Group expects to increase the productivity and effectiveness of real estate professionals. Consumers who visit the move.com network and consult the available tools and property data become better informed and prepared for the home buying/selling process. As a result, real estate professionals enjoy efficiency benefits by interacting with consumers who are more focused and knowledgeable about their options and opportunities. Real estate professionals are able to avoid showing prospective buyers unsuitable homes and can spend less time sharing neighborhood information. In addition, Move.com Group expects to serve as an attractive marketing channel and a significant source of customers for real estate professionals who are trying to reach and service qualified homebuyers and motivated sellers.

BENEFITS TO RENTAL PROPERTY MANAGERS AND OWNERS. The move.com network serves as a powerful lead generator and enhances the cost-effectiveness of the marketing efforts of rental property managers and owners. Move.com Group delivers these benefits by virtue of its appeal to a highly targeted audience and national reach to out-of-town movers that local guides do not provide. In 1999, Move.com Group generated over 2.1 million leads to apartment managers and owners at a significantly lower cost-per-lease, or CPL, compared to traditional print advertising. Move.com Group estimates that during 1999, clients who advertised their properties on Rent Net had an average CPL of approximately $90 versus the national average CPL of approximately $300 for alternative advertising sources such as apartment guide publications.

BENEFITS TO BUSINESSES. Because the move.com network attracts consumers when they are focused on making relocation and home-related purchases and decisions, Move.com Group's contractual business partners, which sell relocation and home-related products and services, are able to efficiently reach prospective customers. In addition, these providers can take advantage of interactive marketing technology used by Move.com Group to more effectively target their message to this audience. Move.com Group develops relationships with quality-oriented businesses by providing them access to a highly targeted and valued group of consumers across multiple access paths, including, CENTURY21-Registered Trademark-, COLDWELL BANKER-Registered Trademark- and ERA-Registered Trademark- real estate agents and brokers operating through offices across the United States and Canada, Welcome Wagon's direct mail solicitations and National Home Connections' toll-free customer service center.

MOVE.COM GROUP'S STRATEGY

Move.com Group intends to achieve its objective of becoming the leading provider of quality online relocation, real estate and home-related products and services through the following strategic initiatives:

DEVELOP BRAND AWARENESS

Move.com Group will aggressively market the move.com network through significant online and offline advertising campaigns, as well as promotions by Cendant Group's leading real estate franchise systems and Welcome Wagon. Move.com Group expects its offline media advertising campaign to include print media, radio spots, television commercials, direct marketing, affiliate programs, co-branding partnerships, grass roots programs, as well as aggressive public relations efforts. Move.com Group believes that increased brand awareness will help attract additional traffic, business relationships and talented employees.

On the Internet, Move.com Group currently has distribution relationships with a number of entities, including, among others, AltaVista, America Online, Yahoo!, Excite, Lycos, GO Network and Ask Jeeves, and expects to add others over time. Move.com Group also will promote move.com on all of the Web sites in the move.com network. This promotion will include co-branded interfaces with move.com links from each of Cendant Group's real estate franchise systems' Web sites and welcomewagon.com through common navigation tabs.

Move.com Group will also participate in the advertising efforts of Cendant Group's CENTURY 21-Registered Trademark-, COLDWELL BANKER-Registered Trademark- and ERA-Registered Trademark- real estate franchise systems to build and promote move.com as a destination Web site for relocation, real estate and home-related products and services. The move.com network will be promoted in the national advertising campaigns and by real estate professionals of these franchise systems. In 1999, the CENTURY 21-Registered Trademark-, COLDWELL BANKER-Registered Trademark- and ERA-Registered Trademark- real estate franchise systems had nearly 12,000 offices, employing over 200,000 sales associates across the United States and Canada and spent more than $80 million for national advertising.

INCREASE PRODUCT AND SERVICE OFFERINGS TO GROW USER BASE AND IMPROVE THE CONSUMER EXPERIENCE

Move.com Group intends to increase traffic to the move.com network by continually adding to its quality content and services and establish itself as a single source for satisfying consumers' relocation, real estate and home-related product and service needs. Move.com Group expects to develop and maintain long-term relationships with consumers by expanding its content and services and delivering an increasingly integrated and satisfying consumer experience. Move.com Group also will strive to improve the quality of the consumer experience by establishing quality thresholds, conducting ongoing research and obtaining users' feedback on the content and services and the performance of the move.com network.

DEVELOP STRONG RELATIONSHIPS WITH CONSUMERS BY PROVIDING PERSONALIZED, TARGETED CONTENT AND SERVICES

Move.com Group will tailor content and services offered on the move.com network to the needs and interests of individual users by personalizing each visit on a real-time basis through the use of technology supplied by BroadVision, Inc. BroadVision's technology allows Move.com Group to organize dynamic profiles of potential and existing customers from volunteered data, feedback and observed behavior, deliver highly specialized content and services based on these profiles and securely execute transactions. By using this technology, Move.com Group expects to maximize customer satisfaction and retention and streamline and enhance the interaction between its users and business partners.

EXPAND AND ENHANCE RELATIONSHIPS WITH REAL ESTATE PROFESSIONALS AND QUALITY-ORIENTED BUSINESSES

REAL ESTATE BROKERS AND AGENTS. Move.com Group believes that real estate brokers and agents serve a critical role in consummating real estate transactions by facilitating transactions between buyers and sellers. As a result, Move.com Group intends to develop various programs to increase the productivity of brokers and agents.

For example, inquiries from consumers about specific home listings will be automatically transferred to a fax or e-mail and delivered from Move.com Group to the appropriate real estate broker or agent within about 60 seconds. A well-trained client relations team is responsible for providing ongoing education to brokers and agents including guidance on how best to follow up on leads and properly maintain and update listings. Because the Internet represents a new marketing medium for the real estate industry, creating and sharing knowledge about how to optimize its use should be highly valued by brokers and agents. Move.com Group also will provide brokers and agents with tools to strengthen their Internet marketing, including enhancements to their listings. By providing all of these services, Move.com Group expects to receive favorable word-of-mouth and referrals to the move.com network.

RENTAL PROPERTY MANAGERS AND OWNERS. Move.com Group has numerous programs to help onsite property managers increase their productivity. For example, inquiries from the move.com network are delivered to rental property managers via branded e-mails, faxes or toll-free calls that identify each lead as originating from the move.com network. In addition, a highly-trained customer service field force provides frequent educational seminars and one-on-one sessions for property managers on topics such as the best ways to follow up on leads and maintain accurate listing information.

BUSINESS RELATIONSHIPS. Move.com Group intends to increase and strengthen its relationships with quality-oriented businesses by aggressively marketing the benefits of affiliation with the move.com network. In addition to providing businesses access to a highly targeted group of consumers, Move.com Group will implement sophisticated lead-delivery and tracking mechanisms to maximize the marketing efforts of those businesses. Move.com Group believes strongly in establishing mutually beneficial relationships with dependable businesses that will generate traffic and revenue for both parties. Move.com Group is currently negotiating a number of potential relationships to expand its service and product offerings to continue to assist movers, homeowners and renters before, during and long after their move. In addition, Move.com Group expects to generate significant advertising client leads by leveraging Cendant's extensive business-to-business marketing relationships with over 100 major vendor corporations. Cendant's preferred alliance group, which manages these relationships, will work closely with Move.com Group to market the advertising opportunities on the move.com network.

PURSUE STRATEGIC ALLIANCES AND ACQUISITIONS, INCLUDING INTERNATIONAL OPPORTUNITIES

Move.com Group will continue to form strategic alliances with key Internet sites to increase brand awareness, traffic and revenue. In addition, Move.com Group will pursue acquisitions and partnerships both in the United States and selected international markets, including Canada, the United Kingdom and continental Europe, that can provide complementary capabilities, additional content and services, technical personnel, established consumer relationships and online traffic.

MOVE.COM GROUP'S COMPETITIVE ADVANTAGES

Move.com Group has considerable advantages that distinguish it from its online competitors by virtue of having all of the following:

- substantial existing online traffic bases of rent.net, the most visited Web site for real estate rentals, and Cendant Group's real estate franchise systems' Web sites;

- the expertise of Rent Net, a pioneer of online real estate services, in building and driving consumer traffic through distribution partnerships;

- an agreement with AltaVista Company, an operator of new-media and commerce network on the Internet, for Move.com Group to be an exclusive real estate content provider of the new AltaVista Real Estate Channel;

- affiliation and intercompany relationships with Cendant Group's leading real estate franchise systems, brands and businesses, which provide Move.com Group with:

  - content at no cost, including up-to-date listings of homes for sale under 40-year agreements with the CENTURY 21-Registered Trademark-, COLDWELL BANKER-Registered Trademark- and ERA-Registered Trademark- real estate franchise systems;

  - industry-leading expertise in relocation, home buying/selling, mortgage financing/refinancing and local advertising from the managements of Cendant Mobility, the CENTURY 21-Registered Trademark-, COLDWELL BANKER-Registered Trademark- and ERA-Registered Trademark- real estate franchise systems, Cendant Mortgage and Welcome Wagon, respectively;

  - brand exposure through Cendant Group's real estate franchise systems' multi-million-dollar national advertising campaigns and direct promotions by their brokers and agents; and

  - access to and resources associated with Cendant Group's well-established business-to-business marketing relationships with over 110 vendor corporations; and

- state-of-the-art technology platform delivering customized consumer

experiences by interactively capturing consumers' interests and tailoring content to their needs.

MOVE.COM NETWORK

The move.com network is comprised of the following Web sites that offer quality relocation, real estate and home-related content and services.

MOVE.COM. Move.com is Move.com Group's Internet portal and flagship site. Move.com is dedicated to providing consumers a one-stop solution for their relocation, real estate and home-related needs before, during and after a move. Move.com combines home and rental housing listings, mortgage services, such as mortgage calculators and guides, listings of mortgage rates and types, information regarding pre-qualification programs, and an online mortgage application process, and numerous moving and home-related services to help make moves easier, less stressful, more efficient and enjoyable. Move.com offers content and services through planning, renting, buying, selling, moving and living site tabs.

RENT.NET. Rent Net is a leading online rental and relocation guide and advertising source for the apartment industry, representing properties and relocation services in more than 3,000 cities across North America. Rent Net's paying advertising clients include managers and owners of over 13,000 apartment communities representing over 3 million apartment units in all 50 states and Canada. Rent Net provides rental listings containing detailed property descriptions, photographs, floor plans, 360 virtual tours, and direct communication links to rental property managers. According to Media Metrix, Rent Net was the most visited Web site for real estate rental listings, based on unique visitors, during 1999, including December 1999, the most recently measured period.

SENIORHOUSING.NET. Senior Housing Net provides the move.com network with a directory of over 750 retirement communities, assisted living facilities and nursing homes containing detailed property descriptions, photographs, floor plans, 360 virtual tours and direct communication links to onsite managers.

CORPORATEHOUSING.NET. Corporate Housing Net is the leading online directory and advertising source for the temporary/corporate housing industry, with over 400 local and national listing providers across the United States and Canada. Through Corporate Housing Net, users are able to access detailed property information, including photos, floor plans and available amenities, and may contact leasing agents via e-mail, fax or phone.

SELFSTORAGE.NET. Self Storage Net is the leading online directory and advertising source for the self storage industry, with listings for over 3,000 storage facilities across the United States and Canada. Through Self Storage Net, users are able to access descriptions of facilities photos and maps, as well as direct communication links to facility owners or managers.

CENTURY21.COM. Century21.com is the official Web site for the CENTURY21-Registered Trademark- real estate franchise system, which is part of the Cendant Group. The CENTURY21-Registered Trademark- franchise system is comprised of over 6,300 independently owned and operated offices with approximately 110,000 brokers and agents worldwide, in more than 25 countries and territories. The CENTURY21-Registered Trademark- franchise system provides the move.com network with home listings and brand exposure. Move.com Group manages the Web site's maintenance and technical support and acts as an advertising placement agent.

COLDWELLBANKER.COM. Coldwellbanker.com is the official Web site for the COLDWELL BANKER-Registered Trademark- real estate franchise system, which is part of the Cendant Group. The COLDWELL BANKER-Registered Trademark- franchise system has nearly 3,000 independently owned and operated real estate offices with more than 70,000 sales associates throughout the United States, Canada, Mexico, Central America, the Caribbean, Israel and Singapore. The COLDWELL BANKER-Registered Trademark- franchise system provides the move.com network with listings of residential and vacation properties and brand exposure. Move.com Group manages the Web site's maintenance and technical support and acts as an advertising placement agent.

ERA.COM. Era.com is the official Web site for the ERA-Registered Trademark- real estate franchise system, which is part of the Cendant Group. The ERA-Registered Trademark- franchise system is comprised of more than 2,600 independently owned

and operated offices with approximately 29,000 sales associates worldwide. The ERA-Registered Trademark- franchise system provides the move.com network with residential property listings and brand exposure. Move.com Group manages the Web site's maintenance and technical support and acts as an advertising placement agent.

WELCOMEWAGON.COM. Welcomewagon.com is the official Web site of Welcome Wagon/Getko, which is part of the Cendant Group. Welcomewagon.com provides the move.com network with local community information, including a directory of more than 40,000 local merchants and service providers nationwide.

CONSUMER SERVICES

PLANNING. The move.com network provides a broad range of content and tools to assist consumers in the complex decisions and tasks involved in the moving process. Planning tools available on the move.com network include a moving planner that describes the numerous tasks that a consumer should complete before he or she moves. In addition, consumers can use budgeting and analysis tools to help determine what they are able to afford and whether they should buy or rent. Consumers also can get neighborhood information, including data on schools, crime, climate, cost of living and other demographic information covering all 50 states and 95% of all zip codes in the United States.

RENTING. Users of the move.com network have access to a comprehensive rental guide to apartments, senior housing, temporary/corporate housing, self storage facilities and vacation rentals. Move.com Group offers consumers a significantly better way to find a rental property that combines a fast and easy searching experience with content, tools and personalization features to make finding a property less onerous and more manageable. Move.com Group publishes rental housing listings from all 50 states, Canada and 40 other countries. These listings are frequently updated and can be searched and sorted based on users' criteria. For example, a user looking for an apartment can choose a city and state, then narrow the search by number of bedrooms and monthly rent and then sort the results according to various criteria. A user can then get detailed information about the apartment including square footage, amenities offered and whether pets are allowed. Many of the apartment, temporary/ corporate and senior housing listings include a location map, a floor plan, and pictures and/or a "360 virtual tour" provided through Internet Pictures Corporation, or IPIX. The "virtual tours" give the potential renter the opportunity to view an entire room, from floor to ceiling and all the way around on his or her computer screen.

In addition to detailed listings, Move.com Group offers potential renters information on tenant rights and gives advice on how to improve relationships with a landlord or neighbor.

BUYING. The move.com network serves as a one-stop destination for valuable services and tools to assist consumers in the home-buying and financing process. Consumers can begin by consulting a checklist that breaks down this complicated process into discrete stages or directly access relevant content and other tools, including listings and financing services.

Through 40-year agreements with Cendant, Move.com Group provides a national directory of listings of homes for sale from CENTURY21-Registered Trademark-, COLDWELL BANKER-Registered Trademark- and ERA-Registered Trademark-, three of the five largest residential real estate franchise systems in the world. Users can search and sort these listings based on specified criteria. Users also may subscribe to an e-mail service that provides weekly updates of new listings. Home listings on move.com are updated daily after a broker or agent updates his or her listings. Move.com also offers users access to a national directory of brokers and agents and information to help consumers identify quality real estate professionals through either a targeted search, or a link to a particular broker's or agent's home page.

Move.com Group offers mortgage origination, refinancing and mortgage-related tools and content through Cendant Mortgage, the sixth-largest retail mortgage originator in the United States with approximately $26 billion in mortgage originations in 1999, for which the Move.com Group receives a marketing

fee. When Move.com Group completes the process of obtaining mortgage broker licenses in all 50 states, expected in 2001, it will serve as a mortgage broker for Cendant Mortgage and others, and will expect to receive compensation for each mortgage originated for which it served as broker. Although not yet finalized, it is currently expected that this compensation from Cendant Corporation will be approximately 50 basis points (i.e., one half of one percent) of the principal amount of each closed mortgage. Visitors to the move.com Web site can research, apply for, monitor, receive and service mortgage loans online. After submitting an application, users can track their loan status online at anytime. Prospective borrowers also can interact with customer service representatives either by e-mail or telephone to check the status of their loans or lock-in interest rates. In addition to getting a new mortgage, Move.com Group offers consumers analytical tools to help them decide whether they can benefit from refinancing their existing mortgage. Move.com Group provides information and analysis of the goals, advantages and costs of refinancing. Furthermore, users can sign up for a service that sends automatic e-mail updates of loan rates, allowing them to conveniently monitor interest rate movements.

SELLING. Move.com Group provides various tools and information to help home sellers. For example, consumers can consult a selling guide that answers many frequently asked questions and provides useful data on neighborhoods and home values, as well as tips on how to increase a home's resale value. Consumers also can connect with a real estate professional to assist them in maximizing the return on their home investment.

MOVING. Move.com Group consults with and utilizes the expertise of Cendant Mobility, a member of the Cendant Group and the largest provider of corporate employee relocation services in the world, in developing for consumers valuable information and tools to help successfully navigate the moving process. For example, Move.com Group's moving day countdown calendar allows users to plan and track each step of the moving process from packing to settling into the new home. In addition, Move.com Group's business relationships provide Move.com Group's customers access to packing, shipping, storage, trucking, insurance and other moving-related products and services. Users also have access to critical disconnection and connection services through National Home Connections, which permit them to conveniently change, at no cost, their utilities and cable providers, newspaper subscriptions, mailing address and vehicle and voter registration.

LIVING. Move.com Group offers a variety of valuable resources to meet consumers' furnishing, decorating, parenting, home improvement and other home-related needs. Through various quality-oriented businesses, Move.com Group offers consumers the opportunity to connect with providers of furniture, childcare, home improvement and other home-related products and services. In addition, Move.com Group assists consumers in their integration into a new community by providing links to Welcome Wagon's discount offers from local merchants across the United States and Canada.

BUSINESS SERVICES

Move.com Group provides a variety of value-added products and services for businesses, who are trying to reach Move.com Group's highly targeted and valued user base.

BROKERS AND AGENTS. Move.com Group will offer various products and services to help increase productivity and effectiveness to the real estate professionals of the CENTURY 21-Registered Trademark-, COLDWELL BANKER-Registered Trademark- and ERA-Registered Trademark- franchise systems. These products and services include listing enhancements and helpful advice on ways to most effectively follow up on e-leads.

Move.com Group expects to offer brokers and agents several fee-based listing enhancement options, which can provide an economical method for brokers and agents to attract qualified homebuyers and motivated sellers. While a recent survey shows that most top-producing real estate brokers and agents spend between $300 and $900 on marketing per transaction, Move.com Group intends to reduce this cost significantly for professionals who utilize enhanced listings.

RENTAL PROPERTY MANAGERS AND OWNERS. Move.com Group offers services to managers and owners of apartments, self storage, senior housing and temporary/corporate housing facilities in all 50 states and Canada. These fee-based services include a variety of listing enhancements such as prominent placement, unlimited text descriptions, color photos and virtual tours. In its largest category of apartments, Move.com Group historically has targeted the estimated 25,000 large apartment communities that have ongoing listing needs and spend money on advertising. Through its recent acquisition of MetroRent, Move.com Group has begun to target apartment buildings with 25 or fewer units. Move.com Group also targets managers and owners of 50,000 senior housing facilities, 1,000 temporary/corporate housing properties and 30,000 self storage facilities.

Move.com Group places a substantial emphasis on maintaining its existing base of rental property clients and services each of them on a regular basis. Most rental property clients are assigned a field representative who is responsible for helping them take full advantage of the marketing power of the Internet and is capable of answering their questions and updating their listings on a timely basis. Each year since 1995, Move.com Group has retained over 90% of its rental property client base. Move.com Group believes that this high retention rate is a good indicator of the value of the services it provides rental property managers and owners and the satisfaction and results it delivers.

Currently, Move.com Group's rental property paying clients include managers and owners of over 13,000 apartment communities representing over 3 million apartment units in all 50 states and Canada, over 750 senior housing facilities in all 50 states, over 400 temporary/corporate housing companies worldwide and over 3,000 self storage facilities in 47 states and Canada.

ADVERTISING CLIENTS AND SPONSORS. Move.com Group offers businesses the ability to reach users through traditional banner advertisements and/or through sponsorship arrangements. Advertising clients and sponsors can purchase placements with direct links to their sites on various content areas of move.com or across the entire move.com network. In addition, companies can enter into sponsorship arrangements with Move.com Group to allow users of the move.com network to link directly to the sponsors' sites by featuring "fixed buttons" or other prominent placements. Move.com Group sells advertisements and sponsorships typically for a fixed fee either paid up-front or monthly and/or fees based on e-commerce transactions generated through leads provided by the move.com network.

Move.com Group's principal advertisers and sponsors as of March 31, 2000 are listed below:

MOVE.COM GROUP
ADVERTISING CLIENTS AND SPONSORS

- hardware.com
- Carefinder.com, Inc.
- ImproveNet, Inc.
- Furniture.com, Inc.
- Internet Pictures Corporation (IPIX)
- CarsDirect.com, Inc.
- Ryder TRS Inc.
- Allstate Corporation
- CORT Furniture Rental
- barnesandnoble.com llc

Revenue from those of the above clients and sponsors were parties to agreements in 1999, constituted approximately 17% of Move.com Group's revenue for the year ended December 31, 1999, although not all of those agreements were in effect for the full year.

WELCOME WAGON CLIENTS. Move.com Group will provide online marketing services for a fee to Welcome Wagon, a premier direct marketer for over 40,000 local merchants. Registered users of move.com, who visit the Welcome Wagon section of move.com, will be able to view and download discount offers from local merchants.

PERSONALIZED RELATIONSHIP MANAGEMENT. Move.com Group utilizes the BroadVision One-to-One Enterprise software, which permits customizing the site's content to the expressed needs and interests of individual users during each visit on a real-time basis. By interactively capturing users' profiles and organizing and targeting content to each user, move.com maximizes utility for both consumers and Move.com Group's business partners. Consumers are directed to desired products or services, while business partners who provide the particular products or services are able to access the most likely buyers of their products and services. Move.com Group's privacy policy prohibits the distribution of a consumer's personal information without his or her consent.

SALES AND MARKETING

Move.com Group's sales and marketing efforts are directed toward building brand awareness, increasing online traffic and expanding the number of business partners.

PURSUE AGGRESSIVE CONSUMER MARKETING STRATEGY. Move.com Group will focus on aggressively increasing its user base by building its brand into a widely recognized and accepted consumer name. Move.com Group draws upon Rent Net's pioneering experience, that goes back to 1995, in building Rent Net, through online distribution partnerships, into the most visited Web site for real estate rental listings. Move.com Group will increase brand awareness by expanding existing and formulating new marketing efforts through both online promotions and traditional media such as television, radio and printed publications nationwide.

On the Internet, Move.com Group already has relationships with many leading online distribution partners. Move.com Group has an agreement with AltaVista to serve as an exclusive real estate content provider to the new AltaVista Real Estate Channel. As part of the agreement, AltaVista will also promote this co-branded channel and the move.com network throughout its high traffic network of sites including AltaVista Search, altavistashopping.com and AltaVista Live!

LEVERAGE CENDANT'S REAL ESTATE BRANDS' ADVERTISING CAMPAIGNS AND ONLINE TRAFFIC. Move.com Group expects to establish a strong, mutually beneficial relationship with Cendant Group's leading real estate franchise systems. The multi-million dollar national and local television, radio and print advertising campaigns for the CENTURY 21-Registered Trademark-, COLDWELL BANKER-Registered Trademark- and ERA-Registered Trademark- real estate franchise systems will continuously promote the move.com network. Move.com Group will, in turn, promote these franchise systems in its national marketing campaigns. The franchise systems' brokers and agents also will promote the move.com network through word-of-mouth. Common navigation buttons, along with the move.com logo, will be placed toward the top of each page of the franchise brands' sites and will allow users to click-through to move.com's home page and other areas of move.com, such as the mortgage center or moving planner. Moreover, Move.com Group has implemented common ad server tools in order to effectively sell advertisements on each of the franchise brands' sites.

CONTINUE TO BUILD AND STRENGTHEN RELATIONSHIPS WITH BUSINESS PARTNERS. Move.com Group has a dedicated group of 60 trained sales professionals, throughout the United States, marketing to and servicing real estate professionals and third-party product and service providers. Move.com Group has developed effective methods of capturing and retaining business partners through time-tested processes and superior customer relations. Move.com Group expects to continue to add significantly to its sales resources over time.

LEVERAGE CENDANT'S WELCOME WAGON AND PREFERRED ALLIANCE MARKETING EFFORTS. Move.com Group expects to leverage Cendant's extensive sales resources associated with Welcome Wagon and the preferred alliance group. Cendant currently has over 300 Welcome Wagon sales agents nationwide marketing to local merchants and an established preferred alliance sales team marketing to major

corporations. These sales agents will offer their customers online exposure on the move.com network and should serve as a significant source of leads and business partners to Move.com Group.

INFRASTRUCTURE AND TECHNOLOGY

Move.com Group's infrastructure incorporates leading-edge technologies to deliver a secure, robust and scalable multi-tier architecture. This architecture includes redundancy and application and database server tiers, ensuring high availability and scalability.

Move.com Group's application logic is based on platform-independent, component-based solutions, allowing component systems to scale to enterprise levels while being distributed over multiple servers for redundancy. This high-performance architecture will enable Move.com Group to deliver a high-quality, secure user experience 24 hours a day, seven days a week. Move.com Group's current systems are capable of handling over 2 million sessions a day and planned upgrades in the third quarter of 2000 are expected to increase site capacity to over 4 million sessions a day. Current overall site session utilization is approximately 65%, with spikes to approximately 75%.

Move.com network's sites are primarily hosted in Cendant's Data Center located in Garden City, New York. The Data Center is a state-of-the-art facility providing maximum security, production system monitoring, redundant power, multi-zoned air conditioning, fire suppression, and redundant, high-bandwidth telecommunications capability. Back-ups are done on a daily basis and tapes are stored at an offsite location.

COMPETITION

The market for online relocation and real estate-related services is relatively new, intensely competitive and rapidly changing. Move.com Group's success will depend on its ability to continue to provide comprehensive, timely and useful information to attract and maintain both consumers and business partners.

Move.com Group believes that the primary competitive factors in attracting consumers to the move.com network are:

- brand recognition;
- quality, depth, breadth and presentation of content and services;
- functionality;
- ease-of-use; and
- quality and reliability of service.

Move.com Group believes that the principal competitive factors in attracting advertisers and content providers to the move.com network are:

- amount of traffic and user demographics;
- quality of service;
- ability to provide targeted audience and quality leads that become customers;
- cost-effectiveness of advertising on the move.com network; and
- ability to integrate content and purchase opportunities.

Move.com Group's main existing and potential competitors for consumers and advertisers include:

- Web sites offering home or apartment listings together with other related services, such as apartments.com, cyberhomes.com, homehunter.com, homestore.com, homeseekers.com, homeadvisor.com, iown.com, newhomenetwork.com and realestate.com;

- online services or Web sites targeting buyers and sellers of real estate properties and financial services companies, offering real estate-related products and services;

- general purpose consumer Web sites, search engine providers, and Web sites maintained by Internet service providers that offer relocation, real estate or home-related content;

- traditional forms of media such as radio, television, newspapers and magazines; and

- offline relocation, real estate and home-related product and service companies.

Move.com Group believes its various competitive advantages, including its affiliation with Cendant's real estate franchise systems and its proprietary database and content will permit it to compete favorably with its competitors. However, many of Move.com Group's existing competitors, as well as a number of potential new competitors, have greater name recognition, larger existing consumer bases and significantly greater financial, technical and marketing resources. Move.com Group may not be able to compete successfully for consumers, clients and staff and increased competition could result in price reductions, reduced margins or loss of market share, any of which could materially adversely affect its business, results of operations and financial condition.

INTELLECTUAL PROPERTY, PROPRIETARY RIGHTS AND DOMAIN NAMES

Move.com Group regards substantial elements of the move.com network and underlying technology as proprietary and attempts to protect them by relying on trademark, service mark, copyright and trade secret laws and restrictions on disclosure. Despite Move.com Group's precautions, it may be possible for a third party to copy or otherwise obtain and use Move.com Group's proprietary information without authorization or to develop similar technology independently.

Move.com Group intends to apply to register the move.com logo as a federal trademark. Rent Net is a registered trademark. Other trademarks and service marks in this prospectus are the property of their holders. Move.com Group has registered the Internet domain names "Move.com," "Rent.Net" and other domain names Move.com Group uses. This gives Move.com Group the exclusive rights to use these names as the addresses for its Web sites in the United States. The regulation of domain names is subject to change. Some proposed changes include the creation of additional top-level domains in addition to the current top-level domains, such as ".com," ".net" and ".org." It is also possible that the requirements for holding a domain name could change. Therefore, Move.com Group may not be able to obtain or maintain relevant domain names for all of the areas of its business. It may also be difficult for Move.com Group to prevent third parties from acquiring domain names that are similar to move.com network's domain names, that infringe Move.com Group's trademarks or that otherwise decrease the value of Move.com Group's intellectual property.

Move.com Group may not be able to register "Move.com" and certain of its trade names as federal trademarks because those names may be generic or too descriptive to qualify for federal trademark protection. Accordingly, Move.com Group may not be able to prevent other people from using those names in their businesses or in such a way as to damage its reputation, which could ultimately affect its revenue.

Move.com Group currently licenses from third parties technologies and information incorporated into the move.com network. As Move.com Group continues to introduce new services that incorporate new technologies and information, Move.com Group may be required to license additional technology and information from others.

Legal standards relating to the validity, enforceability and scope of protection of proprietary rights are uncertain and are still evolving, especially as they relate to Internet-related rights. In addition, the laws of some foreign counties may not protect Move.com Group's rights to the same degree as those of the United States. For these reasons, Move.com Group cannot be sure that the steps it takes will adequately protect its proprietary rights. Move.com Group also may be required to litigate to enforce its intellectual property rights or to determine the validity and scope of proprietary rights of others. This could create substantial costs and diversion of management's attention. See "Risk Factors--Move.com Group relies on intellectual property rights which may not be adequately protected under current laws."

PRIVACY POLICY

Move.com's privacy policy seeks to give its consumers as much control as possible over their personal information. Move.com gathers two types of information about consumers: data that consumers provide through optional, voluntary registration on the move.com network and data Move.com Group gathers through aggregated tracking, mainly by tallying page views. This information enables Move.com Group to tailor its content to consumers' needs and helps Move.com Group's advertisers understand the demographics of its audience. Move.com Group does not disclose visitor personal information to third parties without the visitor's consent.

REGULATION

RESPA requires certain disclosures, including a good faith estimate of closing costs and fees, as well as mortgage servicing transfer practices. RESPA also prohibits the payment or receipt of kickbacks or referral fees, fee shares or splits, or unearned fees in connection with the provision of real estate settlement services. It is a common practice for online mortgage and real estate-related companies to enter into advertising, marketing and distribution arrangements with other Internet companies and Web sites whereby the mortgage and real estate-related companies pay fees for advertising, marketing and distribution services and other goods and facilities based on the number of click-throughs, completed mortgage loan applications or closed mortgage loans derived from such arrangements. The applicability of RESPA's referral fee prohibitions to the compensation provisions of these arrangements is unclear and the Department of Housing and Urban Development has provided no guidance to date on the subject. Although Move.com Group believes that it has structured its relationships with Internet advertisers to ensure compliance with RESPA, some level of risk is inherent absent amendments to the law or regulations, or clarification from regulators.

Although Move.com Group's operations on the Internet are not currently regulated by any government agency in the United States beyond regulations discussed above and applicable to businesses generally, it is likely that a number of laws and regulations may be adopted governing the Internet. In addition, existing laws may be interpreted to apply to the Internet in ways not currently applied. Regulatory and legal requirements are subject to change and may become more restrictive, making Move.com Group's compliance more difficult or expensive or otherwise restricting its ability to conduct its business as it is now conducted. Such changes could hurt its business. See "Risk Factors--Increased government regulation and legal uncertainties relating to the Web could increase Move.com Group's costs of transmitting data and increase legal and regulatory expenditures and could decrease client and consumer base."

LEGAL PROCEEDINGS

As of the date of this prospectus, none of the entities in Move.com Group is a party to any litigation or other legal proceeding that, in Move.com Group's opinion, could have a material adverse effect on its business, operating results or financial condition.

For a description of legal proceedings relating to Cendant, see "Risks Related to Cendant Corporation--Discovery of Accounting Irregularities and Related Litigation and SEC Investigation."

MOVE.COM GROUP EMPLOYEES

As of March 31, 2000, Move.com Group had 270 full-time employees. Move.com Group has never had a work stoppage and no personnel is represented under collective bargaining agreements. Move.com Group believes that its future success will depend in part on Move.com Group's ability to attract, integrate, retain and motivate highly qualified personnel, and upon the continued service of Move.com Group's senior management and key technical personnel. Competition for qualified personnel in Move.com Group's industries and geographical locations is intense. Move.com Group cannot assure you that it will be successful in attracting, integrating, retaining and motivating a sufficient number of qualified employees to conduct its business in the future. Move.com Group considers its relationship with its employees to be satisfactory.

MOVE.COM GROUP FACILITIES

Move.com Group's principal executive and corporate offices and network operations center are located in San Francisco, California, in approximately 96,000 square feet of office space under a lease that expires in 2006. Move.com Group also maintains operations in New York, New York and Knoxville, Tennessee. Move.com Group believes that its facilities are adequate for its current operations and that additional space will be available for future expansion if necessary.

EXECUTIVE OFFICERS AND KEY EMPLOYEES

The following sets forth information regarding the executive officers and key employees of Move.com Group:

NAME	AGE	POSITION
Sarah Nolan	49	Chief Executive Officer and President
Phil Marcus	29	Chief Strategic Officer/Co-Founder
Jed Katz	29	Chief Strategic Officer/Co-Founder
Barry Allen	47	Chief Financial Officer
Bernie Hamilton	60	Chief Quality Officer
Marc West	40	Chief Technology Officer
Nicole Vogel	31	Vice President of Business Development
Michael Tchao	36	Vice President of User Experience
Scott Deaver	48	Vice President of Marketing
Andrew Straus	28	Vice President of Directory Services

SARAH NOLAN has been Chief Executive Officer and President of Move.com Group since September 1999. Prior to joining Move.com Group, Ms. Nolan was Chairman of the Board and Chief Executive Officer of Narrowline, an Internet advertising exchange and research company. From May 1997 to November 1997, Ms. Nolan worked at Hambrecht & Quist LLP, for whom she served as President and Chief Executive Officer of OptionsLink. From 1986 to 1992, Ms. Nolan worked at American Express as Executive Vice President of its Travel Related Services division and also served as President of the AMEX Life Assurance Company. Ms. Nolan has also held positions at Booz Allen & Hamilton, Irving Trust Company and McGraw-Hill. Ms. Nolan has an M.B.A. from New York University and a B.A. from Rhodes College.

PHIL MARCUS is a Co-Chief Strategic Officer and a Co-Founder of Move.com Group. As Chief Strategic Officer, Mr. Marcus, along with Mr. Katz, concentrates on the high growth opportunities for Move.com Group including new business initiatives, international expansion and mergers & acquisitions. Prior to starting Move.com Group, Mr. Marcus was the President and Co-Founder of Rent Net. In this role, Mr. Marcus oversaw consumer marketing, software and product development, new business development, accounting/finance as well as general corporate strategy. Prior to founding Rent Net, Mr. Marcus was an associate at the law firm of O'Melveny and Myers and was a tax accountant at Ernst & Young in Los Angeles. Mr. Marcus holds a Juris Doctorate degree from Hastings College of the Law and a B.A. in Business-Economics from UCLA.

JED KATZ is a Co-Chief Strategic Officer and a Co-Founder of Move.com Group. As Chief Strategic Officer, Mr. Katz, along with Mr. Marcus, concentrates on the high growth opportunities for Move.com Group including new business initiatives, international expansion and mergers & acquisitions. Prior to starting Move.com Group, Mr. Katz was the COO and Co-Founder of Rent Net. In this role, Mr. Katz managed client sales and marketing, operations and corporate strategy, growing the company from 2 to 160 people. Prior to founding Rent Net in late 1994, Mr. Katz worked in Los Angeles as an investment manager for Southwest Housing Investments. Prior to that, Mr. Katz was an apartment manager in Los Angeles. A frequent speaker on the benefits of online marketing for the real estate industry, Mr. Katz has also published articles in many of the industry trade magazines. Mr. Katz has an M.B.A. from The University of California at Berkeley and a B.A. in Business-Economics from UCLA.

BARRY ALLEN has been Chief Financial Officer of Move.com Group since December 1999. Prior to joining Move.com Group, Mr. Allen was Chief Financial Officer of Marketwave Corporation, a provider of enterprise-class e-business software from June 1998 to September 1999. From 1996 to June 1998, Mr. Allen worked at Cascade Design Automation Corp. as Chief Financial Officer. From 1990 to 1996, Mr. Allen worked at Celerex Corp. as Chief Financial and Administrative Officer. Mr. Allen also served as President and Chief Operating Officer of Air Data Express. Mr. Allen has also worked at First Columbia Management Corp. and Coopers & Lybrand. Mr. Allen has a B.A. in business administration from the University of Washington.

BERNIE HAMILTON has been Chief Quality Officer of Move.com Group since December 1999. Prior to joining Move.com Group, Mr. Hamilton was Senior Vice President and General Auditor of the American Express Company from 1992-1998. Throughout his 25 year career with American Express, Mr. Hamilton held various positions, primarily in American Express's Travel Related Services subsidiary. He served as Executive Vice President and Chief of Staff from 1991-1992, Executive Vice President--Strategic Business Systems from 1989-1990, President--Latin America and Caribbean Division from 1979-1989, Vice President and Chief Financial Officer from 1975-1979, and Director Management Science and Planning from 1973-1974. Mr. Hamilton also worked as a consultant for Mathematica, Inc. and was a Captain in the U.S. Army. Mr. Hamilton has a Ph.D. in Business Administration from UCLA, an M.B.A. from UCLA and a B.S. in Mechanical Engineering Industrial Option from Notre Dame.

MARC WEST has been Chief Technology Officer of Move.com Group since February 2000. Prior to joining Move.com Group, Mr. West was Chief Information Officer of BlueStone Capital Partners, L.P. and TRADE.com from 1999 to 2000 where he was responsible for all aspects of technology and e-business development. Mr. West also served as Vice President, Information Technology Services for The Quick & Reily Group, Inc. from 1998 to 1999 and Senior Practice Director for Oracle Corporation from 1995 to 1998. Mr. West has also held positions with Sequent Computer Systems, Inc. and Mobile Corporation. Mr. West has an M.S. in Human Resources Management from Golden Gate University and a B.S. in Computer Sciences from the University of Maryland.

NICOLE VOGEL has been Vice President of Business Development since July 1999. Prior to joining Move.com Group, Ms. Vogel was Vice President of Business Development for Turner Interactive Sales, responsible for new business on the CNN family of Web sites, which include, CNN.com, CNNfn.com (Financial Network) and CNNSI.com (Sports Illustrated), as well as other Turner Broadcasting Web sites, such as Cartoon Network.com and WCW.com. As one of the original five members of the Turner Interactive Sales team, she oversaw the growth of that division from five to over 50. Prior to her Internet-related duties, Nicole oversaw Corporate Strategic Planning for Turner's cable sales divisions. Ms. Vogel has a B.A. from American University.

MICHAEL TCHAO has been Vice President of User Experience since August 1999. Prior to joining Move.com Group, Mr. Tchao ran a technology marketing strategy consulting practice helping companies develop, launch and market new technology products and services. His clients included Fortune 500 companies as well as a number of smaller Internet-related startups. Prior to consulting, Mr. Tchao spent 10 years in various product development and product marketing positions at Apple Computer developing and launching over 250 hardware and software products. Mr. Tchao has a B.S. in Engineering Product Design from Stanford University.

SCOTT DEAVER joined Move.com Group as Vice President of Marketing in September 1999. Prior to joining Move.com Group, Mr. Deaver worked at Cendant for nine years and held various positions in brand management, including Vice President Marketing for Ramada and Howard Johnson hotels. Since 1997 to September 1999, Mr. Deaver served as Senior Vice President Corporate Marketing where he concentrated on cross-marketing initiatives for Cendant's business units. Prior to joining Cendant, Mr. Deaver was Director of Consumer Marketing for Holiday Inns, and was responsible for the initial marketing launch of Embassy Suites Hotels.

ANDREW STRAUS joined Move.com Group as Vice President of Directory Services in May 1999. From January 1996 until May 1999, Mr. Straus had been a Director of Rent Net. Mr. Straus hired, trained and managed Rent Net's initial sales force and has overseen the growth and development of its apartment product since its early stages. Today, he oversees both the residential apartment listings product as well as the other directories such as Senior Housing Net, Self Storage Net and Rent Net's Corporate Housing Guide. Mr. Straus is an Advisory Council member of the National Multihousing Council, an organization for owners, developers and operators of apartment communities. Prior to joining Rent Net, Mr. Straus was an investment manager for City National Bank of Beverly Hills. He earned a B.A. degree in Economics from UCLA in 1993.

MOVE.COM GROUP STOCK OPTION PLAN

The following is a brief description of the material features of the Move.com Group Option Plan. Such description is qualified in its entirety by reference to the full text of the Option Plan, which we have filed as an exhibit to the registration statement of which this prospectus is a part.

The Option Plan provides for grants of options to eligible employees of Move.com Group and Cendant Group, at the sole discretion of Cendant's Compensation Committee. A majority of the employees of Move.com Group will be granted options under the Option Plan. Subject to adjustment as provided in the Option Plan, the total number of shares of Move.com stock reserved and available for delivery to optionees is six million (6,000,000). No optionee may be granted options under the Option Plan covering more than 50% of the total number of shares of Move.com stock authorized for issuance under the Option Plan over any consecutive two (2) year period. Shares subject to an option may be authorized and unissued shares or may be treasury shares. If any option terminates without being exercised, the shares of Move.com stock subject to such option will again be available for option grants under the Option Plan.

The Option Plan will be administered by the Compensation Committee of the board of directors of Cendant or by such other committee as the board of directors of Cendant may designate or by the board of directors of Cendant. The Compensation Committee is authorized, among other things, to select the employees of Move.com Group and Cendant Group to whom options will be granted, the number of shares and per share exercise price applicable thereto, as well as to determine the terms and conditions of such options. Such selections will be made to advance the goals set forth above, including to align the interests of the employees of Move.com Group and Cendant Group employees who support the Move.com Group operations, with the interests of the stockholders of the Move.com stock. Subject to the terms and conditions of the Option Plan, the Compensation Committee is authorized to interpret the Option Plan and adopt administrative rules, guidelines, policies and practices applicable to the Option Plan, as well as to make all determinations under the Option Plan.

Options to purchase shares of Move.com stock are the only awards authorized to be granted under the Option Plan. No option granted under the Option Plan may qualify as an Incentive Stock Option as defined in Section 422 of the Internal Revenue Code. The exercise price per share applicable to any option is determined by the Compensation Committee, but may not be less than the fair market value (as defined in the Option Plan) of a share of Move.com stock as of the date of grant.

Stock options may be exercisable subject to the terms of the option agreement, or by such other manner determined by the Compensation Committee. The Compensation Committee may permit optionees to defer the receipt of shares issuable in connection with the exercise of any option. Except as set forth in the Option Plan, options may not be transferred or otherwise assigned, pledged or encumbered in any way.

All options granted under the Option Plan will be subject to a vesting schedule established by the Compensation Committee.

The Option Plan provides for the termination of options in the event that any optionee's employment is terminated for cause (as defined in the Option Plan). The Option Plan also has provisions for treatment of outstanding options in the event an optionee terminates employment with Move.com Group for any other reason.

The Option Plan provides that in the event of a change-of-control transaction (as defined in the Option Plan), certain options granted thereunder will become immediately exercisable with respect to 25% of the unvested portion thereof on a pro rata basis according to the scheduled vesting dates.

The Option Plan will terminate by its terms on October 29, 2009, but may be earlier terminated or amended at any time by the board of directors of Cendant at its sole discretion, except that no such termination or amendment may impair the rights of any optionee with respect to any then outstanding options.

Grants of options under the Option Plan are subject to the discretion of the Compensation Committee and therefore indeterminable. However, as of the date hereof, 1.2 million options have been granted to employees of Cendant Group and 2.5 million options have been granted to employees of Move.com Group under the Option Plan.

After the offering, the relationship between Cendant Corporation and Move.com Group will be governed by Intracompany Agreements.

Certain wholly-owned subsidiaries of Cendant that are part of Move.com Group are parties to various long-term agreements with subsidiaries of Cendant that are part of Cendant Group. Since all the parties are wholly-owned subsidiaries of Cendant, they may be amended at any time if Cendant so chooses, subject to the requirement that Cendant exercise its fiduciary responsibilities to its stockholders.

RELATIONSHIPS WITH REAL ESTATE FRANCHISORS. On October 1, 1999, Move.com Operations, Inc., on behalf of Move.com Group, and each of Century 21 Real Estate Corporation, Coldwell Banker Real Estate Corporation and ERA Franchise Systems, Inc. entered into three separate 40-year Internet Cooperation Agreements.

Each franchisor has agreed to provide its residential real estate listings for display on move.com. In addition, each franchisor has agreed to use commercially reasonable efforts to promote move.com to its brokers and agents and to provide content for move.com (e.g. information, articles and promotional material) from its Web site as mutually agreed by the parties based on a number of factors, including the franchisor cost. Further, each franchisor has agreed to place move.com identifying marks in a prominent location on its Web site and, where appropriate, reference move.com in its television, radio and other offline advertising.

In return, Move.com Group has agreed to display each franchisor's listings, at no cost, on move.com to provide each franchisor with access to content developed by Move.com Group, to provide each of CENTURY 21-Registered Trademark- and COLDWELL BANKER-Registered Trademark- with 50,000, and ERA-Registered Trademark- with 25,000, banner advertisement impressions per month on move.com, and to provide both broker profile screens and Internet traffic reports to each franchisor's brokers and agents and to offer such brokers and agents various ancillary services developed by Move.com Group.

Move.com Group has been assigned, and has agreed to undertake management of, the agreements with Web site hosting companies regarding the maintenance and support of century21.com, coldwellbanker.com and era.com. In addition, Move.com Group has agreed to serve as a nonexclusive business development representative for each franchisor, with respect to third party advertising on century21.com, coldwellbanker.com and era.com. In connection with this appointment, Move.com Group has the right to place all but 6% of the advertising on century21.com, coldwellbanker.com and era.com. Move.com Group is also serving as a nonexclusive advertising placement consultant for each franchisor, with respect to the placement of each franchisor's advertising on third party Web sites. Each franchisor has agreed that prior to appointing any party as agency of record for this service, it will meet with Move.com Group regarding Move.com Group's potential appointment as an agency of record.

Move.com Group has also agreed to (1) pay each franchisor 10% of the revenue received by Move.com Group from the sale of ancillary services on move.com where the leads are attributable to the brokers or agents of such franchisor and (2) pay each franchisor 10% of the advertising revenue received by Move.com Group in connection with advertising placed on each franchisor's Web site. Each franchisor has agreed to pay to Move.com Group up to 6% of the value of the Web site management/ hosting services rendered by third parties to such franchisor; however, this amount is only payable out of any savings realized by such franchisor as a result of Move.com Group's assumption and management of the third party hosting agreements for such franchisor's Web site.

Upon the expiration of pre-existing agreements that expire in June 2002, the real estate franchise systems will provide its residential real estate listings to Move.com Group on an exclusive basis.

RELATIONSHIPS WITH CENDANT MORTGAGE. Move.com Operations, Inc., on behalf of Move.com Group, is currently negotiating various agreements with Cendant Mortgage Corporation, a wholly owned subsidiary of Cendant, under which Move.com Group's licensed affiliate, a member of the Move.com Group, will serve as an online mortgage broker for residential mortgage products offered by and through Cendant Mortgage. Move.com Group will therefore be the contact person for online customers, counseling them on mortgage options and procedures, guiding them through the mortgage process, taking applications and providing other standard services. Completed applications will be forwarded to Cendant Mortgage or another lender for underwriting and closing. The terms, including the financial terms, have yet to be finalized. Pursuant to a Software Development, Licensing and Computerized Loan Origination System Agreement, which is still being discussed, Cendant Mortgage will license a customized version of its Web-based loan origination platform to Move.com Mortgage. This software will enable Move.com Group to accept customer information to complete applications online. Also, pursuant to an Internet Cooperation Agreement still being discussed, the parties intend to provide various marketing services, including providing advertising space and links on the move.com Web site to various Cendant Mortgage mortgage programs and products.

SERVICES ARRANGEMENTS. Move.com Operations, Inc., on behalf of Move.com Group, and Cendant Corporation are currently negotiating an Agreement pursuant to which Cendant Corporation will provide corporate services to Move.com Group similar to most of the services provided by Cendant to its other subsidiaries. The services to be provided will include support for finance functions such as treasury, accounts payable, payroll and external reporting, human resources-related services such as benefits administration and recruiting and employee relations assistance, legal support, and assistance with significant transactions such as acquisitions. Move.com Group will pay Cendant for such services with fees to be based on (1) actual costs incurred by Cendant in providing such services and (2) cost allocation methodologies employed by Cendant for its other subsidiaries which typically involves an allocation based on a percentage of revenue. The allocation percentage has historically been approximately 2% of revenues. The term of the Agreement will be indefinite, subject to termination upon breach of the agreement or a divestiture of Move.com Group by Cendant. The agreement can be amended at any time.

RELATIONSHIP WITH GETKO GROUP, INC./WELCOME WAGON. Move.com Operations, Inc., on behalf of Move.com Group, has entered into an Internet Cooperation Agreement with Getko Group, Inc., a wholly owned subsidiary of Cendant which owns the rights to the Welcome Wagon brand name. Under the agreement, Move.com Operations, Inc. has agreed to develop, host and maintain the Welcome Wagon area of the move.com Web site for the purpose of promoting merchant discount offerings and allowing visitors to obtain coupons to be redeemed with local merchants. Getko has agreed to promote the Welcome Wagon area of move.com and the services offered on move.com to its local merchant clients and to maintain agreements with such clients. Getko will pay Move.com Group commissions based on Getko's net revenue on a quarterly basis. Getko will pay Move.com Group 25%, 40% and 75% of its net revenue in 2000, 2001 and 2002, respectively. Move.com Group has agreed to reimburse Getko for a percentage of its total expenses in promoting move.com. Move.com Group will pay 30%, 50% and 75% of these expenses in 2000, 2001 and 2002, respectively. The term of the Internet Cooperation Agreement commenced January 1, 2000 and ends on December 31, 2002 with an option to renew for one year at Move.com Group's option subject to termination in the event of a material breach of the agreement or if Move.com Operations, Inc. is not wholly owned by Cendant.

DEVELOPMENT AND MARKETING AGREEMENT. Move.com Operations, Inc., on behalf of Move.com Group, and Cendant Group are currently negotiating a Marketing and Business Development Cooperation Agreement pursuant to which Cendant and Move.com Group will jointly develop marketing arrangements with third parties for the promotion of the third parties' products and services to Cendant's home buying customers and Move.com Group's consumers. Move.com Group and Cendant will each be obligated to appoint appropriate marketing and relationship management and business personnel, to coordinate and develop the marketing of third party contracts and to promote and implement the various services into their respective businesses. Move.com Group will share certain fees and payments as well as ongoing commissions, as determined by the parties with respect to each marketing arrangement.

DESCRIPTION OF CAPITAL STOCK

The following description is not complete and should be read with our certificate of incorporation, as amended and restated which we have filed as an exhibit to the registration statement of which this prospectus is a part. See "Illustration of Terms," for further discussion of terms described in this prospectus.

GENERAL

Our certificate of incorporation, as amended and restated, authorizes us to issue 2,510,000,000 shares, consisting of 2,000,000,000 shares of CD stock, par value $.01 per share, 500,000,000 shares of Move.com stock, par value $.01 per share and 10,000,000 shares of preferred stock, par value $.01 per share. As of March 31, 2000, Cendant had approximately outstanding shares of common stock, which were automatically converted into CD Stock, and no shares of preferred stock outstanding.

We have allocated, for financial accounting purposes, all of our consolidated assets, liabilities, revenue, expenses and cash flow between Cendant Group and Move.com Group. In the future, we will publish financial statements of Move.com Group together with consolidated financial statements of Cendant.

The board of directors of Cendant designated the number of shares of Move.com stock to represent Cendant's initial retained interest in Move.com Group, which is 22,500,000 shares immediately prior to this offering and the offerings being made concurrently. The board of directors of Cendant also designated the initial number of shares of Move.com stock to be sold to the public. See "--Cendant Group's Retained Interest in Move.com Group," "--Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group" and "Illustration of Terms" for additional information about Cendant Group's retained interest in Move.com Group and the number of shares issuable with respect to Cendant Group's retained interest in Move.com Group. No shares are actually issuable to Cendant with respect to its retained interest since Move.com stock is a series of common stock of Cendant and any shares owned by Cendant would be treasury shares and not deemed to be outstanding.

The board of directors of Cendant will have the authority to increase or decrease from time to time the total number of authorized shares comprising either series of common stock. However, the board of directors of Cendant may not increase the number of authorized shares of a series above a number which, when added to all of the authorized shares of the other series of common stock, would exceed the total authorized number of shares of common stock. Likewise, the board of directors of Cendant may not decrease the number of authorized shares of a series below the number of shares of such series then outstanding.

The board of directors of Cendant will have the authority in its sole discretion to issue authorized but unissued shares of common stock from time to time for any proper corporate purpose. The board of directors of Cendant will have the authority to do so without your approval, except as provided by Delaware law or the rules and regulations of any securities exchange on which any series of outstanding common stock may then be listed.

DIVIDENDS

Move.com Group currently intends to retain all of its earnings to finance the operation and expansion of its business.

Cendant does not expect to pay any cash dividends on CD stock or Move.com stock in the foreseeable future. Although we do not expect to pay dividends on CD stock or Move.com stock for the foreseeable future, we will be permitted to pay dividends on:

- CD stock out of the lesser of the assets of Cendant legally available for the payment of dividends under Delaware law and the available dividend amount for Cendant Group; and

- Move.com stock (and corresponding amounts to Cendant Group with respect to its retained interest in Move.com Group) out of the lesser of the assets of Cendant legally available for the payment of dividends under Delaware law and the available dividend amount for Move.com Group.

The available dividend amount for Cendant Group at any time is the amount that would then be legally available for the payment of dividends on Cendant Group's common stock under Delaware law if (1) Cendant Group and Move.com Group were each a separate Delaware corporation, (2) Cendant Group had outstanding (a) a number of shares of common stock equal to the number of shares of CD stock that are then outstanding and (b) a number of shares of preferred stock equal to the number of shares of preferred stock of Cendant that have been attributed to Cendant Group and are then outstanding, (3) the assumptions about Move.com Group set forth in the next sentence were true and (4) Cendant Group owned a number of shares of Move.com stock equal to the number of shares issuable with respect to Cendant Group's retained interest in Move.com Group. Similarly, the available dividend amount for Move.com Group at any time is the amount that would then be legally available for the payment of dividends on Move.com stock under Delaware law if Move.com Group were a separate Delaware corporation having outstanding (1) a number of shares of common stock equal to the number of shares of Move.com stock that are then outstanding plus the number of shares issuable with respect to Cendant Group's retained interest in Move.com Group and (2) a number of shares of preferred stock equal to the number of shares of preferred stock of Cendant that have been attributed to Move.com Group and are then outstanding.

The amount legally available for the payment of dividends on common stock of a corporation under Delaware law is generally limited to the total assets of the corporation less its total liabilities less the aggregate par or stated value of the outstanding shares of its common and preferred stock. However, if that amount is not greater than zero, the corporation may also pay dividends out of the net profits for the corporation for the fiscal year in which the dividend is declared and/or the preceding fiscal year. As mentioned above, these restrictions will form the basis for calculating the available dividend amounts for Cendant Group and Move.com Group. These restrictions will also form the basis for calculating the aggregate amount of dividends that Cendant as a whole can pay on its common stock, regardless of series. Thus, net losses of either business, and any dividends and distributions on, or repurchases of, either series of common stock, may reduce the assets legally available for dividends on both series of common stock.

Subject to the foregoing limitations and to any other limitations set forth in any future series of preferred stock or in any agreements binding on Cendant from time to time, we have the right to pay dividends on both, one or neither series of common stock in equal or unequal amounts, notwithstanding the performance of either Group, the amount of assets available for dividends on either series, the amount of prior dividends paid on either series, the respective voting rights of each series or any other factor.

At the time of any dividend on the outstanding shares of Move.com stock (including any dividend required as a result of a disposition of all or substantially all of the assets of Move.com Group, but excluding any dividend payable in shares of Move.com stock) we will credit to Cendant Group, and charge against Move.com Group, a corresponding amount in respect of Cendant Group's retained interest in Move.com Group. Specifically, the corresponding amount will equal the aggregate amount of such dividend times a fraction, the numerator of which is the number of shares issuable with respect to Cendant Group's retained interest in Move.com Group and the denominator of which is the number of shares of Move.com stock then outstanding. For further examples and illustrations, see "Illustrations of Terms."

MANDATORY DIVIDEND, REDEMPTION OR EXCHANGE ON DISPOSITION OF ALL OR SUBSTANTIALLY ALL OF THE ASSETS OF A GROUP

If we dispose of all or substantially all of the assets of a Group to one or more persons or entities, in one transaction or a series of related transactions, and the disposition is not an exempt disposition as defined below, we would be required, by the 85th trading day after the consummation of such disposition, to choose one of the following three alternatives:

- declare and pay a dividend to holders of the series of common stock that relates to that Group in cash or any other property in an amount having a fair value equal to their proportionate interest in the net proceeds of such disposition;

- redeem from holders of the series of common stock that relates to that Group, for cash or any other property in an amount having a fair value equal to their proportionate interest in the net proceeds of such disposition, all of the outstanding shares of the relevant series of common stock or, if such Group continues after such disposition to own any material assets other than the proceeds of such disposition, a number of shares of such series of common stock having an aggregate average market value, during the 20 consecutive trading day period beginning on the 16th trading day immediately following the date on which the disposition is consummated, equal to such fair value; or

- issue shares of the series of common stock that does not relate to that Group in exchange for all of the outstanding shares of the series of common stock that relates to that Group at a 10% premium, based on the average market value of the relevant series of common stock as compared to the average market value of the other series of common stock during the 20 consecutive trading day period beginning on the 16th trading day immediately following the date on which the disposition is consummated.

There could be substantial benefits or detriments to the holders of the CD stock or Move.com stock depending upon the alternative selected by the board of directors for distributing the proceeds of such a sale, and also depending upon, among other factors:

the amount and type of consideration that Cendant receives in any such disposition;

Cendant's tax basis in the assets disposed of;

the tax basis of the holders in their shares of stock; and

the market price of the CD stock or Move.com stock, as applicable.

For example, if all or substantially all of the assets of the Move.com Group are sold and Cendant's tax basis in those assets is relatively low, the payment of a dividend with respect to, or the redemption of, Move.com stock will result in the holders of Move.com stock bearing all of the corporate-level taxes on that sale, while the issuance of shares of CD stock in exchange for Move.com stock may result in that tax cost being shared by all of the holders of Cendant's common stock. Depending on the market price of the Move.com stock at the time of such a disposition, the board of directors' determination to pay a dividend on, or redeem shares of, Move.com stock, as compared to issuing shares of CD stock in exchange, will result in more or less value to the holders of such shares. To the extent that the holders of Move.com stock receive greater value as a result of such a disposition, the holders of CD stock will own a relatively less valuable corporation. In addition, depending on the tax basis of a holder in his or her CD stock or Move.com stock, among other factors, the tax consequences of an exchange of Move.com stock or CD stock, respectively, for stock of the other Group, which generally would be tax-free, might be more favorable than the tax consequences of a dividend on, or redemption of, the Move.com stock or CD stock, respectively, which generally would be taxable.

In connection with any special dividend on, or redemption of Move.com stock as described above, we will credit to Cendant Group, and charge against Move.com Group a corresponding amount in respect of Cendant Group's retained interest in Move.com Group. Specifically, the corresponding amount will equal the aggregate fair value of such dividend or redemption times a fraction, the numerator of which is the number of shares issuable with respect to Cendant Group's retained interest in Move.com Group and the denominator of which is the number of shares of Move.com stock then outstanding. In addition, in connection with any partial redemption of Move.com stock as described above, we will decrease the number of shares issuable with respect to Cendant Group's retained interest in Move.com Group by the same proportion as the proportionate decrease in outstanding shares of Move.com stock caused by such redemption.

At any time within one year after completing any dividend or partial redemption of the sort referred to above, we will have the right to issue shares of the series of common stock that does not relate to the Group in question in exchange for outstanding shares of the series of common stock that relates to that Group at a 10% premium (based on the average market value of the relevant series of common stock as compared to the average market value of the other series of common stock during the 20 consecutive trading day period ending on the 5th trading day immediately preceding the date on which Cendant mails the notice of exchange to holders of the relevant series). In determining whether to effect any such exchange following such a dividend or partial redemption, we would, in addition to other matters, consider whether the remaining assets of such Group continue to constitute a viable business, the number of shares of such common stock remaining issued and outstanding, the per share market price of such common stock and the ongoing cost of continuing to have a separate series of such common stock outstanding.

The following terms used in this document have the meanings specified in our certificate of incorporation, as amended and restated and are set forth below:

All or substantially all of the assets of either Group means a portion of such assets that represents at least 80% of the then-current fair value of the assets of such Group, which for the Cendant Group includes the value of its retained interest in Move.com Group.

Cendant Group means (1) all of the businesses, assets and liabilities of Cendant and its subsidiaries, other than the businesses, assets and liabilities that are part of the Move.com Group, (2) the rights and obligations of Cendant Group under any inter-Group debt deemed to be owed to or by Cendant (as such rights and obligations are defined in accordance with policies established from time to time by the board of directors) and (3) a proportionate interest in Move.com Group (after giving effect to any options, preferred stock, other securities or debt issued or incurred by Cendant and attributed to Move.com Group) equal to the retained interest percentage; provided that:

(a) Cendant may reallocate assets from one Group to the other Group in return for other assets or services rendered by that other Group in the ordinary course of business or in accordance with policies established by the board of directors or a committee thereof from time to time; and

(b) if Cendant transfers cash, other assets or securities to holders of shares of Move.com stock as a dividend or other distribution on shares of Move.com stock (other than a dividend or distribution payable in shares of Move.com stock), or as payment in a redemption of shares of Move.com stock effected as a result of a Move.com stock disposition, then the board of directors shall re-allocate from Move.com Group to Cendant Group cash or other assets having a fair value equal to the aggregate fair value of the cash, other assets or securities so transferred times a fraction, the numerator of which shall equal the number of shares issuable with respect to Cendant Group's retained interest in Move.com Group on the record date for such dividend or distribution, or on the date of such redemption, and the denominator of which shall equal the number of shares of Move.com stock outstanding on such date.

Move.com Group means (1) the Internet relocation, real estate and home-related services portal called move.com, including all of the businesses, assets and liabilities of Cendant and its subsidiaries that the board of directors has, as of the date on which the amended and restated certificate of incorporation becomes effective under Delaware law, allocated to Move.com Group, (2) any assets or liabilities acquired or incurred by Cendant or any of its subsidiaries after the effective date in the ordinary course of business and attributable to Move.com Group, (3) any businesses, assets or liabilities acquired or incurred by Cendant or any of its subsidiaries after the effective date that the board of directors has specifically allocated to Move.com Group or that Cendant otherwise allocates to Move.com Group in accordance with policies established from time to time by the board of directors, and (4) the rights and obligations of Move.com Group under any inter-Group debt deemed to be owed to or by Move.com Group (as such rights and obligations are defined in accordance with policies established from time to time by the board of directors); provided that:

(a) Cendant may reallocate assets from one Group to the other Group in return for other assets or services rendered by that other Group in the ordinary course of business or in accordance with policies established by the board of directors from time to time; and

(b) if Cendant transfers cash, other assets or securities to holders of shares of Move.com stock as a dividend or other distribution on shares of Move.com stock (other than a dividend or distribution payable in shares of Move.com stock), or as payment in a redemption of shares of Move.com stock effected as a result of a Move.com stock disposition, then the board of directors shall re-allocate from Move.com Group to Cendant Group cash or other assets having a fair value equal to the aggregate fair value of the cash, other assets or securities so transferred times a fraction, the numerator of which shall equal the number of shares issuable with respect to Cendant Group's retained interest in Move.com Group on the record date for such dividend or distribution, or on the date of such redemption, and the denominator of which shall equal the number of shares of Move.com stock outstanding on such date.

An exempt disposition means any of the following:

- a disposition in connection with the liquidation, dissolution or winding-up of Cendant and the distribution of assets to stockholders;

- a disposition to any person or entity controlled by Cendant (as determined by the board of directors in its sole discretion);

- a disposition by either Group for which Cendant receives consideration primarily consisting of equity securities (including, without limitation, capital stock of any kind, interests in a general or limited partnership, interests in a limited liability company or debt securities convertible into or exchangeable for, or options or warrants to acquire, any of the foregoing, in each case without regard to the voting power or other management or governance rights associated therewith) of an entity which is primarily engaged or proposes to engage primarily in one or more businesses similar or complementary to businesses conducted by such Group prior to the disposition, as determined by the board of directors in its sole discretion;

- a dividend, out of Move.com Group's assets, to holders of Move.com stock and a transfer of a corresponding amount of Move.com Group's assets to Cendant Group in respect of its retained interest in Move.com Group;

- a dividend, out of Cendant Group's assets, to holders of CD stock; and

- any other disposition, if (1) at the time of the disposition there are no shares of CD stock outstanding, (2) at the time of the disposition there are no shares of Move.com stock outstanding, or (3) before the 30th trading day following the disposition we have mailed a notice stating that we are exercising our right to exchange all of the outstanding shares of CD stock or Move.com stock

for newly issued shares of the other series of common stock as contemplated under "--Optional Exchange of One Series of Common Stock for the Other Series" below.

The proportionate interest of holders of Move.com stock in the net proceeds of a Move.com Group disposition (or in the outstanding shares of common stock of any subsidiaries holding Move.com Group's assets and liabilities) means the amount of such net proceeds (or the number of such shares) times the number of shares of Move.com stock outstanding divided by the total number of notional Move.com shares deemed outstanding. The proportionate interest of holders of CD stock in the net proceeds of a Cendant Group disposition (or in the outstanding shares of common stock of any subsidiaries holding Cendant Group's assets and liabilities) means the amount of such net proceeds (or the number of such shares) times the number of shares of Move.com shares issuable with respect to Cendant Group's retained interest in Move.com Group divided by the total number of notional Move.com shares deemed outstanding. For an example and illustration, see "Illustration of Terms."

The total number of notional Move.com shares deemed outstanding at any time means the number of shares of Move.com stock then outstanding plus the number of shares then issuable with respect to Cendant Group's retained interest in Move.com Group.

OPTIONAL EXCHANGE OF ONE SERIES OF COMMON STOCK FOR THE OTHER SERIES

Prior to the third anniversary of this offering, we will not have the right to cause the issuance of Move.com stock in exchange for CD stock.

From and after the third anniversary of this offering, we will have the right, at any time after outstanding Move.com stock exceeds 40% of our total market capitalization, but does not exceed 60% of our total market capitalization, to issue shares of either series of common stock in exchange for outstanding shares of the other series of common stock without a premium. In the event that Move.com stock exceeds 60% of our total market capitalization, we will lose the right to effect an exchange without a premium during such period.

The exchange ratio that will result in an exchange without a premium will be based on the average market value of the series of the common stock being exchanged as compared to the average market value of the other series of common stock during the 20 consecutive trading day period ending on, and including, the 5th trading day immediately preceding the date on which we mail the notice of exchange to holders of the outstanding shares being exchanged.

On or after the 18-month anniversary of this offering, we will have the right to issue shares of CD stock in exchange for outstanding shares of Move.com stock at a premium. The premium will initially be 20% (for exchanges occurring prior to the nineteenth month following the initial issuance of Move.com stock) and will decline ratably each month over an 18-month period to 15%.

In addition, we will have the right, on or after the third anniversary of this offering, when outstanding Move.com stock exceeds 60% of our total market capitalization, to issue shares of Move.com stock in exchange for outstanding shares of CD stock at a 15% premium. In the event that Move.com stock equals or falls below 60% of our total market capitalization, we will lose the right to effect such an exchange during such period.

Cendant believes that providing a 15-20% premium in connection with the issuance of Move.com stock in exchange for CD stock at a time when a 15-20% premium would be payable upon the issuance of CD stock in exchange for Move.com stock would present the board of directors of Cendant with an insurmountable conflict. Because both of these exchanges produce the same economic, legal and tax result if the premium is not considered, the board of directors of Cendant would be faced with a

tremendous conflict of interest in deciding which exchange to effectuate given that the class of stockholders receiving the premium would benefit at the expense of the other class of stockholders. Accordingly, the exchange provisions were designed to avoid this conflict and to provide a premium to the smaller class of stockholders.

The exchange rights incorporated into the Move.com stock and CD stock were designed to strike an appropriate balance between providing Cendant with sufficient future financial flexibility and providing investors in Move.com stock with some degree of certainty that their stock will not be CD stock in the near future without a premium. The terms that have been adopted are similar to the terms of other recent issuances of tracking stock and were selected by the board of directors of Cendant in consultation with its financial and legal advisors.

Notwithstanding the preceding paragraphs, upon the occurrence of a tax event, we will have the right to issue shares of CD stock in exchange for outstanding shares of Move.com stock at a 10% premium regardless of when such adverse tax law changes take place.

A "tax event" means the receipt by Cendant of an opinion of tax counsel of Cendant's choice, experienced in such matters, who cannot be an officer or employee of Cendant or any of its affiliates, to the effect that, as a result of any amendment to, or change in the laws (or any regulations thereunder) of the United States or any political subdivision or taxing authority thereof or therein (including any proposed change in such regulations announced by an administrative agency), or as a result of any official or administrative pronouncement or action or judicial decision interpreting or applying such laws or regulations, it is more likely than not that for United States federal income tax purposes (1) Cendant, its subsidiaries or affiliates, or any of its successors or its stockholders is, or at any time in the future will be, subject to tax upon the issuance of shares of either CD stock or Move.com stock or (2) either CD stock or Move.com stock is not, or at any time in the future will not be, treated solely as stock of Cendant. For purposes of rendering such opinion, the tax counsel shall assume that any administrative proposals will be adopted as proposed. However, in the event a change in law is proposed, the tax counsel shall render an opinion only in the event of enactment.

The exchange ratio that will result in the specified premium will be calculated based on the average market value of CD stock as compared to the average market value of Move.com stock during the 20 consecutive trading day period ending on, and including the fifth trading day immediately preceding the date on which we mail the notice of exchange to holders of the outstanding shares being exchanged.

Move.com stock will exceed 40% of the total market capitalization of Cendant or 60% of the total market capitalization of Cendant, as the case may be, if the market capitalization of the outstanding Move.com stock exceeds 40% or 60%, as the case may be, of the total market capitalization of all classes of common stock of Cendant for 30 trading days during any 60 consecutive trading day period. Thereafter, Move.com stock will fall below 60% of the total market capitalization of Cendant if, after exceeding 40% of total market capitalization, the market capitalization of the outstanding Move.com stock falls below 60% of the total market capitalization of both series of common stock for 30 trading days during any 60 consecutive trading day period.

OPTIONAL EXCHANGE FOR STOCK OF A SUBSIDIARY

At any time at which all of the assets and liabilities of a Group (and no other assets or liabilities of Cendant or any subsidiary thereof) are held directly or indirectly by one or more wholly owned subsidiaries of Cendant (the "group subsidiaries"), we will have the right to issue to holders of the relevant series of common stock their proportionate interest in all of the outstanding shares of the common stock of the group subsidiaries in exchange for all of the outstanding shares of such series of common stock.

- If the series of common stock being exchanged is CD stock and the number of shares issuable with respect to Cendant Group's retained interest in Move.com Group is greater than zero, we will

also issue a number of shares of Move.com stock equal to the then current number of shares issuable with respect to Cendant Group's retained interest in Move.com Group and issue those shares to the holders of CD stock or to one of the group subsidiaries, at our option.

- If the series of common stock being exchanged is Move.com stock and the number of shares issuable with respect to Cendant Group's retained interest in Move.com Group is greater than zero (so that less than all of the shares of common stock of the Group subsidiaries are being issued to the holders of Move.com stock), we may retain the remaining shares of common stock of the Group subsidiaries or distribute those shares as a dividend on CD stock.

GENERAL DIVIDEND, EXCHANGE AND REDEMPTION PROVISIONS

If we complete a disposition of all or substantially all of the assets of a Group (other than an exempt disposition), we would be required, not later than the 10 trading days after the consummation of such disposition, to issue a press release specifying (1) the net proceeds of such disposition, (2) the number of shares of the series of common stock related to such Group then outstanding, (3) the number of shares of such series of common stock issuable upon conversion, exchange or exercise of any convertible or exchangeable securities, options or warrants and the conversion, exchange or exercise prices thereof and (4) if the Group is Move.com Group, the number of shares issuable with respect to Cendant Group's retained interest in Move.com Group. Not later than 30 trading days after such consummation, we would be required to announce by press release which of the actions specified in the first paragraph under "--Mandatory Dividend, Redemption or Exchange on Disposition of All or Substantially All of the Assets of a Group" we have determined to take, and upon making that announcement, that determination would become irrevocable. In addition, we would be required, not later than 30 trading days after such consummation and not earlier than 10 trading days before the applicable payment date, redemption date or exchange date, to send a notice by first-class mail, postage prepaid, to holders of the relevant series of common stock at their addresses as they appear on our transfer books.

- If we determine to pay a special dividend, we would be required to specify in the notice (1) the record date for such dividend, (2) the payment date of such dividend (which can not be more than 85 trading days after such consummation) and (3) the aggregate amount and type of property to be paid in such dividend (and the approximate per share amount thereof).

- If we determine to undertake a redemption, we would be required to specify in the notice (1) the date of redemption (which can not be more than 85 trading days after such consummation), (2) the aggregate amount and type of property to be paid as a redemption price (and the approximate per share amount thereof), (3) if less than all shares of the relevant series of common stock are to be redeemed, the number of shares to be redeemed and (4) the place or places where certificates for shares of such series of common stock, properly endorsed or assigned for transfer (unless we waive such requirement), should be surrendered in return for delivery of the cash, securities or other property to be paid by Cendant in such redemption.

- If we determine to undertake an exchange, we would be required to specify in the notice (1) the date of exchange (which can not be more than 85 trading days after such consummation), (2) the number of shares of the other series of common stock to be issued in exchange for each outstanding share of such series of common stock and (3) the place or places where certificates for shares of such series of common stock, properly endorsed or assigned for transfer (unless we waive such requirement), should be surrendered in return for delivery of the other series of common stock to be issued by Cendant in such exchange.

If we determine to complete any exchange described under "--Optional Exchange of One Series of Common Stock for the Other Series" or "--Optional Exchange for Stock of a Subsidiary," we would be required, between 10 to 30 trading days before the exchange date, to send a notice by first-class mail, postage prepaid, to holders of the relevant series of common stock at their addresses as they appear on

our transfer books, specifying (1) the exchange date and the other terms of the exchange, and (2) the place or places where certificates for shares of such series of common stock, properly endorsed or assigned for transfer (unless we waive such requirement), should be surrendered for delivery of the stock to be issued or delivered by Cendant in such exchange.

Neither the failure to mail any required notice to any particular holder nor any defect therein would affect the sufficiency thereof with respect to any other holder or the validity of any dividend, redemption or exchange.

If we are redeeming less than all of the outstanding shares of a series of common stock as described above, we would redeem such shares pro rata or by lot or by such other method as the board of directors determines to be equitable.

No holder of shares of a series of common stock being exchanged or redeemed will be entitled to receive any cash, securities or other property to be distributed in such exchange or redemption until such holder surrenders certificates for such shares, properly endorsed or assigned for transfer, at such place as we specify (unless we waive such requirement). As soon as practicable after our receipt of certificates for such shares, we would deliver to the person for whose account such shares were so surrendered, or to the nominee or nominees of such person, the cash, securities or other property to which such person is entitled, together with any fractional payment referred to below, in each case without interest. If less than all of the shares of common stock represented by any one certificate were to be exchanged or redeemed, we would also issue and deliver a new certificate for the shares of such common stock not exchanged or redeemed.

We would not be required to issue or deliver fractional shares of any capital stock or any other fractional securities to any holder of common stock upon any exchange, redemption, dividend or other distribution described above. If more than one share of common stock were held at the same time by the same holder, we may aggregate the number of shares of any capital stock that would be issuable or any other securities that would be distributable to such holder upon any such exchange, redemption, dividend or other distribution. If there are fractional shares of any capital stock or any other fractional securities remaining to be issued or distributed to any holder, we would, if such fractional shares or securities were not issued or distributed to such holder, pay cash in respect of such fractional shares or securities in an amount equal to the fair value thereof without interest.

From and after the date set for any exchange or redemption, all rights of a holder of shares of common stock that were exchanged or redeemed would cease except for the right, upon surrender of the certificates representing such shares, to receive the cash, securities or other property for which such shares were exchanged or redeemed, together with any fractional payment as provided above, in each case without interest (and, if such holder was a holder of record as of the close of business on the record date for a dividend not yet paid, the right to receive such dividend). A holder of shares of common stock being exchanged would not be entitled to receive any dividend or other distribution with respect to shares of the other series of common stock until after the shares being exchanged are surrendered as contemplated above. Upon such surrender, we would pay to the holder the amount of any dividends or other distributions (without interest) which theretofore became payable with respect to a record date occurring after the exchange, but which were not paid by reason of the foregoing, with respect to the number of whole shares of the other series of common stock represented by the certificate or certificates issued upon such surrender. From and after the date set for any exchange, we would, however, be entitled to treat the certificates for shares of common stock being exchanged that were not yet surrendered for exchange as evidencing the ownership of the number of whole shares of the other series of common stock for which the shares of such common stock should have been exchanged, notwithstanding the failure to surrender such certificates.

We would pay any and all documentary, stamp or similar issue or transfer taxes that might be payable in respect of the issue or delivery of any shares of capital stock and/or other securities on any

exchange or redemption described herein. We would not, however, be required to pay any tax that might be payable in respect of any transfer involved in the issue or delivery of any shares of capital stock and/or other securities in a name other than that in which the shares so exchanged or redeemed were registered, and no such issue or delivery will be made unless and until the person requesting such issue pays to Cendant the amount of any such tax or establishes to our satisfaction that such tax has been paid.

We may, subject to applicable law, establish such other rules, requirements and procedures to facilitate any dividend, redemption or exchange contemplated as described above as the board of directors may determine to be appropriate under the circumstances.

VOTING RIGHTS

Currently, holders of existing common stock have one vote per share on all matters submitted to a vote of stockholders. Holders of CD stock and Move.com stock will vote together as one class on all matters as to which common stockholders generally are entitled to vote, unless a separate class vote is required by applicable law. On all such matters for which no separate vote is required, each outstanding share of CD stock is entitled to one vote and each outstanding share of Move.com stock is entitled to one vote. Each share of CD stock and Move.com stock will continue to have one vote following a stock split, stock dividend or similar reclassification.

When holders of CD stock and Move.com stock vote together as a single class, the holders of the series of common stock having a majority of the votes will be in a position to control the outcome of the vote even if the matter involves a conflict of interest between the holders of CD stock and holders of Move.com stock.

The Delaware General Corporation Law requires a separate vote of holders of shares of common stock of any series on any amendment to the certificate of incorporation if the amendment would increase or decrease the par value of the shares of such series or alter or change the powers, preferences or special rights of the shares of such series so as to affect them adversely.

We will set forth the number of outstanding shares of CD stock and Move.com stock in our annual and quarterly reports filed pursuant to the Securities Exchange Act of 1934, and disclose in any proxy statement for a stockholder meeting the number of outstanding shares of CD stock and Move.com stock.

LIQUIDATION

Upon voluntary or involuntary liquidation, dissolution or winding-up of Cendant, the net assets of Cendant, if any, remaining for distribution to stockholders (after payment of or provision for all liabilities, including contingent liabilities, of Cendant and payment of the liquidation preference payable to any holders of our preferred stock), will be distributed to the holders of CD stock and Move.com stock pro rata in accordance with the average market value of a share of CD stock divided by the average market value of a share of Move.com stock during the 20 consecutive trading day period ending on (and including) the 5(th) trading day before the date of the first public announcement of (1) a voluntary liquidation, dissolution or winding-up by Cendant or (2) the institution of any proceeding for the involuntary liquidation, dissolution or winding-up of Cendant.

Neither the merger nor consolidation of Cendant into or with any other entity, nor a sale, transfer or lease of all or any part of the assets of Cendant would alone be deemed a liquidation, dissolution or winding-up for these purposes.

No holder of Move.com stock will have any special right to receive specific assets of Move.com Group and no holder of CD stock will have any special right to receive specific assets of Cendant Group upon our dissolution, liquidation or winding up.

Like other tracking stocks, the liquidation provisions for the CD stock and Move.com stock do not provide stockholders with proceeds based directly on the value of the underlying assets and liabilities of each Group. However, because the market value of each class of stock may represent the best indirect proxy for the value of each Group, the value realized by each class of stockholders upon a liquidation of Cendant may approximate the value such holders would realize if liquidation were based on the market value of the underlying assets. These liquidation provisions were adopted for a variety of reasons including (1) providing consistency with other tracking stock transactions, (2) easing the administrative burden of allocating proceeds upon liquidation and (3) helping to ensure classes of stock are treated as Cendant stock for tax purposes.

CENDANT GROUP'S RETAINED INTEREST IN MOVE.COM GROUP

The number of shares of Move.com stock that Cendant may issue for the account of Cendant Group in respect of its retained interest in Move.com Group is referred to as the number of shares issuable with respect to Cendant Group's retained interest in Move.com Group. The board of directors has designated as the number of shares issuable with respect to Cendant Group's retained interest in Move.com Group just prior to this offering. This number was determined by first arriving at an estimate of the total fair value of Move.com Group, then determining the percentage of Move.com Group to be offered to the public and the approximate price of the offering, dividing that price into the total value and then splitting the existing Move.com shares as necessary to arrive at that number.

In this document, we call the percentage interest in Move.com Group intended to be represented at any time by the outstanding shares of Move.com stock the outstanding interest percentage, and we call the remaining percentage interest in Move.com Group intended to be represented at any time by Cendant Group's retained interest in Move.com Group the retained interest percentage. At any time, the outstanding interest percentage equals the number of shares of Move.com stock outstanding divided by the total number of notional Move.com shares deemed outstanding (expressed as a percentage) and the retained interest percentage equals the number of shares issuable with respect to Cendant Group's retained interest in Move.com Group divided by the total number of notional Move.com shares deemed outstanding (expressed as a percentage). The sum of the outstanding interest percentage and the retained interest percentage always equals 100%.

At the time that we file the amended and restated certificate of incorporation, the retained interest percentage will be 100% and the outstanding interest percentage will be 0%.

NUMBER OF SHARES ISSUABLE WITH RESPECT TO CENDANT GROUP'S RETAINED INTEREST IN MOVE.COM GROUP

We currently intend to designate as the number of shares issuable with respect to Cendant Group's retained interest in Move.com Group immediately prior to this offering. We currently plan to reserve 11,000,000 shares of Move.com stock for option grants under the stock option plans to Move.com Group and Cendant Group employees. We intend to attribute the net proceeds of the exercise of such options to the equity of Move.com Group. The issuance of shares of Move.com stock upon the exercise of those options will have no effect on the number of shares issuable with respect to Cendant Group's retained interest in Move.com Group. Thus, after giving effect to the grant of those options,

- there would be no shares of Move.com stock outstanding, but there would be 11,000,000 shares of Move.com stock reserved for issuance upon the exercise of outstanding options,

- the number of shares issuable with respect to Cendant Group's retained interest in Move.com Group would remain 22,500,000,

- the total number of notional Move.com shares deemed outstanding would be 22,500,000 but would increase to 33,500,000 if all such options were granted and exercised,

- the outstanding interest percentage would be approximately % if all such options were granted and exercised, and

- the retained interest percentage would be approximately 87% if all such options were granted and exercised.

The outstanding interest percentage will increase as the retained interest percentage will decrease upon the issuance of Move.com stock.

ATTRIBUTION OF ISSUANCES OF MOVE.COM STOCK

Whenever we decide to issue shares of Move.com stock, or options therefor, we will determine, in our sole discretion, whether to attribute that issuance (and the proceeds thereof) to Cendant Group in respect of its retained interest in Move.com Group (in a manner analogous to a secondary offering of common stock of a subsidiary owned by a corporate parent) or to Move.com Group (in a manner analogous to a primary offering of common stock). If we issue any shares of Move.com stock and attribute that issuance (and the proceeds thereof) to Cendant Group in respect of its retained interest in Move.com Group, the number of shares issuable with respect to Cendant Group's retained interest in Move.com Group would be reduced by the number of shares so issued, the number of outstanding shares of Move.com stock would be increased by the same amount, the total number of notional Move.com shares deemed outstanding would remain unchanged, the retained interest percentage would be reduced and the outstanding interest percentage would be correspondingly increased. If we instead attribute that issuance (and the proceeds thereof) to Move.com Group, the number of shares issuable with respect to Cendant Group's retained interest in Move.com Group would remain unchanged, the number of outstanding shares of Move.com stock and the total number of notional Move.com shares deemed outstanding would be increased by the number of shares so issued, the retained interest percentage would be reduced and the outstanding interest percentage would be correspondingly increased.

ISSUANCES OF MOVE.COM STOCK AS DISTRIBUTIONS ON CD STOCK

We reserve the right to issue shares of Move.com stock as a distribution on CD stock, although we do not currently intend to do so. If we did so, we would attribute that distribution to Cendant Group in respect of its retained interest in Move.com Group. As a result, the number of shares issuable with respect to Cendant Group's retained interest in Move.com Group would be reduced by the number of shares so distributed, the number of outstanding shares of Move.com stock would be increased by the same amount, the total number of notional Move.com shares deemed outstanding would remain unchanged, the retained interest percentage would be reduced and the outstanding interest percentage would be correspondingly increased. If instead we issued shares of Move.com stock as a distribution on Move.com stock, we would attribute that distribution to Move.com Group, in which case we would proportionately increase the number of shares issuable with respect to Cendant Group's retained interest in Move.com Group. As a result, the number of shares issuable with respect to Cendant Group's retained interest in Move.com Group and the total number of notional Move.com shares deemed outstanding would each be increased by the same percentage as the number of outstanding shares of Move.com stock is increased and the retained interest percentage and outstanding interest percentage would remain unchanged.

DIVIDENDS ON MOVE.COM STOCK

At the time of any dividend on the outstanding shares of Move.com stock (including any dividend required as a result of a disposition of all or substantially all of the assets of Move.com Group, but excluding any dividend payable in Move.com stock), we will credit to Cendant Group, and charge

against Move.com Group a corresponding amount in respect of Cendant Group's retained interest in Move.com Group. Specifically, the corresponding amount will equal (1) the aggregate amount of such dividend times (2) a fraction, the numerator of which is the number of shares issuable with respect to Cendant Group's retained interest in Move.com Group and the denominator of which is the number of shares of Move.com stock then outstanding.

REPURCHASES OF MOVE.COM STOCK

If we decide to repurchase shares of Move.com stock, we would determine, in our sole discretion, whether to attribute that repurchase (and the cost thereof) to Cendant Group (in a manner analogous to a purchase of common stock of a subsidiary by a corporate parent) or to Move.com Group (in a manner analogous to an issuer repurchase). If we repurchase shares of Move.com stock and attribute that repurchase (and the cost thereof) to Cendant Group, the number of shares issuable with respect to Cendant Group's retained interest in Move.com Group would be increased by the number of shares so purchased, the number of outstanding shares of Move.com stock would be decreased by the same amount, the total number of notional Move.com shares deemed outstanding would remain unchanged, the retained interest percentage would be increased and the outstanding interest percentage would be correspondingly decreased. If we instead attribute that repurchase (and the cost thereof) to Move.com Group, the number of shares issuable with respect to Cendant Group's retained interest in Move.com Group would remain unchanged, the number of outstanding shares of Move.com stock and the total number of notional Move.com shares deemed outstanding would be decreased by the number of shares so repurchased, the retained interest percentage would be increased and the outstanding interest percentage would be correspondingly reduced.

TRANSFERS OF CASH OR OTHER PROPERTY BETWEEN CENDANT GROUP AND MOVE.COM GROUP

We may, in our sole discretion, determine to transfer cash or other property of Move.com Group to Cendant Group in return for a decrease in Cendant Group's retained interest in Move.com Group (in a manner analogous to a return of capital) or to transfer cash or other property of Cendant Group to Move.com Group in return for an increase in Cendant Group's retained interest in Move.com Group (in a manner analogous to a capital contribution). If we determine to transfer cash or other property of Move.com Group to Cendant Group in return for a decrease in Cendant Group's retained interest in Move.com Group, the number of shares issuable with respect to Cendant Group's retained interest in Move.com Group and the total number of notional Move.com shares deemed outstanding would each be decreased by an amount equal to the fair value of such cash or other property divided by the market value of a share of Move.com stock on the day of transfer, the number of outstanding shares of Move.com stock would remain unchanged, the retained interest percentage would be decreased and the outstanding interest percentage would be correspondingly increased. If we instead determine to transfer cash or other property of Cendant Group to Move.com Group in return for an increase in Cendant Group's retained interest in Move.com Group, the number of shares issuable with respect to Cendant Group's retained interest in Move.com Group and the total number of notional Move.com shares deemed outstanding would each be increased by an amount equal to the fair value of such cash or other property divided by the market value of a share of Move.com stock on the day of transfer, the number of outstanding shares of Move.com stock would remain unchanged, the retained interest percentage would be increased and the outstanding interest percentage would be correspondingly decreased.

We may not attribute issuances of Move.com stock to Cendant Group, transfer cash or other property of Move.com Group to Cendant Group in return for a decrease in its retained interest in Move.com Group or take any other action to the extent that doing so would cause the number of shares issuable with respect to Cendant Group's retained interest in Move.com Group to decrease below zero. Cendant Group's retained interest will decrease with each issuance of Move.com stock whether the

proceeds of such issuance are allocated to the Cendant Group (similar to a secondary offering of securities) or to the Move.com Group (similar to a primary offering).

For illustrations showing how to calculate the retained interest percentage, the outstanding interest percentage, the number of shares issuable with respect to Cendant Group's retained interest in Move.com Group and the total number of notional Move.com shares deemed outstanding after giving effect to hypothetical dividends, issuances, repurchases and transfers, see "--Illustration of Terms."

EFFECTIVENESS OF CERTAIN TERMS

The terms described under "--Dividends," "--Mandatory Dividend, Redemption or Exchange on Disposition of All or Substantially All of the Assets of a Group," "--Optional Exchange of One Series of Common Stock for the Other Series," "--Optional Exchange for Stock of a Subsidiary," "--Voting Rights" and "--Liquidation" above apply only when there are shares of both series of common stock outstanding.

DETERMINATIONS BY THE BOARD OF DIRECTORS

The amended and restated certificate of incorporation would provide that, subject to applicable law, any determinations made by the board of directors in good faith under the amended and restated certificate of incorporation or in any certificate of designation filed pursuant thereto would be final and binding on all stockholders of Cendant.

The board of directors has established a special committee comprised of directors of Cendant who are not employed by or otherwise affiliated with either Group. The special committee will address and resolve, at the request of Cendant's board of directors, any business issues concerning the relationship between Cendant Group and Move.com Group.

PREEMPTIVE RIGHTS

Holders of CD stock and Move.com stock will not have any preemptive rights to subscribe for any additional shares of capital stock or securities that we may issue in the future.

LIMITATIONS ON POTENTIAL UNSOLICITED ACQUISITIONS; ANTI-TAKEOVER CONSIDERATIONS

If Cendant Group and Move.com Group were separate independent companies, any person interested in acquiring either Group without negotiating with management could seek control of that entity by obtaining control of its outstanding voting stock by means of a tender offer or proxy contest. Although we intend CD stock and Move.com stock to reflect the separate performance of Cendant Group and Move.com Group, a person interested in acquiring only one Group without negotiation with Cendant's management could obtain control of that Group only by obtaining control of the outstanding voting stock of Cendant, which includes both CD stock and Move.com stock.

The existence of two series of common stock could prevent stockholders from profiting from an increase in the market value of their shares as a result of a change in control of Cendant by delaying or preventing such a change in control.

There is an additional 500,000,000 shares of common stock available for future issuance without further stockholder approval. One of the effects of the existence of authorized and unissued common stock and preferred stock could be to enable the board of directors to issue shares to persons friendly to current management which could render more difficult or discourage an attempt to obtain control of Cendant by means of a merger, tender offer, proxy contest or otherwise, and thereby protect the continuity of our management. Such additional shares also could be used to dilute the stock ownership of persons seeking to obtain control of Cendant.

For additional anti-takeover considerations, see "--Certain Other Provisions of the Amended and Restated Certificate of Incorporation, By-laws and Delaware Law."

CERTAIN OTHER PROVISIONS OF THE AMENDED AND RESTATED CERTIFICATE OF INCORPORATION, BY-LAWS AND DELAWARE LAW

PREFERRED STOCK

The amended and restated certificate of incorporation provides that the board of directors of Cendant may issue shares of preferred stock in one or more series from time to time and that the board of directors of Cendant, without further approval of stockholders, has the authority to fix by resolution or resolutions the designations and the powers, preferences and rights, and the qualifications, limitations and restrictions thereof, of the shares of each series of preferred stock, including without limitation the dividend rights and terms, conversion rights, voting rights, liquidation preference, sinking funds and any other rights, preferences, privileges and restrictions. There are no outstanding shares of preferred stock and no designated series of preferred stock.

NUMBER OF DIRECTORS; REMOVAL; FILLING VACANCIES

The number of members of the board of directors of Cendant will be fixed from time to time pursuant to our by-laws but shall not be less than three. Directors may be removed with or without cause by the affirmative vote of a majority vote of the stockholders at any annual or special meeting of the stockholders. Newly created directorship and vacancies (whether arising through death, resignation, disqualification, removal or other) may only be filled 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 of Cendant.

A director elected to fill a vacancy shall serve for the remainder of his term.

NO STOCKHOLDER ACTION BY WRITTEN CONSENT; SPECIAL MEETINGS

Any action required or permitted to be taken by the stockholders of Cendant must be duly effected at a duly called annual or special meeting of such holders and may not be taken by any consent in writing by such holders. Special meetings of stockholders of Cendant may be called only by the Chairman of the board of directors of Cendant, the President or the board of directors of Cendant pursuant to a resolution stating the purpose or purposes of the special meeting. No business other than that stated in the notice shall be transacted at any special meeting. These provisions have the effect of delaying consideration of a stockholder proposal until the next annual meeting unless a special meeting is called by the Chairman, President or the board of directors of Cendant for consideration of such proposal.

ADVANCE NOTICE FOR STOCKHOLDER NOMINATIONS AND PROPOSALS OF NEW BUSINESS

Our by-laws establish an advance notice procedure. This procedure requires stockholders to deliver to Cendant notice of any proposal to be presented or of a candidate to be nominated for election as a director of Cendant not less than 60 nor more than 90 days prior to the date of the meeting. However, if the date of the meeting is first publicly announced or disclosed (in a public filing or otherwise) less than 70 days prior to the date of the meeting, such advance notice shall be given not later than 10 days after such date is first so announced or disclosed. Accordingly, failure by a stockholder to act in compliance with the notice provisions will mean that the stockholder will not be able to nominate directors or propose new business.

AMENDMENTS

The affirmative vote of a majority of the outstanding shares entitled to vote generally in the election of directors, voting together as a single class, or a majority of the board of directors of Cendant is required to amend provisions of our by-laws relating to the advance notice provisions, stockholder action without a meeting, the calling of special meetings, the number (or manner of determining the number) of Cendant's directors, the election and term of Cendant's directors, the filling of vacancies and the removal of directors.

FAIR PRICE PROVISIONS

Under the Delaware General Corporation Law and the amended and restated certificate of incorporation, 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 of Cendant and adopted by the holders of a majority of the outstanding shares of stock entitled to vote thereon. However, the amended and restated certificate of incorporation 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 directors, voting together as a single class, to approve business combination transactions (including 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 (1) such business combination is approved by a majority of disinterested directors, or (2) the stockholders receive a "fair price" for their Cendant securities and other procedural requirements are met. The amended and restated certificate of incorporation 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 Cendant's directors.

CERTAIN PROVISIONS OF DELAWARE LAW WHICH MAY INHIBIT CHANGES OF CONTROL

Cendant is subject to the business combination provisions of Section 203 of the Delaware General Corporation Law. In general, such provisions prohibit a publicly-held Delaware corporation from engaging in various business combination transactions with any interested stockholder for a period of three years after the date of the transaction in which the person became an interested stockholder unless: (1) the business combination transaction, or the transaction in which the interested stockholder became an interested stockholder, is approved by the board of directors of Cendant prior to the date the interested stockholder obtained such status, (2) upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding those shares owned by (a) persons who are directors and also officers and (b) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer or (3) on or subsequent to such date the business combination is approved by the board of directors of Cendant and authorized at an annual or special meeting of stockholders by the affirmative vote of at least 66 2/3% of the outstanding voting stock which is not owned by the interested stockholder. A "business combination" is defined to include mergers, asset sales and other transactions resulting in financial benefit to a stockholder. In general, an "interested stockholder" is a person who, together with affiliates and associates, owns (or, within three years, did own) 15% or more of a corporation's voting stock. The statute could prohibit or delay mergers or other takeover or change in control attempts with respect to Cendant and, accordingly, may discourage attempts to acquire Cendant.

LIMITATIONS ON LIABILITY AND INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 102 of the Delaware General Corporation Law authorizes a Delaware corporation to include a provision in its certificate of incorporation limiting or eliminating the personal liability of its directors to the corporation or its stockholders for monetary damages for breach of the directors' fiduciary duty of care. The duty of care requires that, when acting on behalf of the corporation, directors exercise an informed business judgment based on all material information reasonably available to them. Absent the limitations authorized by such provision, directors are accountable to corporations or their stockholders for monetary damages for conduct constituting gross negligence in the exercise of their duty of care. Although Section 102 of the Delaware General Corporation Law does not change a director's duty of

care, it enables corporations to limit available relief to equitable remedies such as injunction or rescission. Cendant's amended and restated certificate of incorporation and by-laws include provisions which limit or eliminate the personal liability of Cendant's directors to the fullest extent permitted by Section 102 of the Delaware General Corporation Law. Consequently, a director will not be personally liable to Cendant or its stockholders for monetary damages for breach of fiduciary duty as a director, except for any breach of the directors' duty of loyalty to Cendant or its stockholders, acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, unlawful payments of dividends or unlawful stock repurchases, redemptions or other distributions and any transaction from which the director derived an improper personal benefit.

Cendant's by-laws provide that Cendant will indemnify to the full extent permitted by law any person made or threatened to be made a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director, officer or employee of Cendant or serves or served at the request of Cendant any other enterprise as a director, officer or employee. Cendant's by-laws provide that expenses, including attorneys' fees, incurred by any such person in defending any such action, suit or proceeding will be paid or reimbursed by Cendant promptly upon receipt by it of an undertaking of such person to repay such expenses if it shall ultimately be determined that such person is not entitled to be indemnified by Cendant. The inclusion of these indemnification provisions in Cendant's by-laws is intended to enable Cendant to attract qualified persons to serve as directors and officers who might otherwise be reluctant to do so.

The directors and officers of Cendant are insured under policies of insurance maintained by Cendant, subject to the limits of such policies, against losses arising from any claim made against them by reason of being or having been such officers or directors.

In addition, the limited liability provisions in Cendant's amended and restated certificate of incorporation and the indemnification provisions in Cendant's by-laws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duty (including breaches resulting from grossly negligent conduct) and may have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise have benefitted Cendant and its stockholders. Furthermore, a stockholder's investment in Cendant may be adversely affected to the extent Cendant pays the costs of settlement and damage awards against directors and officers of Cendant pursuant to the indemnification provisions in Cendant's by-laws. The limited liability provisions in our amended and restated certificate of incorporation will not limit the liability of directors under federal securities laws.

Section 203 of the Delaware General Corporation Law, and the provisions of Cendant's amended and restated certificate of incorporation and by-laws described above, may make it more difficult for a third party to acquire or discourage bids for Cendant. Section 203 and these provisions could have the effect of inhibiting attempts to change the membership of the board of directors of Cendant.

LISTING

We will apply to have Move.com stock listed on the New York Stock Exchange under the symbol "MOV."

STOCK TRANSFER AGENT AND REGISTRAR

ChaseMellon Shareholder Services, L.L.C. is the registrar and transfer agent for the CD stock and Move.com stock.

CASH MANAGEMENT AND ALLOCATION POLICIES

In order to prepare separate financial statements for Move.com Group, Cendant has allocated all of its consolidated assets, liabilities, revenue, expenses and cash flow between Cendant Group and Move.com Group. Thus, the financial statements for Cendant will include separate financial data for each Group.

The financial statements of Move.com Group reflect the application of cash management and allocation policies adopted by the board of directors. These policies are summarized below.

The board of directors may, in its sole discretion, modify, rescind or add to any of these policies, although it has no present intention to do so. The decision of the board of directors to modify, rescind or add to any of these policies would, however, be subject to the board of directors general fiduciary duties.

Even though Cendant has allocated all of its consolidated assets, liabilities, revenue, expenses and cash flow between Cendant Group and Move.com Group, holders of Move.com stock will continue to be common stockholders of Cendant and, as such, will be subject to all risks associated with an investment in Cendant and all of its businesses, assets and liabilities. See "Risk Factors--Risks Relating to Move.com Stock--Holders of Move.com stock will be common stockholders of Cendant and will not have any legal rights relating to specific assets of Cendant."

TREASURY ACTIVITIES

Cendant manages most treasury activities on a centralized, consolidated basis. These activities include the investment of surplus cash, the issuance, repayment and repurchase of short-term and long-term debt and the issuance and repurchase of common stock and preferred stock. Each Group generally remits its cash receipts (other than receipts of foreign operations or operations that are not wholly owned) to Cendant, and Cendant generally funds each Group's cash disbursements (other than disbursements of foreign operations or operations that are not wholly owned) on a daily basis.

In the historical financial statements of Cendant and Move.com Group, (1) all external debt and equity transactions (and the proceeds thereof) were attributed to Cendant Group, (2) whenever Move.com Group held cash, that cash was transferred to Cendant Group and accounted for as a return of capital (i.e., as a reduction in Move.com Group's division equity and Cendant Group's retained interest in Move.com Group) and (3) whenever Move.com Group had a cash need, that cash need was funded by Cendant Group and accounted for as a capital contribution (i.e., as an increase in Move.com Group's division equity and Cendant Group's retained interest in Move.com Group). Cendant intends to continue these practices until Move.com stock is first issued. To date, the operations of Move.com Group have been funded from available cash, and we have not incurred any indebtedness to finance the operations of Move.com Group. Accordingly, no interest expense has been or will be reflected in the financial statements of Move.com Group for any period prior to the date on which Move.com stock is first issued.

After the date on which Move.com stock is first issued:

(1) Cendant will attribute each future incurrence or issuance of external debt or preferred stock (and the proceeds thereof) to Cendant Group, unless the board of directors determines otherwise. The board of directors may, but is not required to attribute an incurrence or issuance of debt or preferred stock (and the proceeds thereof) to Move.com Group to the extent that Cendant incurs or issues the debt or preferred stock for the benefit of Move.com Group. If Cendant incurs debt to finance Move.com Group and the debt is allocated to Cendant Group, then Cendant Group would be treated as increasing its retained interest in Move.com Group.

(2) Cendant will attribute each future issuance of CD stock (and the proceeds thereof) to Cendant Group. Cendant may attribute any future issuance of Move.com stock (and the proceeds

thereof) to Cendant Group in respect of its retained interest in Move.com Group (in a manner analogous to a secondary offering of common stock of a subsidiary owned by a corporate parent) or to Move.com Group (in a manner analogous to a primary offering of common stock). Cendant may assist any future repurchases Move.com stock to Cendant Group in respect of its retained interest in Move.com Group. Dividends on CD stock will be charged against Cendant Group, and dividends on Move.com stock will be charged against Move.com Group. In addition, at the time of any dividend on Move.com stock, Cendant will credit to Cendant Group, and charge against Move.com Group a corresponding amount per share in respect of Cendant Group's retained interest in Move.com Group.

(3) Whenever Move.com Group holds cash, Move.com Group will normally transfer that cash to Cendant Group. Conversely, whenever Move.com Group has a cash need, Cendant Group will normally fund that cash need. However, the board of directors will determine, in its sole discretion, whether to provide any particular funds to either Group and will not be obligated to do so.

(4) Cendant will account for all cash transfers from one Group to or for the account of the other Group (other than transfers in return for assets or services rendered or transfers in respect of Cendant Group's retained interest that correspond to dividends paid on Move.com stock), as inter-Group revolving credit advances unless:

- the board of directors determines that a given transfer (or type of transfer) should be accounted for as a long-term loan;

- the board of directors determines that a given transfer (or type of transfer) should be accounted for as a capital contribution increasing Cendant Group's retained interest in Move.com Group; or

- the board of directors determines that a given transfer (or type of transfer) should be accounted for as a return of capital reducing Cendant Group's retained interest in Move.com Group.

There are no specific criteria to determine when Cendant will account for a cash transfer as a long-term loan, a capital contribution or a return of capital rather than an inter-Group revolving credit advance.

The board of directors would make such a determination in the exercise of its business judgment at the time of such transfer, or the first of such type of transfer, based upon all relevant circumstances. Factors the board of directors would expect to consider include:

- the current and projected capital structure of each Group;

- the relative levels of internally generated funds of each Group;

- the financing needs and objectives of the recipient Group;

- the investment objectives of the transferring Group;

- the availability, cost and time associated with alternative financing sources;

- prevailing interest rates and general economic conditions; and

- the nature of the assets or operations to be financed.

After this offering, we expect cash transfers used to fund the day-to-day operations of Move.com Group will be accounted for as inter-Group revolving credit advances. If, however, Move.com Group were to acquire substantial assets, including as a result of significant business acquisitions expected to provide long-term benefits, the board of directors would likely account for the required cash funding as a combination of inter-Group revolving credit advance, long-term loan and/or capital contribution in a manner similar to which Move.com Group would fund such assets if it were an independent company

with financing costs similar to those of Cendant. Furthermore, the board of directors currently intends to account for cash transfers in the aggregate such that the short-term liabilities, long-term liabilities and equity of Move.com Group were generally proportionate to the short-term liabilities, long-term liabilities and equity of comparable businesses with financing costs similar to those of Cendant.

(5) Any cash transfer accounted for as an inter-Group revolving credit advance may bear interest at the rate at which the board of directors, in its sole discretion, determines Cendant could borrow such funds on a revolving credit basis. Although we currently do not intend to charge interest on inter-Group revolving credit advances, if the board of directors determines to charge interest, the financial statements of Move.com Group will not be comparable for periods prior to and after charging interest on such credit advances. If interest is charged on inter-Group revolving credit advances, it will be at a rate which Cendant is required to pay to borrow funds at that time. Any cash transfer accounted for as a long-term loan will have interest rate, amortization, maturity, redemption and other terms that generally reflect the then prevailing terms on which the board of directors, in its sole discretion, determines Cendant could borrow such funds.

(6) Any cash transfer from Cendant Group to Move.com Group, or for Move.com Group's account, accounted for as a capital contribution, will correspondingly increase Move.com Group's division equity and Cendant Group's retained interest in Move.com Group. As a result, the number of shares of Move.com stock that Cendant may issue for the account of Cendant Group in respect of its retained interest in Move.com Group which we call the number of shares issuable with respect to Cendant Group's retained interest in Move.com Group, will increase by the amount of such capital contribution divided by the market value of Move.com Group on the date of transfer.

(7) Any cash transfer from Move.com Group to Cendant Group, or for Cendant Group's account, accounted for as a return of capital, will correspondingly reduce Move.com Group's division equity and Cendant Group's retained interest in Move.com Group. As a result, the number of shares issuable with respect to Cendant Group's retained interest in Move.com Group will decrease by the amount of such return of capital divided by the market value of Move.com stock on the date of transfer.

We will prepare financial statements in accordance with generally accepted accounting principles, consistently applied, for Move.com Group. The financial statements of Move.com Group will reflect the financial condition, results of operations and cash flows of the businesses included therein.

Move.com Group financial statements will also include allocated portions of our debt, interest, corporate overhead and costs of administrative shared services and taxes. Such allocations are based upon utilization where possible with any remaining overhead allocated based on a percentage of revenue. We will make these allocations for the purpose of preparing the financial statements for Move.com Group; however, holders of CD stock and Move.com stock will continue to be subject to all of the risks associated with an investment in Cendant and all of its businesses, assets and liabilities. See "Risk Factors--The value of Move.com stock may suffer for reasons having nothing to do with the prospects for Move.com."

CORPORATE GENERAL AND ADMINISTRATIVE EXPENSES

Cendant allocates the cost of corporate general and administrative services and shared services to the Groups generally based on utilization. Where utilization is not warranted, overhead is typically allocated on a percentage of revenue basis. These shared services include legal, accounting (tax and financial), information services, telecommunications, purchasing, marketing, intellectual property, public relations, corporate office and travel expenses. Where determinations based on utilization alone are impracticable, Cendant uses other methods and criteria that management believes to be equitable and to provide a reasonable estimate of the cost attributable to each Group.

TAXES

Income tax expense, which is determined on a consolidated basis, is allocated to Cendant Group and Move.com Group, and reflected in the Move.com Group financial statements in accordance with Cendant's tax allocation policy. The tax allocation policy provides that the financial statement expense or benefit, as the case may be, will be allocated to Move.com Group in an amount equal to the difference between (x) the consolidated income tax expense or benefit of Cendant for financial statement purposes, and (y) the consolidated income tax expense or benefit of Cendant for financial statement purposes computed without including the Move.com Group financial statement pretax income and any other relevant amounts properly allocable to Move.com Group. If the above computation results in a positive amount, such amount will be allocated to Move.com Group as a tax expense. If the above computation results in a negative amount, such amount will be allocated to Move.com Group as a tax benefit.

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following discussion summarizes the material United States ("U.S.") federal income tax consequences of the purchase, ownership and disposition of Move.com stock. The following discussion is based on the Internal Revenue Code of 1986, as amended, Treasury regulations, judicial decisions and published positions of the IRS, all as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect. This discussion does not address all aspects of U.S. federal income taxation that may be relevant to a particular shareholder based on such shareholder's particular circumstances. For example, the following discussion does not address the U.S. federal income tax consequences of the purchase, ownership and disposition of Move.com stock to shareholders who are broker-dealers, insurance companies, tax-exempt organizations, financial institutions, persons that will hold Move.com stock as a part of an integrated investment (including a "straddle") comprised of Move.com stock and one or more other positions or taxpayers whose functional currency is not the U.S. dollar. The following discussion also does not address any aspect of state, local or non-U.S. tax laws. Further, this summary generally applies to you only if you hold your share of Move.com stock as capital assets (generally, assets held for investment) and does not consider the tax treatment to you if you hold Move.com stock through a partnership or other pass-through entity.

WE URGE YOU TO CONSULT YOUR TAX ADVISOR WITH REGARD TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THE PURCHASE, OWNERSHIP AND DISPOSITION OF MOVE.COM STOCK TO YOUR PARTICULAR SITUATION, AS WELL AS TO THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL OR FOREIGN TAX LAWS TO WHICH YOU MAY BE SUBJECT.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES TO U.S. HOLDERS

You are a "U.S. holder" for U.S. federal income tax purposes if you are a beneficial owner of Move.com stock and are:

- a citizen or resident of the U.S.,
- a corporation, or another entity taxable as a corporation, formed or organized under the laws of the U.S. or any state,
- an estate, the income of which is subject to U.S. federal income tax without regard to its source; or
- a trust, if a court within the U.S. is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of its substantial decisions.

In the opinion of Skadden, Arps, Slate, Meagher & Flom LLP, our counsel, for U.S. federal income tax purposes Move.com stock will be considered to be common stock of Cendant. Accordingly, for U.S. federal income tax purposes neither we nor any U.S. holder will recognize any income, gain or loss as a result of the issuance of Move.com stock. Additionally, the purchase, ownership and disposition of Move.com stock will be treated in the same manner as the purchase, ownership and disposition of CD stock as to all U.S. holders.

However, no ruling will be sought from the IRS regarding the issuance of Move.com stock. In addition, the IRS has announced that it will not issue advance rulings on the classification of an instrument that has certain voting and liquidation rights in an issuing corporation but whose dividend rights are determined by reference to the earnings of a segregated portion of the issuing corporation's assets, including assets held by a subsidiary. Also, there are no court decisions or other authorities bearing directly on the classification of instruments with characteristics similar to those of Move.com stock. It is possible, therefore, that the IRS could assert that the issuance of Move.com stock could result in taxation to us or could be characterized as stocks other than common stock of Cendant. Skadden, Arps, Slate, Meagher & Flom LLP is of the opinion that the IRS would not prevail in such an assertion.

The current Presidential administration's budget proposals released on February 7, 2000, would, if enacted, require the recognition of gain by shareholders upon the receipt of tracking stock in a distribution with respect to stock or in an exchange, and give the Treasury Department the authority to treat tracking stock as nonstock or as stock of another entity, as appropriate. The Treasury Department's explanation expresses the view that the use of tracking stock "is outside the contemplation of" the Internal Revenue Code and that "no inference regarding the tax treatment of [such stock] under current law is intended by [the] proposal." Because the proposal, if enacted, would be effective only for tracking stock issued on or after the date of enactment, the proposal will likely not affect the re-classification of existing common stock into CD stock or the issuance of the Move.com stock in this offering. If, however, the proposal were to become law, it could affect future issuances of Move.com stock. Under such circumstances, Cendant might decide to exercise its right to redeem all of the outstanding shares of Move.com stock for CD stock at a premium, in order to eliminate any tracking stock from its capital structure. See "Description of Capital Stock--Optional Exchange of One Series of Common Stock for the Other Series". We cannot predict whether the proposal will be enacted by Congress and, if enacted, whether it will be in the form proposed by the Clinton Administration.

CERTAIN UNITED STATES TAX CONSEQUENCES TO NON-U.S. HOLDERS

The following discussion summarizes the material U.S. federal income tax consequences of the purchase, ownership and disposition of Move.com stock by "non-U.S. holders." You are a "non-U.S. holder" for U.S. federal income tax purposes if you are not a U.S. holder.

DIVIDENDS

Currently, we do not intend to pay dividends for the foreseeable future. However, if we do pay dividends, and you are a non-U.S. holder of Move.com stock, dividends paid to you generally will be subject to withholding of U.S. federal income tax at a 30% rate or at a lower rate if so specified in an applicable income tax treaty. If, however, any such dividends are effectively connected with your conduct of a trade or business within the U.S. (or to the extent required by an applicable income tax treaty they are attributable to a permanent establishment that you maintain in the U.S.), then the dividends generally will not be subject to withholding tax. Instead, these dividends will be taxed on a net income basis at rates applicable to U.S. holders, and in addition, if these dividends are received by a non-U.S. holder that is a corporation may, under certain circumstances, also be subject to an additional "branch profits tax" at a 30% rate or at a lower rate if so specified in an applicable income tax treaty.

Under U.S. Treasury regulations currently in effect, dividends paid to an address in a foreign country are presumed to be paid to a resident of that country, unless the payor has knowledge to the contrary, for purposes of the 30% withholding tax discussed above. Under current interpretations of U.S. Treasury regulations, this presumption (that is, that dividends paid to an address in a foreign country are paid to a resident of that country unless the payor has knowledge to the contrary) also applies for purposes of determining whether a lower tax treaty rate applies.

Under U.S. Treasury regulations that generally will apply to dividends paid after December 31, 2000, if you claim the benefit of a lower treaty rate, you will be required to satisfy certain certification requirements.

GAIN ON DISPOSITION OF MOVE.COM STOCK

If you are a non-U.S. holder, you generally will not be subject to U.S. federal income tax on gain recognized on a disposition of Move.com stock unless:

- the gain is effectively connected to your conduct of a trade or business in the U.S. (or to the extent required by an applicable income tax treaty the gain is attributable to a permanent establishment that you maintain in the U.S.);

- you are an individual, you are present in the U.S. for 183 or more days in the taxable year of the sale, and you satisfy certain other conditions; or

- Cendant is or has been a "United States real property holding corporation" for federal income tax purposes during the five-year period ending on the date of disposition, and you held, directly or indirectly, at any time during this period, more than 5% of the common stock of Cendant (and you are not eligible for any treaty exemption). Cendant has not been, is not, and does not currently anticipate becoming a "United States real property holding corporation" for U.S. federal income tax purposes.

Effectively connected gains recognized by a corporate non-U.S. holder may also, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate or at a lower rate if so specified in an applicable income tax treaty.

INFORMATION REPORTING AND BACKUP WITHHOLDING

In general, U.S. backup withholding-tax at a rate of 31% will apply to dividends paid to you unless you provide a certificate of foreign status or otherwise establish your status as an "exempt recipient."

U.S. information reporting and backup withholding requirements generally will not apply to a payment of the proceeds of a sale of Move.com stock made outside the U.S. through an office outside the U.S. of a non-U.S. broker. However, U.S. information reporting, but not backup withholding, will apply to a payment made outside the U.S. of the proceeds of a sale of Move.com stock through an office outside the U.S. of a broker under certain circumstances. Payment of the proceeds of a sale of Move.com stock to or through a U.S. office of a broker will be subject to both U.S. backup withholding and information reporting unless the non-U.S. holder certifies its non-U.S. status under penalty of perjury or otherwise establishes an exemption.

A non-U.S. holder generally may obtain a refund of any excess amounts withheld under the backup withholding rules by filing a refund claim with the IRS.

LEGAL MATTERS

The validity of the shares of Move.com stock offered hereby will be passed upon for us by James E. Buckman, Esq., Vice Chairman and General Counsel of Cendant, and by Skadden, Arps, Slate, Meagher & Flom LLP. Mr. Buckman owns 18,100 shares of CD stock as well as options to purchase 3,949,829 shares of CD stock and options to purchase 43,750 shares of Move.com stock. Certain legal matters in connection with this offering will be passed upon for the underwriters by Shearman & Sterling, New York, New York.

EXPERTS

The consolidated financial statements of Cendant Corporation and subsidiaries included in this prospectus have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report appearing herein and elsewhere in the registration statement (which expresses an unqualified opinion and includes an explanatory paragraph relating to the change in the method of recognizing revenue and membership solicitation costs as described in Note 1), and has been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The combined financial statements of Move.com Group (wholly owned by Cendant) included in this prospectus have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report (which expresses an unqualified opinion and includes an explanatory paragraph relating to the relationship of Move.com Group to Cendant) appearing herein, and are included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

UNDERWRITING

Cendant Corporation and the underwriters named below have entered into an underwriting agreement with respect to the shares of Move.com stock being offered. Subject to various conditions, each underwriter has severally agreed to purchase the number of shares indicated in the following table. Goldman, Sachs & Co. and _____ are the representatives of the underwriters.

UNDERWRITERS	NUMBER OF SHARES
Goldman, Sachs & Co.	
Total	

If the underwriters sell more shares than the total number set forth in the table above, the underwriters have an option to buy up to an additional _____ shares from Cendant Corporation. The underwriters may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following table shows the per share and total underwriting discounts to be paid to the underwriters by Cendant Corporation. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase _____ additional shares.

PAID BY CENDANT

	NO EXERCISE	FULL EXERCISE
Per Share	$	$
Total	$	$

Shares sold by the underwriters to the public are being offered at the initial public offering price set forth on the cover page of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to $ per share from the initial public offering price. Any such securities dealers may resell any shares purchased from the underwriters to certain other brokers or dealers at a discount of up to $ per share from the initial public offering price. If all of the shares are not sold at the initial offering price, the representatives may change the offering price and the other selling terms.

At our request, the underwriters have reserved for sale, at the initial public offering price, up to shares of Move.com stock for Move.com employees and management, friends, family, and certain officers, directors, employees and management of Cendant. The number of shares available for sale to the general public in the offering will be reduced to the extent such persons purchase shares. These shares will also be subject to the lock up period described in the next paragraph. Any reserved shares not so purchased will be offered by the underwriters to the general public on the same terms as the other shares.

Cendant Corporation, its directors, executive officers and our other significant stockholders have agreed with the underwriters not to dispose of or hedge any of their common stock or securities convertible into or exchangeable for shares of Move.com stock, subject to certain exceptions, during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior written consent of Goldman, Sachs & Co. which shall not be unreasonably withheld.

A prospectus in electronic format will be made available on the web sites maintained by one or more of the lead managers of this offering and may also be made available on web sites maintained by other underwriters. The underwriters may agree to allocate a number of shares to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the lead managers to underwriters that may make Internet distributions on the same basis as other allocations.

Prior to the offering, there has been no public market for the shares. The initial public offering price will be negotiated among Cendant Corporation and the representatives. The principal factors to be considered in determining the initial public offering price of the shares, in addition to prevailing market conditions, will be Move.com Group's historical performance, estimates of the business potential and earnings prospects of Move.com Group, an assessment of Move.com Group's management and the consideration of the above factors in relation to market valuation of companies in related businesses.

Cendant Corporation has applied to have the Move.com stock listed on the NYSE under the symbol "MOV." In order to meet one of the requirements for listing the Move.com stock on the NYSE, the underwriters have undertaken to sell lots of 100 or more shares to a minimum of 2,000 beneficial holders.

In connection with the offering, the underwriters may purchase and sell shares of Move.com stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the common stock while the offering is in progress.

The underwriters may impose a penalty bid. This occurs when a particular underwriter pays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

These activities by the underwriters may stabilize, maintain or otherwise affect the market price of the Move.com stock. As a result, the price of the shares may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the underwriters at any time. These transactions may be effected on the NYSE, in the over-the-counter market or otherwise.

The underwriters do not expect sales to discretionary accounts to exceed 5% of the total number of shares offered.

Cendant Corporation estimates that its share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately $_____.

Cendant Corporation has agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act.

CONCURRENT OFFERING

We are concurrently offering, by separate prospectus and not through the underwriters, up to shares of Move.com stock to brokers and agents of CENTURY 21-Registered Trademark-, COLDWELL BANKER-Registered Trademark- and ERA-Registered Trademark-, other businesses who we have contracted with, and to Move.com Group and Cendant Group employees, at the public offering price indicated on the cover of this Prospectus. Any shares not purchased by those persons will not be issued. Shares purchased by such persons will be subject to the lock-up described in "Underwriting" for 180 days from the purchase date, while the shares purchased by employees will not.

ILLUSTRATION OF TERMS

THE FOLLOWING ILLUSTRATIONS SHOW HOW TO CALCULATE THE RETAINED INTEREST PERCENTAGE, THE OUTSTANDING INTEREST PERCENTAGE, THE NUMBER OF SHARES ISSUABLE WITH RESPECT TO CENDANT GROUP'S RETAINED INTEREST IN MOVE.COM GROUP AND THE TOTAL NUMBER OF NOTIONAL MOVE.COM SHARES DEEMED OUTSTANDING AFTER GIVING EFFECT TO CERTAIN HYPOTHETICAL DIVIDENDS, ISSUANCES, REPURCHASES AND TRANSFERS, IN EACH CASE BASED ON THE ASSUMPTIONS SET FORTH HEREIN. IN THESE ILLUSTRATIONS, THE NUMBER OF SHARES ISSUABLE WITH RESPECT TO CENDANT GROUP'S RETAINED INTEREST IN MOVE.COM GROUP IS INITIALLY ASSUMED TO BE 100. UNLESS OTHERWISE SPECIFIED, EACH ILLUSTRATION BELOW SHOULD BE READ INDEPENDENTLY AS IF NONE OF THE OTHER TRANSACTIONS REFERRED TO BELOW HAD OCCURRED. THESE ILLUSTRATIONS ARE NOT INTENDED TO BE COMPLETE EXPLANATIONS OF THE MATTERS COVERED AND ARE QUALIFIED IN THEIR ENTIRETY BY THE MORE DETAILED INFORMATION CONTAINED ELSEWHERE IN THE PROSPECTUS. THESE ILLUSTRATIONS ARE PURELY HYPOTHETICAL AND THE NUMBERS USED (INCLUDING ASSUMPTIONS OF MARKET VALUE) WERE CHOSEN TO SIMPLIFY THE CALCULATIONS AND ARE NOT INTENDED TO REPRESENT ESTIMATES OF ACTUAL NUMBERS OR VALUES. ANY CAPITALIZED TERMS WHICH ARE NOT DEFINED IN ANNEX I HAVE THE MEANING ASCRIBED TO THEM IN THE PROSPECTUS.

"Total Number of Notional Move.com Shares Deemed Outstanding" means the number of shares of Move.com stock outstanding plus the Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group.

At any given time, the percentage interest in Move.com Group intended to be represented by the outstanding shares of Move.com stock (i.e., the Outstanding Interest Percentage) is equal to:

$$\frac{\text{Number of outstanding shares of Move.com stock}}{\text{Total Number of Notional Move.com Shares Deemed Outstanding}}$$

and the remaining percentage interest in Move.com Group intended to be represented by Cendant Group's Retained Interest in Move.com Group (i.e., the Retained Interest Percentage) is equal to:

$$\frac{\text{Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group}}{\text{Total Number of Notional Move.com Shares Deemed Outstanding}}$$

The sum of the Outstanding Interest Percentage and the Retained Interest Percentage would always equal 100%. In the examples below, before the first issuance of shares of Move.com stock the Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group and the Total Number of Notional Move.com Shares Deemed Outstanding are each equal to 100, the Retained Interest Percentage is 100% and the Outstanding Interest Percentage is 0%.

ISSUANCE OF MOVE.COM STOCK

The following illustrations reflect an assumed issuance by Cendant Corporation of 15 shares of Move.com stock under the Move.com Group Stock Option Plan or in an offering.

ISSUANCE FOR ACCOUNT OF CENDANT GROUP

Assume the issuance is attributed to Cendant Group in respect of its Retained Interest in Move.com Group (as currently planned), with the net proceeds credited solely to Cendant Group.

Shares previously issued and outstanding	0
Newly issued shares for account of Cendant Group	15
Total issued and outstanding after the offering	15

- The Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group would decrease by the number of shares of Move.com stock sold for the account of Cendant Group.

Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group prior to the Offering	100
Shares issued in the Offering	15
Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group after the Offering	85

- As a result, the issued and outstanding shares (15) would represent an Outstanding Interest Percentage of 15%, calculated as follows:

$$\frac{15}{15 + 85}$$

The Retained Interest Percentage would accordingly be 85%.

- In this case, in the event of any dividend or other distribution paid on the outstanding shares of Move.com stock (other than a dividend or other distribution payable in shares of Move.com stock), Cendant Group would be credited, and Move.com Group would be charged, with an amount equal to 567% (representing the ratio of the Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group (85) to the total number of shares of Move.com stock issued and outstanding following the Offering (15)) of the aggregate amount of such dividend or distribution. If, for example, a dividend of $1.00 per share were declared and paid on the 15 shares of Move.com stock outstanding (an aggregate of $15), Cendant Group would be credited with $85, and Move.com Group would be charged with that amount in addition to the $15 dividend paid to the holders of Move.com stock (a total of $100).

ISSUANCE FOR ACCOUNT OF MOVE.COM GROUP

Assume the issuance is attributed to Move.com Group as an increase in its equity, with the net proceeds credited solely to Move.com Group.

Shares previously issued and outstanding	0
Newly issued shares for account of Move.com Group	15
Total issued and outstanding after the Offering	15

- The Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group (100) would remain unchanged.

- As a result, the issued and outstanding shares (15) would represent an Outstanding Interest Percentage of about 13%, calculated as follows:

$$\frac{15}{15 + 100}$$

The Retained Interest Percentage would accordingly be about 87%.

- In this case, in the event of any dividend or other distribution paid on the outstanding shares of Move.com stock (other than a dividend or other distribution payable in shares of Move.com stock), Cendant Group would be credited, and Move.com Group would be charged, with an

amount equal to 667% (representing the ratio of the Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group (100) to the total number of shares of Move.com stock issued and outstanding following the Offering (15)) of the aggregate amount of such dividend or distribution.

ADDITIONAL ISSUANCES OF MOVE.COM STOCK

The following illustrations reflect an assumed issuance of an additional 15 shares of Move.com stock after the assumed initial issuance of 15 shares for the account of Cendant Group.

ADDITIONAL ISSUANCES FOR ACCOUNT OF CENDANT GROUP

Assume the issuance is attributed to Cendant Group in respect of its Retained Interest in Move.com Group, with the net proceeds credited solely to Cendant Group.

Shares previously issued and outstanding	15
Newly issued shares for account of Cendant Group	15
Total issued and outstanding after additional offering	30

- The Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group would decrease by the number of shares of Move.com stock issued for the account of Cendant Group

Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group prior to the additional offering	85
Newly issued shares for account of Cendant Group	15
Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group after the additional offering	70

- As a result, the total issued and outstanding shares (30) would in the aggregate represent an Outstanding Interest Percentage of 30%, calculated as follows:

$$\frac{30}{30 + 70}$$

The Retained Interest Percentage would accordingly be reduced to 70%.

- In this case, in the event of any dividend or other distribution paid on Move.com stock (other than a dividend or other distribution payable in shares of Move.com stock), Cendant Group would be credited, and Move.com Group would be charged, with an amount equal to 233% (representing the ratio of the Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group (70) to the total number of shares of Move.com stock issued and outstanding following the additional offering (30)) of the aggregate amount of such dividend or distribution.

ADDITIONAL ISSUANCES FOR ACCOUNT OF MOVE.COM GROUP

Assume the issuance is attributed to Move.com Group as an increase in its equity, with the net proceeds credited solely to Move.com Group.

Shares previously issued and outstanding	15
Newly issued shares for account of Move.com Group	15
Total issued and outstanding after the additional offering	30

- The Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group (85) would remain unchanged.

- As a result, the total issued and outstanding shares (30) would in the aggregate represent an Outstanding Interest Percentage of about 26%, calculated as follows:

$$\frac{30}{30 + 85}$$

The Retained Interest Percentage would accordingly be reduced to about 74%.

- In this case, in the event of any dividend or other distribution paid on Move.com stock (other than a dividend or other distribution payable in shares of Move.com stock), Cendant Group would be credited, and Move.com Group would be charged, with an amount equal to 283% (representing the ratio of the Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group (85) to the total number of shares of Move.com stock issued and outstanding following the additional offering (30)) of the aggregate amount of such dividend or distribution.

ISSUANCES OF CONVERTIBLE SECURITIES

If we were to issue any securities convertible into or exercisable for shares of Move.com stock, the Outstanding Interest Percentage and the Retained Interest Percentage would be unchanged at the time of such issuance. If any shares of Move.com stock were issued upon conversion or exercise of such securities, however, then the Outstanding Interest Percentage and the Retained Interest Percentage would be affected as shown above under "Additional Issuances for Account of Cendant Group", if such securities were attributed to Cendant Group, or under "Additional Issuances for Account of Move.com Group", if such securities were attributed to Move.com Group.

REPURCHASES OF MOVE.COM STOCK

The following illustrations reflect an assumed repurchase by Cendant Corporation of 5 shares of Move.com stock after the assumed initial issuance of 15 shares of Move.com stock for the account of Cendant Group.

REPURCHASE FOR THE ACCOUNT OF CENDANT GROUP

Assume the repurchase is attributed to Cendant Group as an increase in its Retained Interest in Move.com Group, with the cost charged solely against Cendant Group.

Shares previously issued and outstanding	15
Shares repurchased for account of Cendant Group	5
Total issued and outstanding after repurchase	10

- The Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group would be increased by the number of any shares of Move.com stock repurchased for the account of Cendant Group.

Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group prior to repurchase	85
Number of shares repurchased for the account of Cendant Group	5
Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group after repurchase	90

- As a result, the total issued and outstanding shares (10) would in the aggregate represent an Outstanding Interest Percentage of 10%, calculated as follows:

$$\frac{10}{10 + 90}$$

The Retained Interest Percentage would accordingly be increased to 90%.

REPURCHASE FOR ACCOUNT OF MOVE.COM GROUP WITHOUT PARTICIPATION BY CENDANT GROUP

Assume the repurchase is attributed to Move.com Group, with the cost being charged solely against Move.com Group. Further assume that the board of directors does not determine to transfer assets from Move.com Group to Cendant Group to hold constant the Outstanding Interest Percentage and Retained Interest Percentage.

Shares previously issued and outstanding	15
Shares repurchased for account of Move.com Group	5
Total issued and outstanding after repurchase	10

- The Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group (85) would remain unchanged.

- As a result, the total issued and outstanding shares (10) would in the aggregate represent an Outstanding Interest Percentage of about 11%, calculated as follows:

$$\frac{10}{10 + 85}$$

The Retained Interest Percentage would accordingly be increased to about 89%.

REPURCHASE FOR ACCOUNT OF MOVE.COM GROUP WITH PARTICIPATION BY CENDANT GROUP

Assume the repurchase is attributed to Move.com Group, with the cost being charged solely against Move.com Group. Further assume that the repurchase is made in connection with a tender offer for 5, or 33%, of the then outstanding shares at a price of $20 per share, and that the board of directors

determines to transfer cash or other assets from Move.com Group to Cendant Group to hold constant the Outstanding Interest Percentage and Retained Interest Percentage.

Shares previously issued and outstanding	15
Shares repurchased for account of Move.com Group	5
Total issued and outstanding after repurchase	10

- In order to hold constant the Outstanding Interest Percentage and Retained Interest Percentage, the board of directors could determine that the Market Value of a share of Move.com stock in this context is $20 and transfer from Move.com Group to Cendant Group an amount of cash or other assets equal to 567% (representing the ratio of the Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group (85) to the total number of shares of Move.com stock issued and outstanding (15), in each case immediately prior to the repurchase) of the aggregate amount of the cash paid in the tender offer to holders of outstanding shares of Move.com stock ($100), or a total of $567.

- In that case, the Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group (85) would decrease by the amount of cash so transferred ($567) divided by the Market Value per share of Move.com stock ($20).

Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group prior to transfer	85
Adjustment in respect of Cendant Group's Retained Interest in Move.com Group to reflect transfer to Cendant Group of funds theretofore allocated to Move.com Group	28
Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group after transfer	57

- As a result, the total issued and outstanding shares (10) would in the aggregate continue to represent an Outstanding Interest Percentage of 15%, calculated as follows:

$$\frac{10}{10 + 57}$$

The Retained Interest Percentage would accordingly continue to be 85%.

- Assuming that the board of directors transferred only half of the $567 amount, or $283.50, from Move.com Group to Cendant Group, the Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group (85) would decrease by the amount of cash so transferred ($283.50) divided by the Market Value per share of Move.com stock ($20).

Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group prior to transfer	85
Adjustment in respect of Cendant Group's Retained Interest in Move.com Group to reflect transfer to Cendant Group of cash theretofore allocated to Move.com Group	14
Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group after transfer	71

- In that case, as a result, the total issued and outstanding shares (10) would in the aggregate represent an Outstanding Interest Percentage of about 12%, calculated as follows:

$$\frac{10}{10 + 71}$$

The Retained Interest Percentage would accordingly be increased to about 88%.

DIVIDENDS ON MOVE.COM STOCK

The following illustrations reflect assumed dividends of Move.com stock on outstanding shares of CD stock and outstanding shares of Move.com stock, respectively, after the assumed initial issuance of 15 shares of Move.com stock for the account of Cendant Group.

STOCK DIVIDEND OF MOVE.COM STOCK ON CD STOCK

Assume 1,000 shares of CD stock are outstanding and Cendant Corporation declares a dividend of 1/20 of a share of Move.com stock on each outstanding share of CD stock.

Shares previously issued and outstanding	15
Newly issued shares for account of Cendant Group	50
Total issued and outstanding after dividend	65

- Any dividend of shares of Move.com stock to the holders of shares of CD stock would be treated as a reduction in the Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group.

Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group prior to dividend	85
Number of shares distributed on outstanding shares of Cendant Corporation stock for account of Cendant Group	50
Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group after dividend	35

- As a result, the total issued and outstanding shares (65) would in the aggregate represent an Outstanding Interest Percentage of 65%, calculated as follows:

$$\frac{65}{65 + 35}$$

The Retained Interest Percentage would accordingly be reduced to 35%. Note, however, that after the dividend, the holders of CD stock would also hold 50 shares of Move.com stock, which would be intended to represent a 50% interest in the value attributable to Move.com Group.

STOCK DIVIDEND OF MOVE.COM STOCK ON MOVE.COM STOCK

Assume Cendant Corporation declares a dividend of 1/5 of a share of Move.com stock on each outstanding share of Move.com stock.

Shares previously issued and outstanding	15
Newly issued shares for account of Move.com Group	3
Total issued and outstanding after dividend	18

- The number of shares issuable with respect to Cendant Group's retained interest in Move.com Group would be increased proportionately to reflect the stock dividend payable in shares of Move.com stock to holders of shares of Move.com stock. That is, the Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group would be increased by a number equal to 567% (representing the ratio of the Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group (85) to the number of shares of Move.com stock issued and outstanding (15), in each case immediately prior to such dividend) of the aggregate number of shares issued in connection with such dividend (3), or 17.

Number of shares issuable with respect to Cendant Group's retained interest in Move.com Group prior to dividend	85
Adjustment in respect of Cendant Group's retained interest to reflect shares distributed on outstanding shares of Move.com stock	17
Number of shares issuable with respect to Cendant Group's retained interest in Move.com Group after dividend	102

- As a result, the total issued and outstanding shares (18) would in the aggregate continue to represent an outstanding interest percentage of 15%, calculated as follows:

$$\frac{18}{18 + 102}$$

The Retained Interest Percentage would accordingly continue to be 85%.

CAPITAL TRANSFERS OF CASH OR OTHER ASSETS BETWEEN CENDANT GROUP AND MOVE.COM GROUP

CAPITAL CONTRIBUTION OF CASH OR OTHER ASSETS FROM CENDANT GROUP TO MOVE.COM GROUP

The following illustration reflects the assumed contribution by Cendant Group to Move.com Group, after the assumed initial issuance of 15 shares of Move.com stock for the account of Cendant Group, of $40 of assets allocated to Cendant Group at a time when the market value of the Move.com stock is $20 per share.

Shares previously issued and outstanding	15
Newly issued shares	0
Total issued and outstanding after contribution	15

- The Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group would be increased to reflect the contribution to Move.com Group of assets theretofore

allocated to Cendant Group by a number equal to the value of the assets contributed ($40) divided by the Market Value of Move.com stock at that time ($20), or 2 shares.

Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group prior to contribution	85
Increase to reflect contribution to Move.com Group of assets allocated to Cendant Group	2
Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group after contribution	87

- As a result, the total issued and outstanding shares (15) would in the aggregate represent an Outstanding Interest Percentage of a little less than 15%, calculated as follows:

$$\frac{15}{15 + 87}$$

The Retained Interest Percentage would accordingly be increased to a little more than 85%.

RETURN OF CAPITAL TRANSFER OF CASH OR OTHER ASSETS FROM MOVE.COM GROUP TO CENDANT GROUP

The following illustration reflects the assumed transfer by Move.com Group to Cendant Group, after the assumed initial issuance of 15 shares of Move.com stock for the account of Cendant Group, of $40 of assets allocated to Move.com Group on a date on which the Market Value of Move.com stock is $20 per share.

Shares previously issued and outstanding	15
Newly issued shares	0
Total issued and outstanding after contribution	15

- The Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group would be decreased to reflect the transfer to Cendant Group of assets theretofore allocated to Move.com Group by a number equal to the value of the assets transferred ($40) divided by the Market Value of Move.com stock at that time ($20), or 2 shares.

Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group prior to contribution	85
Decrease to reflect transfer to Cendant Group of assets allocated to Move.com Group	2
Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group after contribution	83

- As a result, the total issued and outstanding shares (15) would in the aggregate represent an Outstanding Interest Percentage of a little more than 15%, calculated as follows:

$$\frac{15}{15 + 83}$$

The Retained Interest Percentage would accordingly be decreased to a little less than 85%.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS OF CENDANT CORPORATION

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of
Cendant Corporation

We have audited the accompanying consolidated balance sheets of Cendant Corporation and subsidiaries (the "Company") as of December 31, 1999 and 1998 and the related consolidated statements of operations, cash flows and shareholders' equity for each of the three years in the period ended December 31, 1999. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company at December 31, 1999 and 1998 and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 1999 in conformity with generally accepted accounting principles.

As discussed in Note 1 to the consolidated financial statements, effective January 1, 1997, the Company changed its method of recognizing revenue and membership solicitation costs for its individual membership business.

/s/ Deloitte & Touche LLP
New York, New York
February 28, 2000

CENDANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(IN MILLIONS, EXCEPT PER SHARE DATA)

	YEAR ENDED DECEMBER 31,		
	1999	1998	1997
REVENUES			
Membership and service fees, net	$5,183	$5,081	$4,083
Fleet leasing (net of depreciation and interest costs of $670, $1,279 and $1,205)	30	89	60
Other	189	114	97
Net revenues	5,402	5,284	4,240
EXPENSES			
Operating	1,795	1,870	1,322
Marketing and reservation	1,017	1,158	1,032
General and administrative	671	666	636
Depreciation and amortization	371	323	238
Other charges:			
Litigation settlement and related costs	2,894	351	--
Termination of proposed acquisitions	7	433	--
Executive terminations	--	53	--
Investigation-related costs	21	33	--
Merger-related costs and other unusual charges (credits)	110	(67)	704
Investigation-related financing costs	--	35	--
Interest, net	199	114	51
Total expenses	7,085	4,969	3,983
Net gain on dispositions of businesses	1,109	--	--
INCOME (LOSS) BEFORE INCOME TAXES AND MINORITY INTEREST	(574)	315	257
Provision (benefit) for income taxes	(406)	104	191
Minority interest, net of tax	61	51	--
INCOME (LOSS) FROM CONTINUING OPERATIONS	(229)	160	66
Discontinued operations:			
Loss from discontinued operations, net of tax	--	(25)	(26)
Gain on sale of discontinued operations, net of tax	174	405	--
INCOME (LOSS) BEFORE EXTRAORDINARY GAIN AND CUMULATIVE EFFECT OF ACCOUNTING CHANGE	(55)	540	40
Extraordinary gain, net of tax	--	--	26
INCOME (LOSS) BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE	(55)	540	66
Cumulative effect of accounting change, net of tax	--	--	(283)
NET INCOME (LOSS)	$ (55)	$ 540	$ (217)
INCOME (LOSS) PER SHARE			
BASIC			
Income (loss) from continuing operations	$(0.30)	$ 0.19	$ 0.08
Loss from discontinued operations	--	(0.03)	(0.03)
Gain on sale of discontinued operations	0.23	0.48	--
Extraordinary gain	--	--	0.03
Cumulative effect of accounting change	--	--	(0.35)
NET INCOME (LOSS)	$(0.07)	$ 0.64	$(0.27)
DILUTED			
Income (loss) from continuing operations	$(0.30)	$ 0.18	$ 0.08
Loss from discontinued operations	--	(0.03)	(0.03)
Gain on sale of discontinued operations	0.23	0.46	--
Extraordinary gain	--	--	0.03
Cumulative effect of accounting change	--	--	(0.35)
NET INCOME (LOSS)	$(0.07)	$ 0.61	$(0.27)

See Notes to Consolidated Financial Statements.

CENDANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(IN MILLIONS, EXCEPT SHARE DATA)

	DECEMBER 31,	
	1999	1998
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,164	$ 1,009
Receivables (net of allowance for doubtful accounts of $68 and $123)	1,026	1,535
Deferred income taxes	1,427	467
Deferred membership commission costs	193	253
Other current assets	782	909
Net assets of discontinued operations	--	374
Total current assets	4,592	4,547
Property and equipment (net of accumulated depreciation of $390 and $491)	1,347	1,433
Franchise agreements (net of accumulated amortization of $216 and $169)	1,410	1,363
Goodwill (net of accumulated amortization of $297 and $248)	3,271	3,923
Other intangibles (net of accumulated amortization of $143 and $117)	662	757
Other assets	1,141	682
Total assets exclusive of assets under programs	12,423	12,705
Assets under management and mortgage programs		
Relocation receivables	530	659
Mortgage loans held for sale	1,112	2,416
Mortgage servicing rights	1,084	636
Net investment in leases and leased vehicles	--	3,801
	2,726	7,512
TOTAL ASSETS	$15,149	$20,217
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and other current liabilities	$ 1,279	$ 1,518
Current portion of debt	400	--
Shareholder litigation settlement and related costs	2,892	--
Deferred income	1,039	1,354
Total current liabilities	5,610	2,872
Deferred income	413	234
Long-term debt	2,445	3,363
Other noncurrent liabilities	373	202
Total liabilities exclusive of liabilities under programs	8,841	6,671
Liabilities under management and mortgage programs		
Debt	2,314	6,897
Deferred income taxes	310	341
	2,624	7,238
Mandatorily redeemable preferred securities issued by subsidiary holding solely senior debentures issued by the Company	1,478	1,472
Commitments and contingencies (Note 17)		
Shareholders' equity		
Preferred stock, $.01 par value -authorized 10 million shares; none issued and outstanding	--	--
Common stock, $.01 par value -authorized 2 billion shares; issued 870,399,635 and 860,551,783 shares	9	9
Additional paid-in capital	4,102	3,863
Retained earnings	1,425	1,480
Accumulated other comprehensive loss	(42)	(49)
Treasury stock, at cost, 163,818,148 and 27,270,708 shares	(3,288)	(467)
Total shareholders' equity	2,206	4,836
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$15,149	$20,217

See Notes to Consolidated Financial Statements.

CENDANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(IN MILLIONS)

	YEAR ENDED DECEMBER 31,		
	1999	1998	1997
OPERATING ACTIVITIES			
Net income (loss)	$ (55)	$ 540	$ (217)
Adjustments to reconcile net income (loss) to net cash provided by operating activities from continuing operations:			
Loss from discontinued operations, net of tax	--	25	26
Gain on sale of discontinued operations, net of tax	(174)	(405)	--
Extraordinary gain on sale of subsidiary, net of tax	--	--	(26)
Cumulative effect of accounting change, net of tax	--	--	283
Asset impairments and termination benefits	--	63	--
Net gain on dispositions of businesses	(1,109)	--	--
Litigation settlement and related costs	2,894	351	--
Merger-related costs and other unusual charges (credits)	110	(67)	704
Payments of merger-related costs and other unusual charges	(135)	(158)	(318)
Depreciation and amortization	371	323	238
Proceeds from sales of trading securities	180	136	--
Purchases of trading securities	(146)	(182)	--
Deferred income taxes	252	(111)	(24)
Net change in assets and liabilities from continuing operations:			
Receivables	(193)	(126)	(96)
Deferred membership commission costs	60	(87)	--
Income taxes receivable	(133)	(98)	(84)
Accounts payable and other current liabilities	(500)	96	(87)
Deferred income	(88)	82	135
Other, net	(303)	(54)	(55)
NET CASH PROVIDED BY OPERATING ACTIVITIES FROM CONTINUING OPERATIONS EXCLUSIVE OF MANAGEMENT AND MORTGAGE PROGRAMS	1,031	328	479
MANAGEMENT AND MORTGAGE PROGRAMS:			
Depreciation and amortization	698	1,260	1,122
Origination of mortgage loans	(25,025)	(26,572)	(12,217)
Proceeds on sale and payments from mortgage loans held for sale	26,328	25,792	11,829
	2,001	480	734
NET CASH PROVIDED BY OPERATING ACTIVITIES FROM CONTINUING OPERATIONS	3,032	808	1,213
INVESTING ACTIVITIES			
Property and equipment additions	(277)	(355)	(155)
Proceeds from sales of marketable securities	741	--	506
Purchases of marketable securities	(672)	--	(458)
Investments	(18)	(24)	(273)
Net assets acquired (net of cash acquired) and acquisition-related payments	(205)	(2,852)	(567)
Net proceeds from dispositions of businesses	3,509	314	224
Other, net	47	107	(109)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES FROM CONTINUING OPERATIONS EXCLUSIVE OF MANAGEMENT AND MORTGAGE PROGRAMS	3,125	(2,810)	(832)

CENDANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

(IN MILLIONS)

	YEAR ENDED DECEMBER 31,		
	1999	1998	1997
MANAGEMENT AND MORTGAGE PROGRAMS:			
Investment in leases and leased vehicles	$ (2,378)	$ (2,447)	$ (2,069)
Payments received on investment in leases and leased vehicles	1,529	987	589
Proceeds from sales and transfers of leases and leased vehicles to third parties	75	183	186
Equity advances on homes under management	(7,608)	(6,484)	(6,845)
Repayment on advances on homes under management	7,688	6,624	6,863
Additions to mortgage servicing rights	(727)	(524)	(270)
Proceeds from sales of mortgage servicing rights	156	119	49
	(1,265)	(1,542)	(1,497)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES FROM CONTINUING OPERATIONS	1,860	(4,352)	(2,329)
FINANCING ACTIVITIES			
Proceeds from borrowings	1,719	4,809	67
Principal payments on borrowings	(2,213)	(2,596)	(174)
Issuance of convertible debt	--	--	544
Issuance of common stock	127	171	132
Repurchases of common stock	(2,863)	(258)	(171)
Proceeds from mandatorily redeemable preferred securities issued by subsidiary holding solely senior debentures issued by the Company	--	1,447	--
Other, net	--	--	(7)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES FROM CONTINUING OPERATIONS EXCLUSIVE OF MANAGEMENT AND MORTGAGE PROGRAMS	(3,230)	3,573	391
MANAGEMENT AND MORTGAGE PROGRAMS:			
Proceeds received for debt repayment in connection with disposal of fleet segment	3,017	--	--
Proceeds from debt issuance or borrowings	5,263	4,300	2,816
Principal payments on borrowings	(7,838)	(3,090)	(1,693)
Net change in short-term borrowings	(2,000)	(93)	(613)
	(1,558)	1,117	510
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES FROM CONTINUING OPERATIONS	(4,788)	4,690	901
Effect of changes in exchange rates on cash and cash equivalents	51	(16)	15
Net cash used in discontinued operations	--	(188)	(181)
Net increase (decrease) in cash and cash equivalents	155	942	(381)
Cash and cash equivalents, beginning of period	1,009	67	448
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 1,164	$ 1,009	$ 67
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Interest payments	$ 451	$ 543	$ 375
Income tax payments (refunds), net	$ (46)	$ (23)	$ 265

See Notes to Consolidated Financial Statements.

CENDANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(IN MILLIONS)

	COMMON STOCK		ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME/(LOSS)	TREASURY STOCK	TOTAL SHAREHOLDERS' EQUITY
	SHARES	AMOUNT					
BALANCE AT JANUARY 1, 1997	808	$ 8	$2,843	$1,186	$ (6)	$ (75)	$ 3,956
COMPREHENSIVE LOSS:							
Net loss	--	--	--	(217)	--	--	
Currency translation adjustment	--	--	--	--	(28)	--	
Unrealized loss on marketable securities, net of tax of $2	--	--	--	--	(4)	--	
TOTAL COMPREHENSIVE LOSS							(249)
Issuance of common stock	6	--	46	--	--	--	46
Exercise of stock options	11	--	133	--	--	(18)	115
Tax benefit from exercise of stock options	--	--	94	--	--	--	94
Amortization of restricted stock	--	--	28	--	--	--	28
Cash dividends declared	--	--	--	(7)	--	--	(7)
Adjustment to reflect change in fiscal year from Cendant Merger	--	--	--	(22)	--	--	(22)
Conversion of convertible notes	20	--	151	--	--	--	151
Repurchase of common stock	--	--	--	--	--	(171)	(171)
Retirement of treasury stock	(7)	--	(190)	--	--	190	--
Other	--	--	(20)	--	--	--	(20)
BALANCE AT DECEMBER 31, 1997	838	8	3,085	940	(38)	(74)	3,921
COMPREHENSIVE INCOME:							
Net income	--	--	--	540	--	--	
Currency translation adjustment	--	--	--	--	(11)	--	
TOTAL COMPREHENSIVE INCOME							529
Exercise of stock options	17	1	168	--	--	--	169
Tax benefit from exercise of stock options	--	--	147	--	--	--	147
Conversion of convertible notes	6	--	114	--	--	--	114
Repurchase of common stock	--	--	--	--	--	(258)	(258)
Mandatorily redeemable preferred securities issued by subsidiary holding solely senior debentures issued by the Company	--	--	(66)	--	--	--	(66)
Common stock received as consideration in sale of discontinued operations	--	--	--	--	--	(135)	(135)
Rights issuable	--	--	350	--	--	--	350
Other	--	--	65	--	--	--	65
BALANCE AT DECEMBER 31, 1998	861	9	3,863	1,480	(49)	(467)	4,836
COMPREHENSIVE LOSS:							
Net loss	--	--	--	(55)	--	--	
Currency translation adjustment	--	--	--	--	(69)	--	
Unrealized gain on marketable securities, net of tax of $22	--	--	--	--	37	--	
Reclassification adjustments, net of tax of $13	--	--	--	--	39	--	
TOTAL COMPREHENSIVE LOSS							(48)
Exercise of stock options	9	--	81	--	--	42	123
Tax benefit from exercise of stock options	--	--	52	--	--	--	52
Repurchase of common stock	--	--	--	--	--	(2,863)	(2,863)
Modifications of stock option plans due to dispositions of businesses	--	--	83	--	--	--	83
Rights issuable	--	--	22	--	--	--	22
Other	--	--	1	--	--	--	1
BALANCE AT DECEMBER 31, 1999	870	$ 9	$4,102	$1,425	$(42)	$(3,288)	$ 2,206

See Notes to Consolidated Financial Statements.

CENDANT CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

Cendant Corporation is a global provider of a wide range of complementary consumer and business services. The Consolidated Financial Statements include the accounts of Cendant Corporation and its wholly-owned subsidiaries (collectively, "the Company" or "Cendant"). In presenting the Consolidated Financial Statements, management makes estimates and assumptions that affect reported amounts and related disclosures. Estimates, by their nature, are based on judgement and available information. As such, actual results could differ from those estimates. Certain reclassifications have been made to prior year amounts to conform to the current year presentation. Unless otherwise noted, all dollar amounts presented are in millions, except per share amounts.

INVESTMENTS IN AFFILIATES

Investments in affiliates over which the Company has significant influence but not a controlling interest are carried on the equity basis of accounting.

CASH AND CASH EQUIVALENTS

The Company considers highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

DEPRECIATION AND AMORTIZATION

Property and equipment is depreciated based upon a straight-line method over the estimated useful lives of the related assets. Amortization of leasehold improvements is computed utilizing the straight-line method over the estimated useful lives of the related assets or the lease term, if shorter.

Franchise agreements for hotel, real estate brokerage, car rental and tax return preparation services are amortized on a straight-line basis over the estimated periods to be benefited, ranging from 12 to 40 years.

GOODWILL

Goodwill, which represents the excess of cost over fair value of net assets acquired, is amortized on a straight-line basis over the estimated periods to be benefited, substantially ranging from 25 to 40 years.

Other intangibles are amortized on a straight-line method over the estimated periods to be benefited.

ASSET IMPAIRMENT

The Company periodically evaluates the recoverability of its investments, intangible assets and long-lived assets, comparing the respective carrying values to the current and expected future cash flows, on an undiscounted basis, to be generated from such assets. Property and equipment is evaluated separately within each business. The recoverability of goodwill and franchise agreements is evaluated on a separate basis for each acquisition and franchise brand, respectively. Any enterprise goodwill and franchise agreements are also evaluated using the undiscounted cash flow method.

Based on an evaluation of its intangible assets and in connection with the Company's regular forecasting processes during 1998, the Company determined that $37 million of goodwill associated

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

with a Company subsidiary, National Library of Poetry, was permanently impaired. In addition, the Company had equity investments in various businesses, which were generating negative cash flows and were unable to access sufficient liquidity through equity or debt offerings. As a result, the Company wrote off $13 million of such investments in 1998. The aforementioned impairments impacted the Company's diversified services segment and are classified as operating expenses in the Consolidated Statements of Operations.

REVENUE RECOGNITION AND BUSINESS OPERATIONS

FRANCHISING. Franchise revenue principally consists of royalties, as well as marketing and reservation fees, which are based on a percentage of franchisee revenue. Royalty, marketing, and reservation fees are accrued as the underlying franchisee revenue is earned. Annual rebates given to certain franchisees on royalty fees are recorded as a reduction to revenues and are accrued in direct proportion to the recognition of the underlying gross franchise revenue. Franchise revenue also includes initial franchise fees, which are recognized as revenue when all material services or conditions relating to the sale have been substantially performed, which is generally when a franchised unit is opened.

TIMESHARE. Timeshare revenue principally consists of exchange fees and subscription revenue. Exchange fees are recognized as revenue when the exchange request has been confirmed to the subscribing members. Subscription revenue represents the fees from subscribing members. There is no separate fee charged for the participation in the timeshare exchange network. Subscription revenue, net of related procurement costs, is deferred upon receipt and recognized as revenue over the subscription period during which delivery of publications and other services are provided to the subscribing members. Subscriptions are cancelable and refundable on a prorata basis. Subscription procurement costs are expensed as incurred. Such costs were $31 million for each of the years ended December 31, 1999 and 1998 and $27 million for the year ended December 31, 1997.

INDIVIDUAL MEMBERSHIP. Membership revenue is generally recognized upon the expiration of the membership period. Memberships are generally cancelable for a full refund of the membership fee during the entire membership period, generally one year. Certain memberships are subject to a pro rata refund. Revenues for such memberships are recognized ratably over the membership period.

INSURANCE/WHOLESALE. Commissions received from the sale of third party accidental death and dismemberment insurance are recognized over the underlying policy period. The Company also receives a share of the excess of premiums paid to insurance carriers less claims experience to date, claims incurred but not reported and carrier management expenses. Such profit commissions are accrued based on claims experience to date, including an estimate of claims incurred but not reported.

During 1999, the Company changed the amortization period for customer acquisition costs related to accidental death and dismemberment insurance products, which resulted in a reduction in expenses of $16 million ($10 million, after tax or $0.01 per diluted share). The change was based upon new information becoming available to determine customer retention rates.

RELOCATION. Relocation services provided by the Company include facilitating the purchase and resale of the transferee's residence, providing equity advances on the transferee's residence and home management services. The home is purchased under a contract of sale and the Company obtains a deed to the property; however, it does not generally record the deed or transfer title. Transferring employees are provided equity advances on the home based on their ownership equity of the appraised

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

home value. The mortgage is generally retired concurrently with the advance of the equity and the purchase of the home. Based on its client agreements, the Company is given parameters under which it negotiates for the ultimate sale of the home. The gain or loss on resale is generally borne by the client corporation. In certain transactions, the Company will assume the risk of loss on the sale of homes; however, in such transactions, the Company will control all facets of the resale process, thereby, limiting its exposure.

While homes are held for resale, the amount funded for such homes carry an interest charge computed at a floating rate. Direct costs of managing the home during the period the home is held for resale, including property taxes and repairs and maintenance, are generally borne by the client corporation. The client corporation generally advances funds to cover a portion of such carrying costs.

Revenues and related costs associated with the purchase and resale of a transferee's residence are recognized as services are provided. Relocation services revenue is generally recorded net of costs reimbursed by client corporations and interest expense incurred to fund the purchase of a transferee's residence. Revenue for other fee-based programs, such as home marketing assistance, household goods moves, and destination services are recognized over the periods in which the services are provided and the related expenses are incurred.

MORTGAGE. Loan origination fees, commitment fees paid in connection with the sale of loans, and certain direct loan origination costs associated with loans are deferred until such loans are sold. Mortgage loans are recorded at the lower of cost or market value on an aggregate basis. Sales of mortgage loans are generally recorded on the date a loan is delivered to an investor. Gains or losses on sales of mortgage loans are recognized based upon the difference between the selling price and the carrying value of the related mortgage loans sold. See Note 9--Mortgage Loans Held For Sale.

Fees received for servicing loans owned by investors are credited to income when earned. Costs associated with loan servicing are charged to expense as incurred.

Mortgage servicing rights ("MSRs") are amortized over the estimated life of the related loan portfolio in proportion to projected net servicing revenues. Such amortization is recorded as a reduction of net servicing revenue in the Consolidated Statements of Operations. The Company estimates future prepayment rates based on current interest rate levels, other economic conditions and market forecasts, as well as relevant characteristics of the servicing portfolio, such as loan types, interest rate stratification, and recent prepayment experience. Gains or losses on the sale of MSRs are recognized when title and all risks and rewards have irrevocably passed to the buyer and there are no significant unresolved contingencies. See Note 10--Mortgage Servicing Rights.

FLEET. The Company primarily leased its vehicles under three standard arrangements: open-end operating leases, closed-end operating leases or open-end finance leases (direct financing leases). Each lease was either classified as an operating lease or a direct financing lease, as defined. Lease revenues were recognized based on rentals. Revenues from fleet management services other than leasing were recognized over the period in which services were provided and the related expenses were incurred. See Note 3--Dispositions and Acquisitions of Businesses.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ADVERTISING EXPENSES

Advertising costs, including direct response advertising related to membership programs, are generally expensed in the period incurred. Advertising expenses for the years ended December 31, 1999, 1998 and 1997 were $589 million, $685 million and $574 million, respectively.

CHANGE IN ACCOUNTING POLICY

In August 1998, the Company changed its accounting policy with respect to revenue and expense recognition for its membership businesses, effective January 1, 1997. Prior to such adoption, the Company recorded deferred membership income, net of estimated cancellations, at the time members were billed (upon expiration of the free trial period), which was recognized as revenue ratably over the membership term and modified periodically based on actual cancellation experience. In addition, membership acquisition and renewal costs, which related primarily to membership solicitations, were capitalized as direct response advertising costs due to the Company's ability to demonstrate that the direct response advertising resulted in future economic benefits. Such costs were amortized on a straight-line basis as revenues were recognized (over the average membership period).

The Company concluded that when membership fees are fully refundable during the entire membership period, membership revenue should be recognized at the end of the membership period upon the expiration of the refund offer. The Company further concluded that non-refundable solicitation costs should be expensed as incurred since such costs are not recoverable if membership fees are refunded. The Company adopted such accounting policy effective January 1, 1997 and accordingly, recorded a non-cash charge of $450 million ($283 million, after tax) on such date to account for the cumulative effect of the accounting change.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In June 1999, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 137 "Accounting for Derivative Instruments and Hedging Activities--Deferral of the Effective Date of FASB Statement No. 133." SFAS No. 137 defers the effective date of SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities", issued in June 1998, to fiscal years commencing after June 15, 2000. SFAS No. 133 requires that all derivatives be recorded in the Consolidated Balance Sheets as assets or liabilities and measured at fair value. If the derivative does not qualify as a hedging instrument, changes in fair value are to be recognized in net income. If the derivative does qualify as a hedging instrument, changes in fair value are to be recognized either in net income or other comprehensive income consistent with the asset or liability being hedged. The Company has developed an implementation plan to adopt SFAS No. 133. Completion of the implementation plan and determination of the impact of adopting SFAS No. 133 is expected to be completed by the fourth quarter of 2000. The Company will adopt SFAS No. 133 on January 1, 2001, as required.

In December 1999, the Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin ("SAB") No. 101 "Revenue Recognition in Financial Statements." SAB No. 101 draws upon the existing accounting rules and explains those rules, by analogy, to other transactions that the existing rules do not specifically address. In accordance with SAB No. 101, the Company will revise certain revenue recognition policies regarding the recognition of non-refundable one-time fees and recognition of pro rata refundable subscription revenue. The Company currently recognizes non-refundable

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

one-time fees at the time of contract execution and cash receipt. This policy will be changed to the recognition of non-refundable one-time fees ratably over the life of the underlying contract. The Company currently recognizes pro rata refundable subscription revenue, net of related procurement costs, over the subscription period. This policy will be changed to straight line recognition of the pro rata refundable subscription revenue over the subscription period. The percentage of annual revenues earned from non-refundable one-time fees and from pro rata refundable subscription revenues is not material to consolidated net revenues. The Company will adopt SAB No. 101 on January 1, 2000, and will record a non-cash charge of approximately $89 million ($56 million, after tax) to account for the cumulative effect of the accounting change.

2. EARNINGS PER SHARE

Basic earnings per share ("EPS") is computed based solely on the weighted average number of common shares outstanding during the period. Diluted EPS further reflects all potential dilution of common stock, including the assumed exercise of stock options and warrants using the treasury method, and convertible debt. At December 31, 1999, 183 million stock options (with a weighted average exercise price of $15.24 per option) and 2 million stock warrants (with a weighted average exercise price of $16.77 per warrant) were outstanding and antidilutive. At December 31, 1998 and 1997, 38 million stock options (with a weighted average exercise price of $29.58 per option) and 54 million stock options (with a weighted average exercise price of $31.16 per option), respectively, were outstanding and antidilutive. Therefore, such options and warrants were excluded from the computation of diluted EPS. In addition, the Company's 3% convertible subordinated notes convertible into 18 million shares of Company common stock were antidultive; therefore, such notes were excluded from the computation of diluted EPS at December 31, 1999, 1998 and 1997. Diluted weighted average shares were calculated as follows:

	YEAR ENDED DECEMBER 31,		
(IN MILLIONS)	1999	1998	1997
Weighted average shares for basic EPS	751	848	811
Stock options	--	32	41
Weighted average shares for diluted EPS	751	880	852

3. DISPOSITIONS AND ACQUISITIONS OF BUSINESSES

DISPOSITIONS

ENTERTAINMENT PUBLICATIONS, INC. On November 30, 1999, the Company completed the sale of approximately 85% of its Entertainment Publications, Inc. ("EPub") business unit for $281 million in cash. The Company retained approximately 15% of EPub's common equity in connection with the transaction. In addition, the Company has a designee on EPub's Board of Directors. The Company accounts for its investment in EPub using the equity method. The Company realized a net gain of approximately $156 million ($78 million, after tax). EPub is a marketer and publisher of coupon books and discount programs which provides customers with unique products and services that are designed to enhance a customer's purchasing power.

3. DISPOSITIONS AND ACQUISITIONS OF BUSINESSES (CONTINUED)

GREEN FLAG. On November 26, 1999, the Company completed the sale of its Green Flag business unit for approximately $401 million in cash, including dividends of $37 million. The Company realized a net gain of approximately $27 million ($8 million, after tax). Green Flag is a roadside assistance organization based in the UK, which provides a wide range of emergency support and rescue services.

FLEET. On June 30, 1999, the Company completed the disposition of the fleet business segment ("fleet segment" or "fleet businesses") pursuant to an agreement between PHH Corporation ("PHH"), a wholly-owned subsidiary of the Company, and Avis Rent A Car, Inc. ("ARAC"). Pursuant to the agreement, ARAC acquired the net assets of the fleet businesses through the assumption and subsequent repayment of $1.44 billion of intercompany debt and the issuance of $360 million of convertible preferred stock of Avis Fleet Leasing and Management Corporation ("Avis Fleet"), a wholly-owned subsidiary of ARAC. Coincident with the closing of the transaction, ARAC refinanced the assumed debt under management programs which was payable to the Company. Accordingly, the Company received additional consideration from ARAC comprised of $3.0 billion of cash proceeds and a $30 million receivable.

The convertible preferred stock of Avis Fleet is convertible into common stock of ARAC at the Company's option upon the satisfaction of certain conditions, including the per share price of ARAC Class A common stock equaling or exceeding $50 per share and the fleet segment attaining certain EBITDA (earnings before interest, income taxes, depreciation and amortization) thresholds, as defined. There are additional circumstances upon which the shares of Avis Fleet convertible preferred stock are automatically or mandatorily convertible into ARAC common stock.

The Company realized a net gain on the disposition of the fleet business segment of $881 million ($866 million, after tax) of which $715 million ($702 million, after tax) was recognized at the time of closing and $166 million ($164 million, after tax) was deferred at the date of disposition. The realized gain is net of approximately $90 million of transaction costs. The Company deferred the portion of the realized net gain, which was equivalent to its common equity ownership percentage in ARAC at the time of closing. The deferred gain is being recognized into income over forty years, which is consistent with the period ARAC is amortizing the goodwill generated from the transaction and is included within other revenue in the Consolidated Statements of Operations ($2 million in 1999). During 1999, the Company recognized $9 million of the deferred portion of the realized net gain due to the sale of a portion of the Company's ownership of ARAC. The deferred net gain is included in deferred income as presented in the Consolidated Balance Sheet at December 31, 1999. The fleet segment disposition was structured as a tax-free reorganization and, accordingly, no tax provision has been recorded on a majority of the gain. However, pursuant to a recent interpretive ruling, the Internal Revenue Service ("IRS") has taken the position that similarly structured transactions do not qualify as tax-free reorganizations under the Internal Revenue Code Section 368(a)(1)(A). If the transaction is not considered a tax-free reorganization, the resultant incremental liability could range between $10 million and $170 million depending upon certain factors including utilization of tax attributes and contractual indemnification provisions. Notwithstanding the IRS interpretive ruling, the Company believes that, based upon analysis of current tax law, its position would prevail, if challenged.

OTHER 1999 DISPOSITIONS. The Company completed the dispositions of certain businesses, including North American Outdoor Group, Central Credit, Inc., Global Refund Group, Spark Services, Inc., Match.com, National Leisure Group and National Library of Poetry. Aggregate consideration received on

3. DISPOSITIONS AND ACQUISITIONS OF BUSINESSES (CONTINUED)

such dispositions was comprised of approximately $407 million in cash, including dividends of $21 million, and $43 million in marketable securities. The Company realized a net gain of $202 million ($81 million, after tax) on the dispositions of these businesses.

INTERVAL INTERNATIONAL INC. On December 17, 1997, as directed by the Federal Trade Commission in connection with a merger, the Company sold all of the outstanding shares of its timeshare exchange businesses, Interval International Inc. ("Interval"), for net proceeds of $240 million less transaction related costs amortized as services were provided. The Company recognized a gain on the sale of Interval of $77 million ($26 million, after tax), which was reflected as an extraordinary gain in the Consolidated Statements of Operations.

ACQUISITIONS

During 1998, the Company completed the acquisitions of National Parking Corporation Limited ("NPC"), The Harpur Group Ltd. ("Harpur"), Jackson Hewitt Inc. ("Jackson Hewitt") and certain other entities, which were accounted for using the purchase method of accounting. Accordingly, assets acquired and liabilities assumed were recorded at their fair values. The excess of purchase price over the fair value of the underlying net assets acquired was allocated to goodwill. During 1999 and 1998, the Company recorded additional goodwill of $50 million and $100 million, respectively, in satisfaction of a contingent purchase liability to the seller of Resort Condominiums International, Inc., a company acquired in 1996. The operating results of such acquired entities are included in the Company's Consolidated Statements of Operations since the respective dates of acquisition. The following table presents information about the acquisitions.

	NPC	HARPUR	JACKSON HEWITT	OTHER
Cash paid	$1,638	$206	$476	$ 564
Fair value of identifiable net assets acquired (1)	590	51	99	218
Goodwill	$1,048	$155	$377	$ 346
Goodwill benefit period (years)	40	40	40	25 to 40

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(1) Cash acquired in connection with these acquisitions was $58 million.

4. DISCONTINUED OPERATIONS

On January 12, 1999, the Company completed the sale of Cendant Software Corporation ("CDS"), a developer, publisher and distributor of educational and entertainment software, for net cash proceeds of $770 million. The Company realized a net gain of $323 million ($372 million, after tax) on the disposition of CDS, of which $299 million ($174 million, after tax) was recognized during 1999 and $24 million ($198 million, after tax) was recognized during 1998, substantially in the form of a tax benefit and corresponding deferred tax asset.

On December 15, 1998, the Company completed the sale of Hebdo Mag International, Inc. ("Hebdo Mag"), a publisher and distributor of classified advertising information. The Company received $315 million in cash and 7 million shares of Company common stock valued at $135 million (approximately $19

4. DISCONTINUED OPERATIONS (CONTINUED)

per share market value) on the date of sale. The Company recognized a net gain of $155 million ($207 million, after tax) on the sale of Hebdo Mag partially in the form of a tax benefit.

Summarized financial data of discontinued operations for the years ended December 31, consisted of:

	CDS		HEBDO MAG	
	1998	1997	1998	1997
Net revenues	$346	$434	$202	$209
Income (loss) before income taxes	$(57)	$ (6)	$ 17	$ (4)
Provision (benefit) for income taxes	(23)	2	8	(1)
Extraordinary loss from early extinguishment of debt, net of $5 million tax benefit	--	--	--	(15)
Net income (loss)	$(34)	$ (8)	$ 9	$(18)

The Company allocated $20 million of interest expense to discontinued operations for the year ended December 31, 1998. Such interest expense represents the cost of funds associated with businesses acquired by the discontinued business segments at an interest rate consistent with the Company's consolidated effective borrowing rate.

Net assets of CDS at December 31, 1998 were comprised of current assets of $285 million, goodwill of $106 million, other assets of $88 million and total liabilities of $105 million.

5. OTHER CHARGES

LITIGATION SETTLEMENTS

COMMON STOCK LITIGATION SETTLEMENT. On December 7, 1999, the Company reached a preliminary agreement to settle the principal securities class action pending against the Company, other than certain claims relating to FELINE PRIDES securities discussed below. This settlement is subject to final documentation and court approval. See Note 17--Commitments and Contingencies.

FELINE PRIDES LITIGATION SETTLEMENT. On March 17, 1999, the Company reached a final agreement (the "FELINE PRIDES settlement") to settle the class action lawsuit that was brought on behalf of the holders of Income or Growth FELINE PRIDES ("PRIDES") securities who purchased their securities on or prior to April 15, 1998. See Note 13--Mandatorily Redeemable Trust Preferred Securities Issued by Subsidiary Holding Solely Senior Debentures Issued by the Company.

TERMINATION OF PROPOSED ACQUISITIONS

On February 4, 1999, the Company announced its intention not to proceed with the acquisition of RAC Motoring Services ("RACMS") due to certain conditions imposed by the UK Secretary of State of Trade and Industry that the Company determined not to be commercially feasible and therefore unacceptable. In connection with such termination, the Company wrote off $7 million of deferred acquisition costs.

5. OTHER CHARGES (CONTINUED)

On October 13, 1998, the Company and American Bankers Insurance Group, Inc. ("American Bankers") terminated an agreement which provided for the Company's acquisition of American Bankers. In connection with this agreement, the Company made a $400 million cash payment to American Bankers and wrote-off $32 million of costs, primarily professional fees, resulting in a total charge of $432 million.

On October 5, 1998, the Company announced the termination of an agreement to acquire Providian Auto and Home Insurance Company. In connection with the termination of this agreement, the Company wrote off $1 million of costs.

EXECUTIVE TERMINATIONS

The Company incurred $53 million of costs on July 28, 1998 related to the termination of certain former executives, principally Walter A. Forbes, who resigned as Chairman and as a member of the Board of Directors. Aggregate benefits given to Mr. Forbes resulted in a charge of $51 million, comprised of $38 million in cash payments and approximately one million Company stock options, with a fair value of $13 million, as calculated by the Black-Scholes model. Such options were immediately vested and expire on July 28, 2008. The main benefit to the Company from Mr. Forbes' termination was the resolution of the division of governance issues that existed at the time between the members of the Board of Directors formerly associated with CUC International, Inc. ("CUC") and the members of the Board of Directors formerly associated with HFS Incorporated ("HFS").

INVESTIGATION-RELATED COSTS

The Company incurred professional fees, public relations costs and other miscellaneous expenses of $21 million and $33 million during 1999 and 1998, respectively, in connection with accounting irregularities and resulting investigations into such matters.

INVESTIGATION-RELATED FINANCING COSTS

In connection with the Company's discovery and announcement of accounting irregularities on April 15, 1998 and the corresponding lack of audited financial statements, the Company was temporarily prohibited from accessing public debt markets. As a result, the Company paid $28 million in fees associated with waivers and various financing arrangements. Additionally, during 1998, the Company exercised its option to redeem its 4 3/4% Convertible Senior Notes (the "4 3/4% Notes"). At such time, the Company anticipated that all holders of the 4 3/4% Notes would elect to convert the 4 3/4% Notes to Company common stock. However, at the time of redemption, holders of the 4 3/4% Notes elected not to convert the 4 3/4% Notes to Company common stock resulting in the Company redeeming such notes at a premium. Accordingly, the Company recorded a $7 million loss on such redemption.

1999 MERGER-RELATED COSTS AND OTHER UNUSUAL CHARGES

On September 15, 1999, Netmarket Group, Inc. ("NGI") began operations as an independent company that pursues the development of certain interactive businesses formerly within the Company's direct marketing division. NGI owns, operates and develops the online membership businesses, which

5. OTHER CHARGES (CONTINUED)

collectively have approximately 1.4 million online members. Prior to September 15, 1999, the Company's ownership of NGI was restructured into common stock and preferred stock interests. On September 15, 1999 (the "donation date"), the Company donated NGI's outstanding common stock to a charitable trust, and NGI issued additional shares of its common stock to certain of its marketing partners. The fair market value of the NGI common stock on the donation date was approximately $20 million. Accordingly, as a result of the change in ownership of NGI's common stock from the Company to independent third parties, prospective from the donation date, NGI's operating results are no longer included in the Company's Consolidated Financial Statements. The Company retained an ownership interest in a convertible preferred stock of NGI, which is ultimately convertible, at the Company's option, beginning September 14, 2001, into approximately 78% of NGI's diluted common shares. The convertible preferred stock is accounted for using the cost method of accounting. The convertible preferred stock has a $5 million annual preferred dividend, which will be recorded in income if and when it becomes realizable. Subsequent to the Company's contribution of NGI's common stock to the charitable trust, the Company provided a development advance of $77 million to NGI, which is contingently repayable to the Company if certain financial targets related to NGI are achieved. The purpose of the development advance was to provide NGI with the funds necessary to develop Internet related products and systems, that if successful, would significantly increase the value of NGI. Without these funds, NGI would not have sufficient funds for development activities contemplated in its business plans. Repayment of the advance is therefore solely dependent on the success of the development efforts. The Company recorded a charge, inclusive of transaction costs, of $85 million in connection with the donation of NGI shares to the charitable trust and the subsequent development advance.

During 1999, the Company incurred $23 million of additional charges to fund an irrevocable contribution to the independent technology trust responsible for completing the transition of the Company's lodging franchisees to a Company sponsored property management system and $2 million of costs primarily resulting from further consolidation of European call centers in Cork, Ireland which are included below as a component of the 1999 adjustment activity for the Fourth Quarter 1997 Charge.

1997 MERGER-RELATED COSTS AND OTHER UNUSUAL CHARGES (CREDITS)

FOURTH QUARTER 1997 CHARGE. The Company incurred unusual charges ("Unusual Charges") in the fourth quarter of 1997 totaling $455 million substantially associated with the merger of HFS and CUC (the "Cendant Merger") and the merger in October 1997 with Hebdo Mag. Reorganization plans were formulated prior to and implemented as a result of the mergers. The Company determined to streamline its corporate organization functions and eliminate several office locations in overlapping markets. Management's plan included the consolidation of European call centers in Cork, Ireland and terminations of franchised hotel properties. Liabilities associated with Unusual Charges are classified as a

5. OTHER CHARGES (CONTINUED)

component of accounts payable and other current liabilities. The reduction of such liabilities from inception is summarized by category of expenditure as follows:

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	1997 UNUSUAL CHARGES	1997 REDUCTIONS	1998 REDUCTIONS	1998 ADJUSTMENTS	BALANCE AT DECEMBER 31, 1998	1999 ACTIVITY		BALANCE AT DECEMBER 31, 1999
						CASH PAYMENTS	ADJUSTMENTS	
Professional fees	$ 93	$ (43)	$ (38)	$(10)	$ 2	$(1)	$ --	$ 1
Personnel related	171	(45)	(61)	(4)	61	(5)	3	59
Business terminations	78	(78)	1	(1)	--	--	--	--
Facility related and other	113	(92)	(5)	(12)	4	(2)	(1)	1
Total Unusual Charges	455	(258)	(103)	(27)	67	(8)	2	61
Reclassification for discontinued operations	(18)	18	--	--	--	--	--	--
Total Unusual Charges related to continuing operations	$437	$(240)	$(103)	$(27)	$67	$(8)	$ 2	$61

Professional fees primarily consisted of investment banking, legal and accounting fees incurred in connection with the mergers. Personnel related costs included $73 million of retirement and employee benefit plan costs, $24 million of restricted stock compensation, $61 million of severance resulting from consolidations of European call centers and certain corporate functions and $13 million of other personnel related costs. The Company provided for 474 employees to be terminated, substantially all of which have been severed. Business termination costs consisted of a $48 million impairment write-down of hotel franchise agreement assets associated with a quality upgrade program and $30 million of costs incurred to terminate a contract which may have restricted the Company from maximizing opportunities afforded by the Cendant Merger. Facility related and other unusual charges included $70 million of irrevocable contributions to independent technology trusts for the direct benefit of lodging and real estate franchisees, $16 million of building lease termination costs, and a $22 million reduction in intangible assets associated with the Company's wholesale annuity business for which impairment was determined in 1997. During 1999 and 1998, the Company recorded a net adjustment of $2 million and ($27) million, respectively, to Unusual Charges with a corresponding increase (decrease) to liabilities primarily as a result of a change in the original estimate of costs to be incurred. Such adjustments to original estimates were recorded in the periods in which events occurred or information became available requiring accounting recognition. Liabilities of $61 million remained at December 31, 1999, which were primarily attributable to future severance costs and executive termination benefits, which the Company anticipates that such liabilities will be settled upon resolution of related contingencies.

SECOND QUARTER 1997 CHARGE. The Company incurred $295 million of Unusual Charges in the second quarter of 1997 primarily associated with the merger of HFS with PHH in April 1997 (the "PHH Merger"). During the fourth quarter of 1997, as a result of changes in estimates, the Company adjusted

5. OTHER CHARGES (CONTINUED)

certain merger-related liabilities, which resulted in a $12 million credit to Unusual Charges. Reorganization plans were formulated in connection with the PHH Merger and were implemented upon consummation. The PHH Merger afforded the combined company, at such time, an opportunity to rationalize its combined corporate, real estate and travel related businesses, and enabled the corresponding support and service functions to gain organizational efficiencies and maximize profits. Management initiated a plan just prior to the PHH Merger to close hotel reservation call centers, combine travel agency operations and continue the downsizing of fleet operations by reducing headcount and eliminating unprofitable products. In addition, management initiated plans to integrate its relocation, real estate franchise and mortgage origination businesses to capture additional revenue through the referral of one business unit's customers to another. Management also formalized a plan to centralize the management and headquarter functions of the world's largest, second largest and other company-owned corporate relocation business unit subsidiaries. Such initiatives resulted in write-offs of abandoned systems and leasehold assets commencing in the second quarter 1997. The aforementioned reorganization plans provided for 560 job reductions, which included the elimination of PHH corporate functions and facilities in Hunt Valley, Maryland. The reduction of liabilities from inception is summarized by category of expenditure as follows:

	1997 UNUSUAL CHARGES	1997 REDUCTIONS	1998 REDUCTIONS	1998 ADJUSTMENTS	BALANCE AT DECEMBER 31, 1998	1999 ACTIVITY CASH PAYMENTS	BALANCE AT DECEMBER 31, 1999
Professional fees	$ 30	$ (29)	$ --	$ (1)	$ --	$ --	$ --
Personnel related	154	(112)	(13)	(19)	10	(2)	8
Business terminations	56	(52)	3	(6)	1	(1)	--
Facility related and other	43	(14)	(10)	(14)	5	(2)	3
Total Unusual Charges	283	(207)	(20)	(40)	16	(5)	11
Reclassification for discontinued operations	(16)	16	--	--	--	--	--
Total Unusual Charges related to continuing operations	$267	$(191)	$(20)	$(40)	$ 16	$ (5)	$ 11

Professional fees were primarily comprised of investment banking, accounting, and legal fees incurred in connection with the PHH Merger. Personnel related costs were associated with employee reductions necessitated by the planned and announced consolidation of the Company's corporate relocation service businesses worldwide as well as the consolidation of corporate activities. Personnel related charges also included termination benefits such as severance, medical and other benefits and provided for retirement benefits pursuant to pre-existing contracts resulting from a change in control. Business terminations were comprised of $39 million of costs to exit certain activities primarily within the Company's fleet management business (including $36 million of asset write-offs associated with exiting certain activities), a $7 million termination fee associated with a joint venture that competed with the PHH Mortgage Services business (now Cendant Mortgage Corporation) and $10 million of costs to terminate a marketing agreement with a third party in order to replace the function with internal resources. Facility related and other charges included costs associated with contract and lease terminations, asset disposals and other charges incurred in connection with the consolidation and closure of excess office space.

The Company had substantially completed the aforementioned second quarter 1997 restructuring activities at December 31, 1998. During the year ended December 31, 1998, the Company recorded a net adjustment of $40 million to Unusual Charges with a corresponding reduction to liabilities primarily as a result of a change in the original estimate of costs to be incurred. Such adjustments to original estimates were recorded in the periods in which events occurred or information became available requiring accounting recognition. Liabilities of $11 million remained at December 31, 1999, which were attributable to future severance and lease termination payments. The Company anticipates that severance will be paid in installments through April 2003 and the lease terminations will be paid in installments through August 2002.

6. PROPERTY AND EQUIPMENT--NET

Property and equipment--net consisted of:

	ESTIMATED USEFUL LIVES IN YEARS	DECEMBER 31, 1999	DECEMBER 31, 1998
Land	--	$ 145	$ 153
Building and leasehold improvements	5-50	703	752
Furniture, fixtures and equipment	3-10	889	1,019
		1,737	1,924
Less accumulated depreciation and amortization		390	491
		$1,347	$1,433

7. OTHER INTANGIBLES--NET

Other intangibles--net consisted of:

	ESTIMATED BENEFIT PERIODS IN YEARS	DECEMBER 31, 1999	DECEMBER 31, 1998
Avis trademark	40	$402	$402
Other trademarks	40	161	171
Customer lists	3-10	154	163
Other	3-25	88	138
		805	874
Less accumulated amortization		143	117
		$662	$757

8. ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

Accounts payable and other current liabilities consisted of:

	DECEMBER 31, 1999	DECEMBER 31, 1998

Accounts payable	$ 320	$ 456
Merger and acquisition obligations	127	153
Accrued payroll and related	263	208
Advances from relocation clients	80	60
Other	489	641
	$1,279	$1,518

9. MORTGAGE LOANS HELD FOR SALE

Mortgage loans held for sale represent mortgage loans originated by the Company and held pending sale to permanent investors. The Company sells loans insured or guaranteed by various government sponsored entities and private insurance agencies. The insurance or guaranty is provided primarily on a non-recourse basis to the Company, except where limited by the Federal Housing Administration and Veterans Administration and their respective loan programs. At December 31, 1999 and 1998, mortgage loans sold with recourse amounted to approximately $52 million and $58 million, respectively. The Company believes adequate allowances are maintained to cover any potential losses.

The Company has a revolving sales agreement, under which an unaffiliated buyer, Bishops Gate Residential Mortgage Trust, a special purpose entity (the "Buyer"), committed to purchase, at the Company's option, mortgage loans originated by the Company on a daily basis, up to the Buyer's asset limit of $2.1 billion. Under the terms of this sale agreement, the Company retains the servicing rights on the mortgage loans sold to the Buyer and arranges for the sale or securitization of the mortgage loans into the secondary market. The Buyer retains the right to select alternative sale or securitization arrangements. At December 31, 1999 and 1998, the Company was servicing approximately $813 million and $2.0 billion, respectively, of mortgage loans owned by the Buyer.

10. MORTGAGE SERVICING RIGHTS

Capitalized MSRs consisted of:

	MSRS	ALLOWANCE	TOTAL
BALANCE, JANUARY 1, 1997	$ 290	$(1)	$ 289
Additions to MSRs	252	--	252
Amortization	(96)	--	(96)
Write-down/provision	--	(4)	(4)
Sales	(33)	--	(33)
Deferred hedge, net	19	--	19
Reclassification of mortgage-related securities	(54)	--	(54)
BALANCE, DECEMBER 31, 1997	378	(5)	373
Additions to MSRs	475	--	475
Additions to hedge	49	--	49
Amortization	(82)	--	(82)
Write-down/recovery	--	5	5
Sales	(99)	--	(99)
Deferred hedge, net	(85)	--	(85)
BALANCE, DECEMBER 31, 1998	636	--	636
Additions to MSRs	698	(5)	693
Additions to hedge	23	--	23
Amortization	(118)	--	(118)
Write-down/recovery	--	5	5
Sales	(161)	--	(161)
Deferred hedge, net	6	--	6
BALANCE, DECEMBER 31, 1999	$1,084	$--	$1,084

10. MORTGAGE SERVICING RIGHTS (CONTINUED)

The value of the Company's MSRs is sensitive to changes in interest rates. The Company uses a hedge program to manage the associated financial risks of loan prepayments. The Company uses certain derivative financial instruments, primarily interest rate floors, interest rate swaps, principal only swaps, futures and options on futures to administer its hedge program. Premiums paid/received on the acquired derivative instruments are capitalized and amortized over the life of the contracts. Gains and losses associated with the hedge instruments are deferred and recorded as adjustments to the basis of the MSRs. In the event the performance of the hedge instruments do not meet the requirements of the hedge program, changes in the fair value of the hedge instruments will be reflected in the Consolidated Statement of Operations in the current period. Deferrals under the hedge programs are allocated to each applicable stratum of MSRs based upon its original designation and included in the impairment measurement.

For purposes of performing its impairment evaluation, the Company stratifies its portfolio on the basis of interest rates of the underlying mortgage loans. The Company measures impairment for each stratum by comparing estimated fair value to the recorded book value. The Company records amortization expense in proportion to and over the period of the projected net servicing revenue. Temporary impairment is recorded through a valuation allowance in the period of occurrence.

11. LONG-TERM DEBT

Long-term debt consisted of:

	DECEMBER 31,	
	1999	1998
Term Loan Facilities	$ 750	$1,250
7 1/2% Senior Notes	400	400
7 3/4% Senior Notes	1,148	1,148
3% Convertible Subordinated Notes	547	545
Other	--	20
	2,845	3,363
Less current portion	400	--
	$2,445	$3,363

TERM LOAN FACILITIES

On May 29, 1998, the Company entered into a 364 day term loan agreement with a syndicate of financial institutions which provided for borrowings of $3.25 billion (the "Term Loan Facility"). The Term Loan Facility incurred interest based on the London Interbank Offered Rate ("LIBOR") plus a margin of approximately 87.5 basis points. At December 31, 1998, borrowings under the Term Loan Facility of $1.25 billion were classified as long-term based on the Company's intent and ability to refinance such borrowings on a long-term basis.

On February 9, 1999, the Company replaced the Term Loan Facility with a two year term loan facility (the "New Facility") which provided for borrowings of $1.25 billion with a syndicate of financial institutions. The Company used $1.25 billion of the proceeds from the New Facility to refinance the outstanding borrowings under the Term Loan Facility. At December 31, 1999, outstanding borrowings under the

11. LONG-TERM DEBT (CONTINUED)

New Facility were $750 million. The New Facility bears interest at a rate of LIBOR plus a margin of 100 basis points and is payable in five consecutive quarterly installments beginning on the first anniversary of the closing date. The New Facility contains certain restrictive covenants, which are substantially similar to and consistent with the covenants in effect for the Company's existing revolving credit agreements discussed below. The weighted average interest rate on the New Facility was 6.2% at December 31, 1999.

7 1/2% AND 7 3/4% SENIOR NOTES

In November 1998, the Company issued $1.55 billion of Senior Notes (the "Notes") in two tranches consisting of $400 million principal amount of 7 1/2% Senior Notes due December 1, 2000 (see Note 27--Subsequent Events--Debt Redemption) and $1.15 billion principal amount of 7 3/4% Senior Notes due December 1, 2003. The Notes may be redeemed, in whole or in part, at any time at the option of the Company at a redemption price plus accrued interest to the date of redemption. The redemption price is equal to the greater of (i) the face value of the Notes or (ii) the sum of the present values of the remaining scheduled payments discounted at the treasury rate plus a spread as defined in the indenture.

3% CONVERTIBLE SUBORDINATED NOTES

During 1997, the Company completed a public offering of $550 million principal amount of 3% Convertible Subordinated Notes (the "3% Notes") due 2002. Each $1,000 principal amount of 3% Notes is convertible into 32.65 shares of Company common stock subject to adjustment in certain events. The 3% Notes may be redeemed at the option of the Company at any time on or after February 15, 2000, in whole or in part, at the appropriate redemption prices (as defined in the indenture governing the 3% Notes) plus accrued interest to the redemption date. The 3% Notes will be subordinated in right of payment to all existing and future Senior Debt (as defined in the indenture governing the 3% Notes) of the Company.

CREDIT FACILITIES

The Company's credit facilities consist of (i) a $750 million, five year revolving credit facility (the "Five Year Revolving Credit Facility") and (ii) a $1.0 billion, 364 day revolving credit facility (the "364 Day Revolving Credit Facility") (collectively the "Revolving Credit Facilities"). The 364 Day Revolving Credit Facility will mature on October 17, 2000, but may be renewed on an annual basis for an additional 364 days upon receiving lender approval. The Five Year Revolving Credit Facility will mature on October 1, 2001. Borrowings under the Revolving Credit Facilities, at the option of the Company, bear interest based on competitive bids of lenders participating in the facilities, at prime rates or at LIBOR, plus a margin of approximately 75 basis points. The Company is required to pay a per annum facility fee of .175% and .15% of the average daily unused commitments under the Five Year Revolving Credit Facility and 364 Day Revolving Credit Facility, respectively. The interest rates and facility fees are subject to change based upon credit ratings on the Company's senior unsecured long-term debt by nationally recognized debt rating agencies. Letters of credit of $5 million were outstanding under the Five Year Revolving Credit Facility at December 31, 1999. The Revolving Credit Facilities contain certain restrictive covenants including restrictions on indebtedness of material subsidiaries, mergers, limitations on liens, liquidations and sale and leaseback transactions, and require the maintenance of certain financial ratios. There were no outstanding borrowings related to the above-mentioned credit facilities at December 31, 1999 and 1998.

11. LONG-TERM DEBT (CONTINUED)

DEBT MATURITIES

The aggregate maturities of debt are as follows: 2000, $400 million; 2001, $750 million; 2002, $547 million; and 2003, $1,148 million.

12. LIABILITIES UNDER MANAGEMENT AND MORTGAGE PROGRAMS

Borrowings to fund assets under management and mortgage programs, which are not classified based on contractual maturities since such debt corresponds directly with assets under management and mortgage programs, consisted of:

	DECEMBER 31,	
	1999	1998
Commercial paper	$ 619	$2,484
Medium-term notes	1,248	2,338
Secured obligations	345	1,902
Other	102	173
	$2,314	$6,897

COMMERCIAL PAPER

Commercial paper, which matures within 180 days, is supported by committed revolving credit agreements described below and short-term lines of credit. The weighted average interest rates on the Company's outstanding commercial paper were 6.7% and 6.1% at December 31, 1999 and 1998, respectively.

MEDIUM-TERM NOTES

Medium-term notes primarily represent unsecured loans, which mature through 2002. The weighted average interest rates on such medium-term notes were 6.4% and 5.6% at December 31, 1999 and 1998, respectively.

SECURED OBLIGATIONS

The Company maintains separate financing facilities, the outstanding borrowings under which are secured by corresponding assets under management and mortgage programs. The collective weighted average interest rates on such facilities were 7.0% and 5.8% at December 31, 1999 and 1998, respectively. Such secured obligations are described below.

MORTGAGE FACILITY. In December 1999, the Company renewed its 364 day financing agreement to sell mortgage loans under an agreement to repurchase such mortgages. This agreement is collateralized by the underlying mortgage loans held in safekeeping by the custodian to the agreement. The total commitment under this agreement is $500 million and is renewable on an annual basis at the discretion of the lender. Mortgage loans financed under this agreement at December 31, 1999 and 1998 totaled $345 million and $378 million, respectively, and are included in mortgage loans held for sale in the Consolidated Balance Sheets.

RELOCATION FACILITIES. The Company entered into a 364 day asset securitization agreement effective December 1998 under which an unaffiliated buyer committed to purchase an interest in the right to

12. LIABILITIES UNDER MANAGEMENT AND MORTGAGE PROGRAMS (CONTINUED)

payments related to certain Company relocation receivables. The revolving purchase commitment provided for funding up to a limit of $325 million and was renewable on an annual basis at the discretion of the lender in accordance with the securitization agreement. Under the terms of this agreement, the Company retained the servicing rights related to the relocation receivables. This facility matured and $248 million was repaid on December 22, 1999. At December 31, 1998, the Company was servicing $248 million of assets, which were funded under this agreement.

The Company also maintained an asset securitization agreement with a separate unaffiliated buyer, which had a purchase commitment up to a limit of $350 million. The terms of this agreement were similar to the aforementioned facility with the Company retaining the servicing rights on the right of payment. This facility matured and $85 million was repaid on October 5, 1999. At December 31, 1998, the Company was servicing $171 million of assets eligible for purchase under this agreement.

FLEET FACILITIES. In December 1998, the Company entered into two secured financing transactions each expiring five years from the effective agreement date. Loans were funded by commercial paper conduits in the amounts of $500 million and $604 million and were secured by leased assets (specified beneficial interests in a trust which owned the leased vehicles and the leases) totaling $600 million and $725 million. In connection with the disposition of the fleet segment, all secured financing arrangements were repaid.

OTHER

Other liabilities under management and mortgage programs are principally comprised of unsecured borrowings under uncommitted short-term lines of credit and other bank facilities, all of which mature in 2000. The weighted average interest rates on such debt were 6.8% and 5.5% at December 31, 1999 and 1998, respectively.

Interest incurred on borrowings used to finance fleet leasing activities was $89 million for the year ended December 31, 1999 and $177 million for each of the years ended December 31, 1998 and 1997 and is included net within fleet leasing revenues in the Consolidated Statements of Operations. Interest related to equity advances on homes was $24 million, $27 million and $32 million for the years ended December 31, 1999, 1998 and 1997, respectively. Interest related to origination and mortgage servicing activities was $109 million, $139 million and $78 million for the years ended December 31, 1999, 1998 and 1997, respectively. Interest expense incurred on borrowings used to finance both equity advances on homes and mortgage servicing activities are recorded net within membership and service fee revenues in the Consolidated Statements of Operations.

As of December 31, 1999, the Company, through its PHH subsidiary, maintained $2.5 billion in committed and unsecured credit facilities, which were backed by domestic and foreign banks. The facilities were comprised of $1.25 billion of syndicated lines of credit maturing in March 2000 and $1.25 billion of syndicated lines of credit maturing in 2002. Under such credit facilities, the Company paid annual commitment fees of $4 million for the year ended December 31, 1999 and $2 million for each of the years ended December 31, 1998 and 1997. The full amount of the Company's committed facility was undrawn and available at December 31, 1999 and 1998.

13. MANDATORILY REDEEMABLE TRUST PREFERRED SECURITIES ISSUED BY SUBSIDIARY HOLDING SOLELY SENIOR DEBENTURES ISSUED BY THE COMPANY

On March 2, 1998, Cendant Capital I (the "Trust"), a wholly-owned consolidated subsidiary of the Company, issued 30 million FELINE PRIDES and 2 million trust preferred securities and received approximately $1.5 billion in gross proceeds in connection with such issuance. The Trust then invested the proceeds in 6.45% Senior Debentures due 2003 (the "Debentures") issued by the Company, which represents the sole asset of the Trust. The obligations of the Trust related to the FELINE PRIDES and trust preferred securities are unconditionally guaranteed by the Company to the extent the Company makes payments pursuant to the Debentures. Upon the issuance of the FELINE PRIDES and trust preferred securities, the Company recorded a liability of $43 million with a corresponding reduction to shareholders' equity equal to the present value of the total future contract adjustment payments to be made under the FELINE PRIDES. The FELINE PRIDES, upon issuance, consisted of 28 million Income PRIDES and 2 million Growth PRIDES (Income PRIDES and Growth PRIDES hereinafter referred to as "PRIDES"), each with a face amount of $50 per PRIDES. The Income PRIDES consist of trust preferred securities and forward purchase contracts under which the holders are required to purchase common stock from the Company in February 2001. The Growth PRIDES consist of zero coupon U.S. Treasury securities and forward purchase contracts under which the holders are required to purchase common stock from the Company in February 2001. The stand alone trust preferred securities and the trust preferred securities forming a part of the Income PRIDES, each with a face amount of $50, bear interest, in the form of preferred stock dividends, at the annual rate of 6.45% payable in cash. Such preferred stock dividends of $96 million ($60 million, after tax) and $80 million ($49 million, after tax) for the years ended December 31, 1999 and 1998, respectively, are presented as minority interest, net of tax in the Consolidated Statements of Operations. Payments under the forward purchase contract forming a part of the Income PRIDES will be made by the Company in the form of a contract adjustment payment at an annual rate of 1.05%. Payments under the forward purchase contract forming a part of the Growth PRIDES will be made by the Company in the form of a contract adjustment payment at an annual rate of 1.30%. The forward purchase contracts require the holder to purchase a minimum of 1.04 shares and a maximum of 1.35 shares of Company common stock per PRIDES security depending upon the average of the closing price per share of the Company's common stock for a 20 consecutive day period ending in mid-February of 2001. The Company has the right to defer the contract adjustment payments and the payment of interest on the Debentures to the Trust. Such election will subject the Company to certain restrictions, including restrictions on making dividend payments on its common stock until all such payments in arrears are settled.

Under the terms of the FELINE PRIDES settlement discussed in Note 5, only holders who owned PRIDES at the close of business on April 15, 1998 will be eligible to receive a new additional "Right" for each PRIDES security held. Right holders may (i) sell them or (ii) exercise them by delivering to the Company three Rights together with two PRIDES in exchange for two new PRIDES (the "New PRIDES"), for a period beginning upon distribution of the Rights and concluding upon expiration of the Rights (February 2001). The terms of the New PRIDES will be the same as the original PRIDES except that the conversion rate will be revised so that, at the time the Rights are distributed, each New PRIDES will have a value equal to $17.57 more than each original PRIDES, or, in the aggregate, approximately $351 million. Accordingly, the Company recorded a non-cash charge of $351 million in the fourth quarter of 1998 with an increase in additional paid-in capital and accrued liabilities of $350 million and $1 million, respectively, based on the prospective issuance of the Rights.

13. MANDATORILY REDEEMABLE TRUST PREFERRED SECURITIES ISSUED BY SUBSIDIARY HOLDING SOLELY SENIOR DEBENTURES ISSUED BY THE COMPANY (CONTINUED)

The FELINE PRIDES settlement also requires the Company to offer to sell 4 million additional PRIDES (having identical terms to currently outstanding PRIDES) to holders of Rights for cash, at a value which will be based on the valuation model that was utilized to set the conversion rate of the New PRIDES. The offering of additional PRIDES will be made only pursuant to a prospectus filed with the SEC. The arrangement to offer additional PRIDES is designed to enhance the trading value of the Rights by removing up to 6 million Rights from circulation via exchanges associated with the offering and to enhance the open market liquidity of New PRIDES by creating 4 million New PRIDES via exchanges associated with the offering. If holders of Rights do not acquire all such PRIDES, they will be offered to the public. Under the settlement agreement, the Company also agreed to file a shelf registration statement for an additional 15 million special PRIDES, which could be issued by the Company at any time for cash. However, during the last 30 days prior to the expiration of the Rights in February 2001, the Company will be required to make these additional PRIDES available to holders of Rights at a price in cash equal to 105% of their theoretical value. The special PRIDES, if issued, would have the same terms as the currently outstanding PRIDES and could be used to exercise Rights. Based on an average market price of $17.78 per share of Company common stock (calculated based on the average closing price per share of Company common stock for the consecutive five-day period ended February 18, 2000), the effect of the issuance of the New PRIDES will be to distribute approximately 18 million more shares of Company common stock when the mandatory purchase of Company common stock associated with the PRIDES occurs in February 2001.

14. SHAREHOLDERS' EQUITY

ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The after-tax components of accumulated other comprehensive income (loss) are as follows:

	CURRENCY TRANSLATION ADJUSTMENT	UNREALIZED GAINS/(LOSSES) ON MARKETABLE SECURITIES	ACCUMULATED OTHER COMPREHENSIVE INCOME/(LOSS)
BALANCE, JANUARY 1, 1997	$(10)	$ 4	$ (6)
Current-period change	(28)	(4)	(32)
BALANCE, DECEMBER 31, 1997	(38)	--	(38)
Current-period change	(11)	--	(11)
BALANCE, DECEMBER 31, 1998	(49)	--	(49)
Current-period change	(9)	16	7
BALANCE, DECEMBER 31, 1999	$(58)	$16	$(42)

The currency translation adjustments are not currently adjusted for income taxes since they relate to indefinite investments in foreign subsidiaries.

SHARE REPURCHASES

During 1999, the Company's Board of Directors authorized an additional $1.8 billion of Company common stock to be repurchased under a common share repurchase program, increasing the total

14. SHAREHOLDERS' EQUITY (CONTINUED)

authorized amount to be repurchased under the program to $2.8 billion. The Company executed this program through open market purchases or privately negotiated transactions, subject to bank credit facility covenants and certain rating agency constraints. As of December 31, 1999, the Company repurchased approximately $2.0 billion (104 million shares) of Company common stock under the program.

In July 1999, pursuant to a Dutch Auction self-tender offer to the Company's shareholders, the Company purchased 50 million shares of its common stock at a price of $22.25 per share.

1998 EMPLOYEE STOCK PURCHASE PLAN

On December 1, 1998, the Company's Board of Directors amended and restated the 1998 Employee Stock Purchase Plan (the "Plan"), which enables eligible employees to purchase shares of common stock from the Company at 85% of the fair market value on the first business day of each calendar quarter. The Company reserved 2.5 million shares of Company common stock in connection with the Plan.

PENDING ISSUANCE OF TRACKING STOCK

The shareholders of Cendant are scheduled to vote on March 31, 2000 for a proposal (the "Tracking Stock Proposal") to authorize the issuance of a new series of Cendant common stock ("tracking stock"). The tracking stock is intended to reflect the performance of the Move.com Group, a group of businesses owned by the Company offering a wide selection of quality relocation, real estate and home-related products and services through a network of Web sites. Before the tracking stock is first issued, the Company's existing common stock will be re-designated as CD Stock and that stock will be intended to reflect the performance of the Company's other businesses (the "Cendant Group"). The Tracking Stock Proposal will allow the Company to amend and restate its charter to increase the number of authorized shares of common stock from 2.0 billion to 2.5 billion initially comprised of 2.0 billion shares of CD Stock and 500 million shares of the Move.com Group stock. In connection with the announcement of the Tracking Stock Proposal, the Move.com Group results are reported as a separate business segment. See Note 24--Segment Information for a description of the services provided by the Move.com Group. Although the issuance of the Move.com Group stock is intended to track the performance of the Move.com Group, holders, if any, will still be subject to all the risks associated with an investment in the Company and all of its businesses, assets and liabilities.

The Company expects to issue shares of Move.com Group stock in one or more private or public financings. The specific terms of the financing, including whether they are private or public, the amount of the Move.com Group stock issued, and the timing of the financings, will depend upon the number of shares of the Move.com stock sold and whether the Company elects to contribute the net proceeds of such financings to the equity of the Move.com Group or the Company.

OTHER

In connection with the recapitalization of NRT Incorporated ("NRT") in September 1999, the Company entered into an agreement with Chatham Street Holdings, LLC ("Chatham") as consideration for certain amendments made with respect to the NRT franchise agreements. Pursuant to the agreement, Chatham was granted the right, until September 30, 2001, to purchase up to 1.6 million shares of Move.com Group stock for approximately $16.02 per share. In addition, for every two shares of

14. SHAREHOLDERS' EQUITY (CONTINUED)

Move.com Group stock purchased by Chatham pursuant to the agreement, Chatham will be entitled to receive a warrant to purchase one share of Move.com Group stock at a price equal to $64.08 per share and a warrant to purchase one share of Move.com Group stock at a price equal to $128.16 per share. The shareholders of Chatham are also shareholders of NRT. See Note 21--Related Party Transactions for a detailed discussion of NRT.

15. DERIVATIVE FINANCIAL INSTRUMENTS

The Company uses derivative financial instruments as part of its overall strategy to manage its exposure to market risks associated with fluctuations in interest rates, foreign currency exchange rates, prices of mortgage loans held for sale, anticipated mortgage loan closings arising from commitments issued and changes in value of MSRs. The Company performs analyses on an on-going basis to determine that a high correlation exists between the characteristics of derivative instruments and the assets or transactions being hedged. As a matter of policy, the Company does not engage in derivative activities for trading or speculative purposes. The Company is exposed to credit-related losses in the event of non-performance by counterparties to certain derivative financial instruments. The Company manages such risk by periodically evaluating the financial position of counterparties and spreading its positions among multiple counterparties. The Company presently does not anticipate non-performance by any of the counterparties and no material loss would be expected from such non-performance.

INTEREST RATE SWAPS

The Company enters into interest rate swap agreements to modify the contractual costs of debt financing. The swap agreements correlate the terms of the assets to the maturity and rollover of the debt by effectively matching a fixed or floating interest rate with the stipulated revenue stream generated from the portfolio of assets being funded. Amounts to be paid or received under interest rate swap agreements are accrued as interest rates change and are recognized as an adjustment to interest expense in the Consolidated Statements of Operations. The Company's hedging activities had an immaterial effect on interest expense and the Company's weighted average borrowing rate for the year ended December 31, 1999. For the years ended December 31, 1998 and 1997, the Company's hedging activities increased interest expense by $2 million and $4 million, respectively, but had an immaterial effect on its weighted average borrowing rate. The following table summarizes the maturity and weighted average rates of the Company's interest rate swaps relating to liabilities under management and mortgage programs at December 31:

	NOTIONAL AMOUNT	WEIGHTED AVERAGE RECEIVE RATE	WEIGHTED AVERAGE PAY RATE	SWAP MATURITIES(1)
1999				
Medium-term notes	$ 610	5.57%	6.29%	2000
1998				
Commercial paper	$ 355	4.92%	5.84%	1999-2006
Medium-term notes	931	5.27%	5.04%	1999-2000
Canada commercial paper	90	5.52%	5.27%	1999-2002
Sterling liabilities	662	6.26%	6.62%	1999-2002
Deutsche mark liabilities	32	3.24%	4.28%	1999-2001
	$2,070			

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(1) Interest rate swaps held during 1998, with maturities ranging from 1999 through 2006, were assumed by ARAC in 1999 in connection with the disposition of the Company's fleet segment.

15. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

FOREIGN EXCHANGE CONTRACTS

In order to manage its exposure to fluctuations in foreign currency exchange rates, the Company enters into foreign exchange contracts on a selective basis. Such contracts are primarily utilized to hedge intercompany loans to foreign subsidiaries and certain monetary assets and liabilities denominated in currencies other than the U.S. dollar. The Company also hedges certain anticipated transactions denominated in foreign currencies. The principal currency hedged by the Company is the British pound sterling. Gains and losses on foreign currency hedges related to intercompany loans are deferred and recognized upon maturity of the underlying loan in the Consolidated Statements of Operations. Gains and losses on foreign currency hedges of anticipated transactions are recognized in the Consolidated Statements of Operations, on a mark-to-market basis, as exchange rates change.

OTHER FINANCIAL INSTRUMENTS

With respect to both mortgage loans held for sale and anticipated mortgage loan closings arising from commitments issued, the Company is exposed to the risk of adverse price fluctuations primarily due to changes in interest rates. The Company uses forward delivery contracts and option contracts to reduce such risk. Market value gains and losses on such positions used as hedges are deferred and considered in the valuation of cost or market value of mortgage loans held for sale.

With respect to the mortgage servicing portfolio, the Company acquired certain derivative financial instruments, primarily interest rate floors, interest rate swaps, principal only swaps, futures and options on futures to manage the associated financial impact of interest rate movements.

16. FAIR VALUE OF FINANCIAL INSTRUMENTS AND SERVICING RIGHTS

The following methods and assumptions were used by the Company in estimating its fair value disclosures for material financial instruments. The fair values of the financial instruments presented may not be indicative of their future values.

MARKETABLE SECURITIES

Fair value at December 31, 1999 and 1998 was $286 million and $267 million, respectively, and is based upon quoted market prices or investment advisor estimates and approximates carrying value. Realized gains or losses on marketable securities are calculated on a specific identification basis. The Company reported realized gains in other revenues in the Consolidated Statements of Operations of $65 million, $27 million and $18 million for the years ended December 31, 1999, 1998 and 1997, respectively (which included the change in net unrealized holding gains on trading securities of $8 million and $16 million in 1999 and 1998, respectively).

RELOCATION RECEIVABLES

Fair value approximates carrying value due to the short-term nature of the relocation receivables.

PREFERRED STOCK INVESTMENTS

Fair value approximates carrying value of the preferred stock investments.

MORTGAGE LOANS HELD FOR SALE

Fair value is estimated using the quoted market prices for securities backed by similar types of loans and current dealer commitments to purchase loans net of mortgage-related positions. The value of embedded MSRs has been considered in determining fair value.

MORTGAGE SERVICING RIGHTS

Fair value is estimated by discounting future net servicing cash flows associated with the underlying securities using discount rates that approximate current market rates and externally published prepayment rates, adjusted, if appropriate, for individual portfolio characteristics.

DEBT

Fair value of the Company's Senior Notes, Convertible Subordinated Notes and medium-term notes are estimated based on quoted market prices or market comparables.

MANDATORILY REDEEMABLE PREFERRED SECURITIES ISSUED BY SUBSIDIARY HOLDING SOLELY SENIOR DEBENTURES ISSUED BY THE COMPANY

Fair value is estimated based on quoted market prices and incorporates the settlement of the FELINE PRIDES litigation and the resulting modification of terms (see Note 5--Other Charges).

Fair value is estimated, using dealer quotes, as the amount that the Company would receive or pay to execute a new agreement with terms identical to those remaining on the current agreement, considering interest rates at the reporting date.

16. FAIR VALUE OF FINANCIAL INSTRUMENTS AND SERVICING RIGHTS (CONTINUED)

The carrying amounts and fair values of material financial instruments at December 31 are as follows:

	1999			1998		
	NOTIONAL/ CONTRACT AMOUNT	CARRYING AMOUNT	ESTIMATED FAIR VALUE	NOTIONAL/ CONTRACT AMOUNT	CARRYING AMOUNT	ESTIMATED FAIR VALUE
ASSETS UNDER MANAGEMENT AND MORTGAGE PROGRAMS						
Mortgage loans held for sale	--	1,112	1,124	--	2,416	2,463
Mortgage servicing rights	--	1,084	1,202	--	636	788
DEBT						
Current portion of debt	--	400	402	--	--	--
Long-term debt	--	2,445	2,443	--	3,363	3,351
OFF BALANCE SHEET DERIVATIVES RELATING TO LONG-TERM DEBT						
Foreign exchange forwards	--	--	--	1	--	--
OTHER OFF BALANCE SHEET DERIVATIVES						
Foreign exchange forwards	173	--	(1)	48	--	--
LIABILITIES UNDER MANAGEMENT AND MORTGAGE PROGRAMS						
Debt	--	2,314	2,314	--	6,897	6,895
MANDATORILY REDEEMABLE PREFERRED SECURITIES ISSUED BY SUBSIDIARY HOLDING SOLELY SENIOR DEBENTURES ISSUED BY THE COMPANY	--	1,478	1,113	--	1,472	1,333
OFF BALANCE SHEET DERIVATIVES RELATING TO LIABILITIES UNDER MANAGEMENT AND MORTGAGE PROGRAMS						
Interest rate swaps						
in a gain position	161	--	--	696	--	8
in a loss position	449	--	1	1,374	--	(12)
Foreign exchange forwards	21	--	--	349	--	--
MORTGAGE-RELATED POSITIONS						
Forward delivery commitments(1)	2,434	6	20	5,057	3	(4)
Option contracts to sell(1)	440	2	3	701	9	4
Option contracts to buy(1)	418	1	--	948	5	1
Commitments to fund mortgages	1,283	--	1	3,155	--	35
Commitments to complete securitizations(1)	813	--	(2)	2,031	--	14
Constant maturity treasury floors(2)	4,420	57	13	3,670	44	84
Interest rate swaps(2)						
in a gain position	100	--	--	575	--	35
in a loss position	250	--	(26)	200	--	(1)
Treasury futures(2)	152	--	(5)	151	--	(1)
Principal only swaps(2)	324	--	(15)	66	--	3

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(1) Carrying amounts and gains (losses) on these mortgage-related positions are already included in the determination of respective carrying amounts and fair values of mortgage loans held for sale. Forward delivery commitments are used to manage price risk on sale of all mortgage loans to end investors, including commitments to complete securitizations on loans held by an unaffiliated buyer as described in Note 9--Mortgage Loans Held for Sale.

(2) Carrying amounts and gains (losses) on these mortgage-related positions are capitalized and recorded as a component of MSRs. Gains (losses) on such positions are included in the determination of the respective carrying amounts and fair value of MSRs.

17. COMMITMENTS AND CONTINGENCIES

LEASES

The Company has noncancelable operating leases covering various facilities and equipment, which primarily expire through the year 2005. Rental expense for the years ended December 31, 1999, 1998 and 1997 was $200 million, $178 million and $91 million, respectively. The Company incurred contingent rental expenses in 1999 and 1998 of $49 million and $44 million, respectively, which is included in total rental expense, principally based on rental volume or profitability at certain parking facilities. The Company has been granted rent abatements for varying periods on certain facilities. Deferred rent relating to those abatements is amortized on a straight-line basis over the applicable lease terms. Commitments under capital leases are not significant.

In 1998, the Company entered into an agreement with an independent third party to sell and leaseback vehicles subject to operating leases. Pursuant to the agreement, the net carrying value of the vehicles sold was $101 million. Since the net carrying value of these vehicles was equal to their sales price, no gain or loss was recognized on the sale. The lease agreement was for a minimum lease term of 12 months with three one-year renewal options. For the years ended December 31, 1999 and 1998, the total rental expense incurred by the Company under this lease was $13 million and $18 million, respectively. In connection with the disposition of the fleet businesses, the Company elected not to execute its renewal option thereby terminating the lease agreement.

Future minimum lease payments required under noncancelable operating leases as of December 31, 1999 are as follows:

YEAR	AMOUNT
2000	$103
2001	89
2002	74
2003	62
2004	56
Thereafter	112
	$496

LITIGATION

CLASS ACTION LITIGATION AND GOVERNMENT INVESTIGATIONS. Since the April 15, 1998 announcement of the discovery of accounting irregularities in former CUC International Inc., approximately 70 lawsuits claiming to be class actions, two lawsuits claiming to be brought derivatively on the Company's behalf and several individual lawsuits and arbitration proceedings have been commenced in various courts and other forums against the Company and other defendants by or on behalf of persons claiming to have purchased or otherwise acquired securities or options issued by CUC or the Company between May 1995 and August 1998. The Court has ordered consolidation of many of the actions.

The SEC and the United States Attorney for the District of New Jersey are also conducting investigations relating to the matters referenced above. The SEC advised the Company that its inquiry should not be construed as an indication by the SEC or its staff that any violations of law have occurred. As a result of the findings from the Company's internal investigations, the Company made all adjustments considered necessary by the Company which are reflected in its previously filed restated financial statements for the years ended 1995, 1996 and 1997 and for the six months ended June 30, 1998. Although the Company can provide no assurances that additional adjustments will not be necessary as a result of

17. COMMITMENTS AND CONTINGENCIES (CONTINUED)

these government investigations, the Company does not expect that additional adjustments will be necessary.

As previously disclosed, the Company reached a final agreement with plaintiff's counsel representing the class of holders of its PRIDES securities who purchased their securities on or prior to April 15, 1998 to settle their class action lawsuit against the Company through the issuance of a new "Right" for each PRIDES security held. (See Notes 5 and 13 for a more detailed description of the settlement).

On December 7, 1999, the Company announced that it reached a preliminary agreement to settle the principal securities class action pending against the Company in the U.S. District Court in Newark, New Jersey relating to the common stock class action lawsuits. Under the agreement, the Company would pay the class members approximately $2.85 billion in cash, an increase from approximately $2.83 billion previously reported. The increase is a result of continued negotiation toward definitive documents relating to additional costs to be paid to the plaintiff class. The settlement remains subject to execution of a definitive settlement agreement and approval by the U.S. District Court. If the preliminary settlement is not approved by the U.S. District Court, the Company can make no assurances that the final outcome or settlement of such proceedings will not be for an amount greater than that set forth in the preliminary agreement.

The proposed settlements do not encompass all litigation asserting claims associated with the accounting irregularities. The Company does 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, the Company does not believe that the impact of such unresolved proceedings should result in a material liability to the Company in relation to its consolidated financial position or liquidity.

OTHER PENDING LITIGATION. The Company and its subsidiaries are involved in pending litigation in the usual course of business. In the opinion of management, such other litigation will not have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

18. INCOME TAXES

The income tax provision (benefit) consists of:

	YEAR ENDED DECEMBER 31,		
	1999	1998	1997
Current			
Federal	$ 306	$(159)	$155
State	9	1	24
Foreign	44	56	29
	359	(102)	208
Deferred			
Federal	(748)	176	(17)
State	(24)	29	(3)
Foreign	7	1	3
	(765)	206	(17)
Provision (benefit) for income taxes	$(406)	$ 104	$191

18. INCOME TAXES (CONTINUED)

Pre-tax income (loss) for domestic and foreign operations consisted of the following:

	YEAR ENDED DECEMBER 31,		
	1999	1998	1997
Domestic	$(793)	$ 78	$184
Foreign	219	237	73
Pre-tax income (loss)	$(574)	$315	$257

Deferred income tax assets and liabilities are comprised of:

	DECEMBER 31,	
	1999	1998
CURRENT DEFERRED INCOME TAX ASSETS		
Merger and acquisition-related liabilities	$ 17	$ 53
Accrued liabilities and deferred income	348	323
Excess tax basis on assets held for sale	--	190
Provision for doubtful accounts	23	14
Deferred membership acquisition costs	--	3
Shareholder litigation settlement and related costs	1,058	--
Net operating loss carryforward	75	--
Current deferred income tax assets	1,521	583
CURRENT DEFERRED INCOME TAX LIABILITIES		
Insurance retention refund	18	21
Franchise acquisition costs	10	7
Other	66	88
Current deferred income tax liabilities	94	116
CURRENT NET DEFERRED INCOME TAX ASSET	$1,427	$467

18. INCOME TAXES (CONTINUED)

	DECEMBER 31,	
	1999	1998
NONCURRENT DEFERRED INCOME TAX ASSETS		
Deductible goodwill--taxable poolings	$ --	$ 49
Merger and acquisition-related liabilities	29	26
Accrued liabilities and deferred income	29	64
Net operating loss carryforward	84	84
State net operating loss carryforward	151	44
Foreign tax credit carryforward	10	--
Other	28	--
Valuation allowance	(161)	(44)
Noncurrent deferred income tax assets	170	223
NONCURRENT DEFERRED INCOME TAX LIABILITIES		
Depreciation and amortization	476	297
Other	--	3
Noncurrent deferred income tax liabilities	476	300
NONCURRENT NET DEFERRED INCOME TAX LIABILITY	$ 306	$ 77

	DECEMBER 31,	
	1999	1998
MANAGEMENT AND MORTGAGE PROGRAM DEFERRED INCOME TAX ASSETS		
Depreciation	$ 7	$ --
Accrued liabilities	11	26
Alternative minimum tax carryforwards	--	2
Management and mortgage program deferred income tax assets	18	28
MANAGEMENT AND MORTGAGE PROGRAM DEFERRED INCOME TAX LIABILITIES		
Depreciation	--	121
Unamortized mortgage servicing rights	328	248
Management and mortgage program deferred income tax liabilities	328	369
Net deferred income tax liability under management and mortgage programs	$310	$341

Net operating loss carryforwards at December 31, 1999 expire as follows: 2001, $8 million; 2002, $90 million; 2005, $7 million; 2009, $18 million; 2010, $116 million; and 2018, $215 million. The Company also has alternative minimum tax credit carryforwards of $28 million.

The valuation allowance at December 31, 1999 relates to deferred tax assets for state net operating loss carryforwards of $151 million and foreign tax credit carryforwards of $10 million. The valuation allowance will be reduced when and if the Company determines that the deferred income tax assets are likely to be realized.

18. INCOME TAXES

No provision has been made for U.S. federal deferred income taxes on approximately $225 million of accumulated and undistributed earnings of foreign subsidiaries at December 31, 1999 since it is the present intention of management to reinvest the undistributed earnings indefinitely in foreign operations. In addition, the determination of the amount of unrecognized U.S. federal deferred income tax liability for unremitted earnings is not practicable.

The Company's effective income tax rate for continuing operations differs from the U.S. federal statutory rate as follows:

	YEAR ENDED DECEMBER 31,		
	1999	1998	1997
Federal statutory rate	(35.0%)	35.0%	35.0%
State and local income taxes, net of federal tax benefits	(1.8)	6.2	5.3
Non-deductible merger-related costs	--	--	29.1
Amortization of non-deductible goodwill	2.9	5.9	4.3
Taxes on foreign operations at rates different than statutory U.S. federal rate	(5.3)	(8.0)	0.3
Nontaxable gain on disposal	(31.0)	--	--
Recognition of excess tax basis on assets held for sale	--	(2.7)	--
Other	(0.5)	(3.2)	0.3
	(70.7%)	33.2%	74.3%

19. STOCK PLANS

CENDANT PLANS

The 1999 Broad-Based Employee Stock Option Plan (the "Broad-Based Plan"), as amended, authorizes the granting of up to 60 million shares of Company common stock through awards of nonqualified stock options (stock options which do not qualify as incentive stock options as defined under the Internal Revenue Service Code). Employees (other than executive officers) and independent contractors of the Company and its affiliates are eligible to receive awards under the Broad-Based Plan. Options granted under the plan generally have a ten year term and have vesting periods ranging from 20% to 33% per year.

The 1997 Stock Incentive Plan (the "Incentive Plan") authorizes the granting of up to 25 million shares of Company common stock through awards of stock options (which may include incentive stock options and/or nonqualified stock options), stock appreciation rights and shares of restricted Company common stock. All directors, officers and employees of the Company and its affiliates are eligible to receive awards under the Incentive Plan. Options granted under the Incentive Plan generally have a ten year term and are exercisable at 20% per year commencing one year from the date of grant or are immediately vested. The Company also maintains two other stock plans adopted in 1997: the 1997 Employee Stock Plan (the "1997 Employee Plan") and the 1997 Stock Option Plan (the "1997 SOP"). The 1997 Employee Plan authorizes the granting of up to 25 million shares of Company common stock through awards of nonqualified stock options, stock appreciation rights and shares of restricted Company common stock to employees of the Company and its affiliates. The 1997 SOP provides for the granting of up to 10 million shares of Company common stock to key employees (including employees

19. STOCK PLANS (CONTINUED)

who are directors and officers) of the Company and its subsidiaries through awards of incentive and/or nonqualified stock options. Options granted under the 1997 Employee Plan and the 1997 SOP generally have ten-year terms and have vesting periods ranging from 20% to 33% per year.

The Company also grants options to employees pursuant to two additional stock option plans under which the Company may grant options to purchase in the aggregate up to 80 million shares of Company common stock. Annual vesting periods under these plans are 20% commencing one year from the respective grant dates.

At December 31, 1999 there were 56 million shares available for grant under the Company's stock option plans discussed above.

On September 23, 1998, the Compensation Committee of the Board of Directors approved a program to effectively reprice certain Company stock options granted to middle management during December 1997 and the first quarter of 1998. Such options, with exercise prices ranging from $31.38 to $37.50, were effectively repriced on October 14, 1998 at $9.81 per share (the "New Price"), which was the fair market value (as defined in the option plans) on the date of such repricing. The Compensation Committee also modified the terms of certain options held by certain of our executive officers and senior managers subject to certain conditions including a revocation of 13 million existing options. Additionally, a management equity ownership program was adopted requiring these executive officers and senior managers to acquire Company common stock at various levels commensurate with their respective compensation levels. The option modifications were accomplished by canceling existing options, with exercise prices ranging from $16.78 to $34.31, and issuing a lesser amount of options at the New Price and, with respect to certain options of executive officers and senior managers, at prices above the New Price, specifically $12.27 and $20.00. Additionally, certain options replacing options that were fully vested provide for vesting ratably over four years beginning January 1, 1999.

MOVE.COM GROUP PLAN

On October 29, 1999, the Board of Directors of Move.com, Inc. (a company included within the Move.com Group) adopted the Move.com, Inc. 1999 Stock Option Plan (the "Move.com Plan"), as amended January 13, 2000, which authorizes the granting of up to 6 million shares of Move.com, Inc. common stock. All active employees of Move.com Group and its affiliates are eligible to be granted options under the Move.com Plan. Options under the Move.com Plan generally have a 10 year term and are exercisable at 33% per year commencing one year from the grant date. On October 29, 1999, approximately 2.5 million options to purchase shares of common stock of Move.com, Inc. were granted to employees of Move.com, Inc. under the Move.com Plan (the "Existing Grants") at a weighted average exercise price of $11.56. Such options were all outstanding and not vested at December 31, 1999. Subject to the approval of the stockholders of the Company (i) the Move.com Plan and Existing Grants will be ratified and assumed by the Company, (ii) all Existing Grants will be equitably adjusted to become options of Move.com Group stock (see Note 14--Shareholders' Equity--Pending Issuance of Tracking Stock for a description of the Move.com Group stock proposal) and (iii) the remaining shares available to be issued in connection with the grant of options under the Move.com Plan will be equitably adjusted to become shares of Move.com Group stock.

19. STOCK PLANS (CONTINUED)

The annual activity of Cendant's stock option plans consisted of:

	1999		1998		1997	
	OPTIONS	WEIGHTED AVG. EXERCISE PRICE	OPTIONS	WEIGHTED AVG. EXERCISE PRICE	OPTIONS	WEIGHTED AVG. EXERCISE PRICE
(SHARES IN MILLIONS)						
Balance at beginning of year	178	$14.64	172	$18.66	118	$11.68
Granted						
Equal to fair market value	30	18.09	84	19.16	78	27.94
Greater than fair market value	1	16.04	21	17.13	--	--
Canceled	(13)	19.91	(82)	29.36	(6)	27.29
Exercised	(13)	9.30	(17)	10.01	(14)	7.20
PHH Conversion(1)	--	--	--	--	(4)	--
Balance at end of year	183	15.24	178	14.64	172	18.66

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(1) In connection with the PHH Merger, all unexercised PHH stock options were canceled and converted into 2 million shares of Company common stock.

The Company utilizes the disclosure-only provisions of SFAS No. 123 "Accounting for Stock-Based Compensation" and applies Accounting Principles Board ("APB") Opinion No. 25 and related interpretations in accounting for its stock option plans to employees. Under APB No. 25, compensation expense is recognized when the exercise prices of the Company's employee stock options are less than the market prices of the underlying Company stock on the date of grant. Although the Company generally grant's employee stock options at fair value, certain options were granted below fair value during 1999. As such, compensation expense is being recognized over the applicable vesting period.

Had the Company elected to recognize and measure compensation expense for its stock option plans to employees based on the calculated fair value at the grant dates for awards under such plans, consistent with the method prescribed by SFAS No.123, net income (loss) and per share data would have been as follows:

	1999		1998		1997	
	AS REPORTED	PRO FORMA	AS REPORTED	PRO FORMA	AS REPORTED	PRO FORMA
Net income (loss)	$ (55)	$(213)	$540	$393	$(217)(1)	$(664)(1)
Basic income (loss) per share	(0.07)	(0.28)	0.64	0.46	(0.27)	(0.82)
Diluted income (loss) per share	(0.07)	(0.28)	0.61	0.46	(0.27)	(0.82)

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(1) Includes incremental compensation expense of $335 million ($205 million, after tax) or $.25 per basic and diluted share as a result of the immediate vesting of HFS options upon consummation of the Cendant Merger.

19. STOCK PLANS (CONTINUED)

The fair values of the stock options are estimated on the dates of grant using the Black-Scholes option-pricing model with the following weighted average assumptions for options granted in 1999, 1998 and 1997:

	CENDANT			MOVE.COM GROUP
	1999	1998	1997	1999
Dividend yield	--	--	--	--
Expected volatility	60.0%	55.0%	32.5%	60.0%
Risk-free interest rate	6.4%	4.9%	5.6%	6.4%
Expected holding period	6.2 years	6.3 years	7.8 years	6.2 years

The weighted average grant date fair value of Company and Move.com stock options granted during the year ended December 31, 1999 were $11.36 and $7.28, respectively. The weighted average grant date fair value of Company stock options granted during the year ended December 31, 1998, which were repriced with exercise prices equal to and higher than the underlying stock price at the date of repricing, were $19.69 and $18.10, respectively. The weighted average grant date fair value of the stock options granted during the year ended December 31, 1998 which were not repriced was $10.16. The weighted average grant date fair value of Company stock options granted during the year ended December 31, 1997 was $13.71.

The table below summarizes information regarding Company stock options outstanding and exercisable as of December 31, 1999:

	OPTIONS OUTSTANDING			OPTIONS EXERCISABLE	
(SHARES IN MILLIONS) RANGE OF EXERCISE PRICES	SHARES	WEIGHTED AVG. REMAINING CONTRACTUAL LIFE	WEIGHTED AVERAGE EXERCISE PRICE	SHARES	WEIGHTED AVERAGE EXERCISE PRICE
$ .01 to $10.00	79	5.9	$7.36	53	$6.20
$10.01 to $20.00	60	8.0	16.83	21	15.89
$20.01 to $30.00	23	7.2	22.93	19	23.14
$30.01 to $40.00	21	7.8	32.00	16	31.88
	183	7.0	15.24	109	14.77

20. EMPLOYEE BENEFIT PLANS

The Company sponsors several defined contribution pension plans that provide certain eligible employees of the Company an opportunity to accumulate funds for their retirement. The Company matches the contributions of participating employees on the basis specified in the plans. The Company's cost for contributions to these plans was $31 million, $24 million and $16 million for the years ended December 31, 1999, 1998 and 1997, respectively.

The Company's PHH subsidiary maintains a domestic non-contributory defined benefit pension plan covering eligible employees of PHH and its subsidiaries employed prior to July 1, 1997. Additionally, the Company sponsors contributory defined benefit pension plans in certain United Kingdom subsidiaries with participation in the plans at the employees' option. Under both the domestic and

20. EMPLOYEE BENEFIT PLANS (CONTINUED)

foreign plans, benefits are based on an employee's years of credited service and a percentage of final average compensation.

The Company's policy for all plans is to contribute amounts sufficient to meet the minimum requirements plus other amounts as deemed appropriate. The projected benefit obligations of the plans were $145 million and $196 million and plan assets, at fair value, were $147 million and $162 million at December 31, 1999 and 1998, respectively. The net pension cost and recorded liability were not material to the accompanying Consolidated Financial Statements.

During 1999, the Company recognized a net curtailment gain of $10 million as a result of the disposition of its fleet business segment and the freezing of pension benefits related to the Company's PHH subsidiary defined benefit pension plan.

21. RELATED PARTY TRANSACTIONS

NRT INCORPORATED

The Company maintains a relationship with NRT, a corporation created to acquire residential real estate brokerage firms. On February 9, 1999, the Company executed new agreements with NRT, which among other things, increased the term of each of the three franchise agreements under which NRT operates from 40 years to 50 years. NRT is party to other agreements and arrangements with the Company and its subsidiaries. Under these agreements, the Company acquired $182 million of NRT preferred stock (and may be required to acquire up to an additional $81 million of NRT preferred stock). Certain officers of the Company serve on the Board of Directors of NRT. The Company recognized preferred dividend income of $16 million, $15 million and $5 million during the years ended December 31, 1999, 1998 and 1997, respectively, which are included in other revenue in the Consolidated Statements of Operations. During 1999, approximately $8 million of the preferred dividend income increased the basis of the underlying preferred stock investment. Additionally, the Company sold preferred shares and recognized a gain of $20 million during 1999, which is also included in other revenue in the Consolidated Statements of Operations. During 1999, 1998 and 1997, total franchise royalties earned by the Company from NRT and its predecessors were $172 million, $122 million and $61 million, respectively.

The Company, at its election, will participate in NRT's acquisitions by acquiring up to an aggregate $946 million (plus an additional $500 million if certain conditions are met) of intangible assets, and in some cases mortgage operations of real estate brokerage firms acquired by NRT. As of December 31, 1999, the Company acquired $537 million of such mortgage operations and intangible assets, primarily franchise agreements associated with real estate brokerage companies acquired by NRT, which brokerage companies will become subject to the NRT 50-year franchise agreements. In February 1999, NRT and the Company entered into an agreement whereby the Company made an upfront payment of $30 million to NRT for services to be provided by NRT to the Company related to the identification of potential acquisition candidates, the negotiation of agreements and other services in connection with future brokerage acquisitions by NRT. Such fee is refundable in the event the services are not provided.

AVIS RENT A CAR, INC.

The Company continues to maintain an equity interest in ARAC. During 1999 and 1998, the Company sold approximately two million and one million shares, respectively, of Avis Rent A Car, Inc. common stock and recognized a pre-tax gain of approximately $11 million and $18 million, respectively, which is included in other revenue in the Consolidated Statements of Operations. The Company accounts for its investment in ARAC common stock using the equity method. The Company recorded its equity in the earnings of ARAC, which amounted to $18 million, $14 million and $51 million for the years ended December 31, 1999, 1998 and 1997, respectively, as a component of other revenue in the Consolidated Statements of Operations. On June 30, 1999, in connection with the Company's disposition of its fleet segment, the Company received, as part of the total consideration, $360 million of non-voting preferred stock in a subsidiary of ARAC and additional consideration of a $30 million receivable (see Note 3--Dispositions and Acquisitions of Businesses). The Company accounts for its preferred stock investment using the cost method. The Company received dividends of $9 million, which increased the basis of the underlying preferred stock investment. Such amount is included as a component of other revenue in the Consolidated Statements of Operations. At December 31, 1999, the Company's interest in ARAC was approximately 18%.

The Company licenses the Avis trademark to ARAC pursuant to a 50-year master license agreement and receives royalty fees based upon 4% of ARAC revenue, escalating to 4.5% of ARAC revenue over a 5-year period. During 1999, 1998 and 1997, total franchise royalties earned by the Company from ARAC were $102 million, $92 million and $82 million, respectively. In addition, the Company operates the telecommunications and computer processing system, which services ARAC for reservations, rental agreement processing, accounting and fleet control for which the Company charges ARAC at cost. As of December 31, 1999 and 1998, the Company had accounts receivable of $34 million and $26 million, respectively, due from ARAC. Certain officers of the Company serve on the Board of Directors of ARAC.

22. FRANCHISING AND MARKETING/RESERVATION ACTIVITIES

Revenues from franchising activities include royalty revenues and initial franchise fees charged to lodging properties, car rental locations, tax preparation offices and real estate brokerage offices upon execution of a franchise contract.

Franchised outlet revenues are as follows:

	YEAR ENDED DECEMBER 31,		
	1999	1998	1997
Royalty revenues	$839	$703	$574
Initial franchise fees	37	45	26

The Company receives marketing and reservation fees from several of its lodging and real estate franchisees. Marketing and reservation fees related to the Company's lodging brands' franchisees are calculated based on a specified percentage of gross room revenues. Marketing fees received from the Company's real estate brands' franchisees are based on a specified percentage of gross closed commissions earned on the sale of real estate. As provided in the franchise agreements, at the Company's discretion, all of these fees are to be expended for marketing purposes and the operation of a centralized brand-specific reservation system for the respective franchisees and are controlled by the

22. FRANCHISING AND MARKETING/RESERVATION ACTIVITIES (CONTINUED)

Company until disbursement. Membership and service fees revenues included marketing and reservation fees of $280 million, $228 million and $215 million for the years ended December 31, 1999, 1998 and 1997, respectively. Additionally, rebates are given to franchisees that meet certain levels of annual gross revenue as defined by the respective franchise agreements. Membership and service fee revenues are net of annual rebates of $43 million, $35 million, and $26 million for the years ended December 31, 1999, 1998, and 1997, respectively.

Franchised outlet information is as follows:

	DECEMBER 31,		
	1999	1998(1)	1997
Franchised units in operation	22,719	22,471	18,876
Backlog (franchised units sold but not yet opened)	1,478	2,063	1,547

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(1) Approximately 2,000 franchised units were acquired in connection with the acquisition of Jackson Hewitt Inc.

23. NET INVESTMENT IN LEASES AND LEASED VEHICLES

Net investment in leases and leased vehicles were disposed of during 1999 in connection with the disposition of the Company's fleet business segment (see Note 3--Dispositions and Acquisitions of Businesses). In 1998, vehicles were leased primarily to corporate fleet users for initial periods of twelve months or more under either operating or direct financing lease agreements. Vehicles under operating leases were amortized using the straight-line method over the expected lease term. The Company's experience indicated that the full term of the leases varied considerably due to extensions beyond the minimum lease term.

The Company had two types of operating leases. Under one type, open-end operating leases, resale of the vehicles upon termination of the lease was generally for the account of the lessee except for a minimum residual value which the Company had guaranteed. The Company's experience had been that vehicles under this type of lease agreement were sold for amounts exceeding the residual value guarantees. Maintenance and repairs of vehicles under these agreements were the responsibility of the lessee. The original cost and accumulated depreciation of vehicles under this type of operating lease was $5.3 billion and $2.6 billion, respectively, at December 31, 1998.

Under the second type of operating lease, closed-end operating leases, resale of the vehicles on termination of the lease was for the account of the Company. The lessee generally paid for or provided maintenance, vehicle licenses and servicing. The original cost and accumulated depreciation of vehicles under these agreements were $1.0 billion and $191 million, respectively, at December 31, 1998. The Company, based on historical experience and an assessment of the used vehicle market, established an allowance in the amount of $14 million for potential losses on residual values on vehicles under these leases at December 31, 1998.

Under the direct financing lease agreements, the minimum lease term was 12 months with a month-to-month renewal option thereafter. In addition, resale of the vehicles upon termination of the lease was for the account of the lessee. Maintenance and repairs of these vehicles were the responsibility of the lessee.

23. NET INVESTMENT IN LEASES AND LEASED VEHICLES (CONTINUED)

Open-end operating leases and direct financing leases generally had a minimum lease term of 12 months with monthly renewal options thereafter. Closed-end operating leases typically had a longer term, usually 24 months or more, but were cancelable under certain conditions.

Gross leasing revenues, which were included in fleet leasing revenues in the Consolidated Statements of Operations, consisted of:

	YEAR ENDED DECEMBER 31,		
	1999	1998	1997
Operating leases	$683	$1,330	$1,223
Direct financing leases, primarily interest	17	38	42
	$700	$1,368	$1,265

Net investment in leases and leased vehicles consisted of:

	DECEMBER 31, 1998
Vehicles under open-end operating leases	$2,726
Vehicles under closed-end operating leases	822
Direct financing leases	252
Accrued interest on leases	1
	$3,801

24. SEGMENT INFORMATION

Management evaluates each segment's performance on a stand-alone basis based on a modification of earnings before interest, income taxes, depreciation, amortization, and minority interest. For this purpose, Adjusted EBITDA is defined as earnings before non-operating interest, income taxes, depreciation, amortization and minority interest, adjusted to exclude net gains on dispositions of businesses and certain other charges which are of a non-recurring or unusual nature and not measured in assessing segment performance or are not segment specific. The Company determined its operating segments based primarily on the types of services it provides, the consumer base to which marketing efforts are directed and the methods used to sell services. The Company disposed of its fleet segment on June 30, 1999, and the Company added Move.com Group as a reportable operating segment, thereby maintaining the eight reportable operating segments which collectively comprise the Company's continuing operations. Included in the Move.com Group are RentNet, Inc., ("RentNet"), acquired during January 1996, National Home Connections, LLC, acquired in May 1999, and the assets of MetroRent, acquired in December 1999. Prior to the formation of the Move.com Group, RentNet's historical financial information was included in the Company's individual membership segment. The Company reclassified the financial results of RentNet for the years ended December 31, 1998 and 1997. Inter-segment net

24. SEGMENT INFORMATION (CONTINUED)

revenues were not significant to the net revenues of any one segment. A description of the services provided within each of the Company's reportable operating segments is as follows:

TRAVEL

Travel services include the franchising of lodging properties and car rental locations, as well as vacation/timeshare exchange services. As a franchiser of guest lodging facilities and car rental agency locations, the Company licenses the independent owners and operators of hotels and car rental agencies to use its brand names. Operation and administrative services are provided to franchisees, which include access to a national reservation system, national advertising and promotional campaigns, co-marketing programs and volume purchasing discounts. As a provider of vacation and timeshare exchange services, the Company enters into affiliation agreements with resort property owners/developers (the developers) to allow owners of weekly timeshare intervals (the subscribers) to trade their owned weeks with other subscribers. In addition, the Company provides publications and other travel-related services to both developers and subscribers.

INDIVIDUAL MEMBERSHIP

Individual membership provides customers with access to a variety of services and discounted products in such areas as retail shopping, travel, auto, dining, home improvement, and credit information. The Company affiliates with business partners, such as leading financial institutions and retailers, to offer membership as an enhancement to their credit card customers. Individual memberships are marketed primarily using direct marketing techniques.

INSURANCE/WHOLESALE

Insurance/Wholesale markets and administers competitively priced insurance products, primarily accidental death and dismemberment insurance and term life insurance. The Company also provides services such as checking account enhancement packages, various financial products and discount programs to financial institutions, which in turn provide these services to their customers. The Company affiliates with financial institutions, including credit unions and banks, to offer their respective customer bases such products and services.

REAL ESTATE FRANCHISE

The Company licenses the owners and operators of independent real estate brokerage businesses to use its brand names. Operational and administrative services are provided to franchisees, which are designed to increase franchisee revenue and profitability. Such services include advertising and promotions, referrals, training and volume purchasing discounts.

RELOCATION

Relocation services are provided to client corporations for the transfer of their employees. Such services include appraisal, inspection and selling of transferees' homes, providing equity advances to transferees (generally guaranteed by the corporate customer), purchase of a transferee's home which is sold within a specified time period for a price which is at least equivalent to the appraised value, certain

24. SEGMENT INFORMATION (CONTINUED)

home management services, assistance in locating a new home at the transferee's destination, consulting services and other related services.

MORTGAGE

Mortgage services primarily include the origination, sale and servicing of residential mortgage loans. Revenues are earned from the sale of mortgage loans to investors as well as from fees earned on the servicing of loans for investors. The Company markets a variety of mortgage products to consumers through relationships with corporations, affinity groups, financial institutions, real estate brokerage firms and other mortgage banks.

Mortgage services customarily sells all mortgages it originates to investors (which include a variety of institutional investors) either as individual loans, as mortgage-backed securities or as participation certificates issued or guaranteed by Fannie Mae, the Federal Home Loan Mortgage Corporation or the Government National Mortgage Association while generally retaining mortgage servicing rights. Mortgage servicing consists of collecting loan payments, remitting principal and interest payments to investors, holding escrow funds for payment of mortgage-related expenses such as taxes and insurance, and otherwise administering the Company's mortgage loan servicing portfolio.

MOVE.COM GROUP

Move.com Group provides a broad range of quality relocation, real estate, and home-related products and services through its flagship portal site, move.com, and the move.com network. The Move.com Group integrates and enhances the online efforts of the Company's residential real estate brand names and those of the Company's other real estate business units.

DIVERSIFIED SERVICES

In addition to the previously described business segments, the Company also derives revenues from providing a variety of other consumer and business products and services which include the Company's tax preparation services franchise, information technology services, car park facility services, welcoming packages to new homeowners, and other consumer-related services.

FLEET

The fleet segment provided fleet and fuel card related products and services to corporate clients and government agencies. These services included management and leasing of vehicles, fuel card payment and reporting and other fee-based services for clients' vehicle fleets. The Company leased vehicles primarily to corporate fleet users under operating and direct financing lease arrangements.

24. SEGMENT INFORMATION (CONTINUED)

SEGMENT INFORMATION

YEAR ENDED DECEMBER 31, 1999

	TOTAL	TRAVEL(1)	INDIVIDUAL MEMBERSHIP	INSURANCE/ WHOLESALE	REAL ESTATE FRANCHISE
Net revenues	$5,402	$1,148	$972	$575	$ 571
Adjusted EBITDA	1,919	586	127	180	424
Depreciation and amortization	371	97	26	19	59
Segment assets	15,149	3,186	662	393	2,102
Capital expenditures	277	53	25	19	--

	RELOCATION	MORTGAGE	MOVE.COM GROUP	DIVERSIFIED SERVICES(2)	FLEET
Net revenues	$ 415	$ 397	$18	$1,099	$207
Adjusted EBITDA	122	182	(22)	239	81
Depreciation and amortization	17	19	2	117	15
Segment assets	1,033	2,817	22	4,934	--
Capital expenditures	21	48	2	86	23

YEAR ENDED DECEMBER 31, 1998

	TOTAL	TRAVEL(1)	INDIVIDUAL MEMBERSHIP	INSURANCE/ WHOLESALE	REAL ESTATE FRANCHISE
Net revenues	$5,284	$1,063	$920	$544	$ 456
Adjusted EBITDA	1,590	542	(59)	138	349
Depreciation and amortization	323	88	22	14	53
Segment assets	19,843	2,762	830	372	2,014
Capital expenditures	355	78	27	17	6

	RELOCATION	MORTGAGE	MOVE.COM GROUP	DIVERSIFIED SERVICES	FLEET
Net revenues	$ 444	$ 353	$10	$1,107	$ 387
Adjusted EBITDA	125	188	1	132	174
Depreciation and amortization	17	9	2	96	22
Segment assets	1,130	3,504	9	4,525	4,697
Capital expenditures	70	36	1	62	58

YEAR ENDED DECEMBER 31, 1997

	TOTAL	TRAVEL(1)	INDIVIDUAL MEMBERSHIP	INSURANCE/ WHOLESALE	REAL ESTATE FRANCHISE

Net revenues	$4,240	$ 971	$773	$483	$ 335
Adjusted EBITDA	1,250	467	6	111	227
Depreciation and amortization	238	82	17	11	44
Segment assets	13,800	2,602	833	357	1,827
Capital expenditures	155	37	11	6	13

	RELOCATION	MORTGAGE	MOVE.COM GROUP	DIVERSIFIED SERVICES	FLEET
Net revenues	$ 402	$ 179	$6	$767	$ 324
Adjusted EBITDA	93	75	(1)	151	121
Depreciation and amortization	8	5	1	54	16
Segment assets	1,009	2,233	7	806	4,126
Capital expenditures	23	16	1	24	24

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(1) Net revenues and Adjusted EBITDA include the equity in earnings from the Company's investment in ARAC of $18 million, $14 million and $51 million in 1999, 1998 and 1997, respectively. Net revenues and Adjusted EBITDA for 1999 and 1998 include a pre-tax gain of $11 million and $18 million, respectively, as a result of the 1999 and 1998 sale of a portion of the

24. SEGMENT INFORMATION (CONTINUED)

Company's equity interest. Segment assets include such equity method investment in the amount of $118 million, $139 million and $124 million at December 31, 1999, 1998 and 1997, respectively.

(2) Net revenues include a $23 million gain on the sales of car park facilities. Segment assets include the Company's equity investment of $17 million in EPub.

Provided below is a reconciliation of Adjusted EBITDA and total assets for reportable segments to the consolidated amounts.

	YEAR ENDED DECEMBER 31,		
	1999	1998	1997
Adjusted EBITDA for reportable segments	$ 1,919	$ 1,590	$ 1,250
Other charges:			
Litigation settlement and related costs	2,894	351	--
Termination of proposed acquisitions	7	433	--
Executive terminations	--	53	--
Investigation-related costs	21	33	--
Merger-related costs and other unusual charges (credits)	110	(67)	704
Investigation-related financing costs	--	35	--
Depreciation and amortization	371	323	238
Interest, net	199	114	51
Net gain on dispositions of businesses	1,109	--	--
Consolidated income (loss) before income taxes and minority interest	$ (574)	$ 315	$ 257

	1999	1998	1997
Total assets for reportable segments	$15,149	$19,843	$13,800
Net assets of discontinued operations	--	374	273
Consolidated total assets	$15,149	$20,217	$14,073

GEOGRAPHIC SEGMENT INFORMATION

	TOTAL	UNITED STATES	UNITED KINGDOM	ALL OTHER COUNTRIES
1999				
Net revenues	$ 5,402	$ 4,363	$ 748	$ 291
Assets	15,149	11,722	3,215	212
Long-lived assets	1,347	590	723	34
1998				
Net revenues	$ 5,284	$ 4,277	$ 696	$ 311
Assets	20,217	16,251	3,707	259
Long-lived assets	1,433	646	768(1)	19
1997				
Net revenues	$ 4,240	$ 3,669	$ 232	$ 339
Assets	14,073	12,749	1,015	309
Long-lived assets	545	478	49	18

(1) Includes $691 million of property and equipment acquired in connection with the NPC acquisition.

Geographic segment information is classified based on the geographic location of the subsidiary. Long-lived assets are comprised of property and equipment.

25. SELECTED QUARTERLY FINANCIAL DATA--(UNAUDITED)

Provided below is the selected unaudited quarterly financial data for 1999 and 1998. The underlying per share information is calculated from the weighted average shares outstanding during each quarter, which may fluctuate based on quarterly income levels, market prices, and share repurchases. Therefore, the sum of the quarters per share information may not equal the total year amounts.

	1999			
	FIRST(2)	SECOND(3)	THIRD(4)	FOURTH(5)
Net revenues	$1,318	$1,391	$1,410	$ 1,283
Income (loss) from continuing operations(1)	$ 169	$ 874	$ 209	$(1,481)
Gain (loss) on sale of discontinued operations, net of tax(6)	193	(12)	(7)	--
Net income (loss)	$ 362	$ 862	$ 202	$(1,481)
Per share information:				
Basic				
Income (loss) from continuing operations	$ 0.21	$ 1.14	$ 0.29	$ (2.08)
Net income (loss)	$ 0.45	$ 1.12	$ 0.28	$ (2.08)
Weighted average shares (in millions)	800	770	726	711
Diluted				
Income (loss) from continuing operations	$ 0.20	$ 1.06	$ 0.27	$ (2.08)
Net income (loss)	$ 0.43	$ 1.05	$ 0.26	$ (2.08)
Weighted average shares (in millions)	854	824	780	711
Common Stock Market Prices:				
High	2$2 7/16	$20 3/4	$22 5/8	$26 9/16
Low	1$5 5/16	$15 1/2	$ 17	$14 9/16

	1998			
	FIRST(7)	SECOND(8)	THIRD(9)	FOURTH(10)
Net revenues	$1,129	$1,278	$1,458	$ 1,419
Income (loss) from continuing operations	$ 184	$ 155	$ 123	$ (302)
Loss from discontinued operations, net of tax	(11)	(2)	(12)	--
Gain on sale of discontinued operations, net of tax(6)	--	--	--	405
Net income	$ 173	$ 153	$ 111	$ 103
Per share information:				
Basic				
Income (loss) from continuing operations	$ 0.22	$ 0.18	$ 0.14	$ (0.36)
Net income	$ 0.21	$ 0.18	$ 0.13	$ 0.12
Weighted average shares (in millions)	839	851	851	850
Diluted				
Income (loss) from continuing operations	$ 0.21	$ 0.18	$ 0.14	$ (0.36)
Net income	$ 0.20	$ 0.18	$ 0.13	$ 0.12
Weighted average shares (in millions)	909	901	877	850
Common Stock Market Prices:				
High	$ 41	$41 3/8	2$2 7/16	$20 5/8
Low	3$2 7/16	1$8 9/16	1$0 7/16	$ 7 1/2

25. SELECTED QUARTERLY FINANCIAL DATA--(UNAUDITED) (CONTINUED)

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(1) Includes net gains associated with the dispositions of businesses of $750 million, $75 million and $284 million for the second, third, and fourth quarters, respectively (see Note 3--Dispositions and Acquisitions of Businesses).

(2) Includes charges of $7 million ($4 million, after tax or $0.01 per diluted share) in connection with the termination of the proposed acquisition of RACMS and $2 million ($1 million, after tax) for investigation-related costs.

(3) Includes charges of $23 million ($15 million, after tax or $0.02 per diluted share) of additional charges to fund an irrevocable contribution to an independent technology trust responsible for completing the transition of the Company's lodging
franchisees to a Company sponsored property management system and $6 million ($4 million, after tax) for investigation-related costs.

(4) Includes charges of $87 million ($49 million, after tax or $0.07 per diluted share) incurred primarily in conjunction with the NGI transaction and $5 million ($3 million, after tax) for investigation-related costs.

(5) Includes charges of $2,894 million ($1,839 million, after tax or $2.59 per diluted share) associated with the preliminary agreement to settle the principal shareholder securities class action suit and $8 million ($5 million, after tax or $0.01 per diluted share) of investigation-related costs. Such charges were partially offset by a $2 million ($1 million, after tax) credit associated with changes to the estimate of previously recorded merger-related costs and other unusual charges.

(6) Represents gains associated with the sales of Hebdo Mag and CDS (see Note 4--Discontinued Operations).

(7) Includes a charge of $3 million ($2 million, after tax) for investigation-related costs, including incremental financing costs, and executive terminations.

(8) Includes a charge of $32 million ($20 million, after tax or $0.02 per diluted share) for investigation-related costs, including incremental financing costs, and executive terminations. Such charge was partially offset by a credit of $27 million ($19 million, after tax or $0.02 per diluted share) associated with changes to the estimate of previously recorded merger-related costs and other unusual charges.

(9) Includes a charge of $76 million ($49 million, after tax or $0.06 per share) for investigation-related costs, including incremental financing costs, and executive terminations.

(10) Includes charges of (i) $433 million ($282 million, after tax or $0.33 per diluted share) for the costs of terminating the proposed acquisitions of American Bankers and Providian, (ii) $351 million ($228 million, after tax or $0.27 per diluted share) associated with the agreement to settle the PRIDES securities class action suit and (iii) $13 million ($10 million, after tax or $0.01 per diluted share) for investigation-related costs, including incremental financing costs, and executive terminations. Such charges were partially offset by a credit of $43 million ($27 million, after tax or $0.03 per diluted share) associated with changes to the estimate of previously recorded merger-related costs and other unusual charges.

26. CONDENSED CONSOLIDATING INFORMATION

In connection with the pending issuance of tracking stock described in Note 14--Shareholders' Equity, the Company intends to disclose separately, for financial reporting purposes, the Cendant Group and the Move.com Group. The condensed consolidating financial information, which includes certain allocations, of the Cendant Group and the Move.com Group is presented below.

The allocations are comprised as follows: (a) revenues from the Cendant Group to the Move.com Group for providing advertising space and links of Cendant Group businesses on the Move.com Group's Web sites, (b) revenues from the Cendant Group to the Move.com Group for Web site management for the Cendant Group's real estate franchise systems, (c) expenses from the Cendant Group to the Move.com Group for overhead charges and (d) expenses associated with an Internet engineering services agreement based upon usage volume and shared employee benefit services. Additionally, a portion of the income tax benefit and balance sheet accounts for Move.com Group are based on allocations from the Cendant Group and are computed as if the Move.com Group reported its income taxes on a stand alone basis.

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS

	YEAR ENDED DECEMBER 31, 1999		
	CENDANT GROUP	MOVE.COM GROUP	CENDANT CONSOLIDATED
Net Revenues			
External revenues	$5,385	$ 17	$5,402
Inter-group agreements	(1)	1	--
Net revenues	5,384	18	5,402
Expenses:			
Operating:			
External expenses	1,760	35	1,795
Inter-group allocated expenses	(3)	3	--
Marketing and reservation	1,017	--	1,017
General and administrative	670	1	671
Depreciation and amortization	368	3	371
Other charges	3,032	--	3,032
Interest, net	199	--	199
Total expenses	7,043	42	7,085
Net gain on dispositions of businesses	1,109	--	1,109
LOSS BEFORE INCOME TAXES AND MINORITY INTEREST	(550)	(24)	(574)
Benefit for income taxes	(396)	(10)	(406)
Minority interest, net of tax	61	--	61
LOSS FROM CONTINUING OPERATIONS	(215)	(14)	(229)
Income from discontinued operations, net of tax	174	--	174
NET LOSS	$ (41)	$(14)	$ (55)

26. CONDENSED CONSOLIDATING INFORMATION (CONTINUED)

	YEAR ENDED DECEMBER 31, 1998		
	CENDANT GROUP	MOVE.COM GROUP	CENDANT CONSOLIDATED
Net revenues	$5,274	$ 10	$5,284
Expenses:			
Operating:			
External expenses	1,869	1	1,870
Inter-group allocated expenses	--	--	--
Marketing and reservation	1,155	3	1,158
General and administrative	661	5	666
Depreciation and amortization	321	2	323
Other charges	838	--	838
Interest, net	114	--	114
Total expenses	4,958	11	4,969
INCOME (LOSS) BEFORE INCOME TAXES AND MINORITY INTEREST	316	(1)	315
Provision for income taxes	104	--	104
Minority interest, net of tax	51	--	51
INCOME (LOSS) FROM CONTINUING OPERATIONS	161	(1)	160
Income from discontinued operations, net of tax	380	--	380
NET INCOME (LOSS)	$ 541	$ (1)	$ 540

26. CONDENSED CONSOLIDATING INFORMATION (CONTINUED)

	YEAR ENDED DECEMBER 31, 1997		
	CENDANT GROUP	MOVE.COM GROUP	CENDANT CONSOLIDATED
Net revenues	$4,234	$ 6	$4,240
Expenses:			
Operating:			
External expenses	1,321	1	1,322
Inter-group allocated expenses	--	--	--
Marketing and reservation	1,030	2	1,032
General and administrative	632	4	636
Depreciation and amortization	237	1	238
Other charges	704	--	704
Interest, net	51	--	51
Total expenses	3,975	8	3,983
INCOME (LOSS) BEFORE INCOME TAXES AND MINORITY INTEREST	259	(2)	257
Provision (benefit) for income taxes	192	(1)	191
INCOME (LOSS) FROM CONTINUING OPERATIONS	67	(1)	66
Loss from discontinued operations, net of tax	(26)	--	(26)
INCOME (LOSS) BEFORE EXTRAORDINARY GAIN AND CUMMULATIVE EFFECT OF ACCOUNTING CHANGE	41	(1)	40
Extraordinary gain, net of tax	26	--	26
INCOME (LOSS) BEFORE CUMMULATIVE EFFECT OF ACCOUNTING CHANGE	67	(1)	66
Cumulative effect of accounting change, net of tax	(283)	--	(283)
NET LOSS	$ (216)	$ (1)	$ (217)

26. CONDENSED CONSOLIDATING INFORMATION (CONTINUED)

CONDENSED CONSOLIDATING BALANCE SHEETS

	DECEMBER 31, 1999		
	CENDANT GROUP	MOVE.COM GROUP	CENDANT CONSOLIDATED
ASSETS			
Cash and cash equivalents	$ 1,163	$ 1	$ 1,164
Receivables	1,018	8	1,026
Deferred income taxes	1,427	--	1,427
Other current assets	972	3	975
Property and equipment	1,344	3	1,347
Goodwill	3,266	5	3,271
Other noncurrent assets	3,211	2	3,213
Assets under management and mortgage programs	2,726	--	2,726
TOTAL ASSETS	$15,127	$22	$15,149
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities	$ 5,589	$21	$ 5,610
Noncurrent liabilities	3,231	--	3,231
Liabilities under management and mortgage programs	2,624	--	2,624
Mandatorily redeemable preferred securities issued by subsidary holding senior debentures issued by the Company	1,478	--	1,478
Shareholders' equity	2,205	1	2,206
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$15,127	$22	$15,149

	DECEMBER 31, 1998		
	CENDANT GROUP	MOVE.COM GROUP	CENDANT CONSOLIDATED
ASSETS			
Cash and cash equivalents	$ 1,009	$--	$ 1,009
Receivables	1,532	3	1,535
Deferred income taxes	467	--	467
Other current assets	1,536	--	1,536
Property and equipment	1,431	2	1,433
Goodwill	3,920	3	3,923
Other noncurrent assets	2,801	1	2,802
Assets under management and mortgage programs	7,512	--	7,512
TOTAL ASSETS	$20,208	$ 9	$20,217
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities	$ 2,867	$ 5	$ 2,872
Noncurrent liabilities	3,799	--	3,799
Liabilities under management and mortgage programs	7,238	--	7,238
Mandatorily redeemable preferred securities issued by subsidary holding senior debentures issued by the Company	1,472	--	1,472
Shareholders' equity	4,832	4	4,836
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$20,208	$ 9	$20,217

26. CONDENSED CONSOLIDATING INFORMATION (CONTINUED)

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS

	YEAR ENDED DECEMBER 31, 1999		
	CENDANT GROUP	MOVE.COM GROUP	CENDANT CONSOLIDATED
OPERATING ACTIVITIES:			
Net loss	$ (41)	$(14)	$ (55)
Gain on sale of discontinued operations, net of tax	(174)	--	(174)
Depreciation and amortization	369	2	371
Other charges	2,869	--	2,869
Net gain on dispositions of businesses	(1,109)	--	(1,109)
Management and mortgage programs	2,001	--	2,001
Other, net	(879)	8	(871)
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	3,036	(4)	3,032
INVESTING ACTIVITIES:			
Net proceeds from dispositions of businesses	3,509	--	3,509
Net assets acquired (net of cash acquired) and acquisition related payments	(202)	(3)	(205)
Management and mortgage programs	(1,265)	--	(1,265)
Other, net	(177)	(2)	(179)
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES	1,865	(5)	1,860
FINANCING ACTIVITIES:			
Proceeds from borrowings	1,719	--	1,719
Principal payments on borrowings	(2,213)	--	(2,213)
Repurchases of common stock	(2,863)	--	(2,863)
Management and mortgage programs	(1,558)	--	(1,558)
Other, net	127	--	127
Inter-group funding	(10)	10	--
CASH FLOW PROVIDED BY (USED IN) FINANCING ACTIVITIES	(4,798)	10	(4,788)
Effect of changes in exchange rates on cash and cash equivalents	51	--	51
Net increase in cash and cash equivalents	154	1	155
Cash and cash equivalents, beginning of period	1,009	--	1,009
Cash and cash equivalents, end of period	$ 1,163	$ 1	$ 1,164

26. CONDENSED CONSOLIDATING INFORMATION (CONTINUED)

	YEAR ENDED DECEMBER 31, 1998		
	CENDANT GROUP	MOVE.COM GROUP	CENDANT CONSOLIDATED
OPERATING ACTIVITIES:			
Net income (loss)	$ 541	$ (1)	$ 540
Loss from discontinued operations, net of tax	25	--	25
Gain on sale of discontinued operations, net of tax	(405)	--	(405)
Depreciation and amortization	321	2	323
Other charges	189	--	189
Management and mortgage programs	480	--	480
Other, net	(344)	--	(344)
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES FROM CONTINUING OPERATIONS	807	1	808
INVESTING ACTIVITIES:			
Net proceeds from dispositions of businesses	314	--	314
Net assets acquired (net of cash acquired) and acquisition related payments	(2,852)	--	(2,852)
Management and mortgage programs	(1,542)	--	(1,542)
Other, net	(271)	(1)	(272)
CASH FLOWS USED IN INVESTING ACTIVITIES FROM CONTINUING OPERATIONS	(4,351)	(1)	(4,352)
FINANCING ACTIVITIES:			
Proceeds from borrowings	4,809	--	4,809
Principal payments on borrowings	(2,596)	--	(2,596)
Repurchases of common stock	(258)	--	(258)
Management and mortgage programs	1,117	--	1,117
Proceeds from mandatorily redeemable preferred securities issued by subsidiary holding solely senior debentures issued by the Company	1,447	--	1,447
Other, net	171	--	171
CASH FLOW PROVIDED BY FINANCING ACTIVITIES FROM CONTINUING OPERATIONS	4,690	--	4,690
Effect of changes in exchange rates on cash and cash equivalents	(16)	--	(16)
Net cash used in discontinued operations	(188)	--	(188)
Net increase in cash and cash equivalents	942	--	942
Cash and cash equivalents, beginning of period	67	--	67
Cash and cash equivalents, end of period	$ 1,009	$ --	$ 1,009

26. CONDENSED CONSOLIDATING INFORMATION (CONTINUED)

	YEAR ENDED DECEMBER 31, 1997		
	CENDANT GROUP	MOVE.COM GROUP	CENDANT CONSOLIDATED
OPERATING ACTIVITIES:			
Net loss	$ (216)	$ (1)	$ (217)
Loss from discontinued operations, net of tax	26	--	26
Extraordinary gain on sale of subsidiary, net of tax	(26)	--	(26)
Cumulative effect of accounting change, net of tax	283	--	283
Depreciation and amortization	237	1	238
Other charges	386	--	386
Management and mortgage programs	734	--	734
Other, net	(212)	1	(211)
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES FROM CONTINUING OPERATIONS	1,212	1	1,213
INVESTING ACTIVITIES:			
Net proceeds from dispositions of businesses	224	--	224
Net assets acquired (net of cash acquired) and acquisition related payments	(564)	(3)	(567)
Management and mortgage programs	(1,497)	--	(1,497)
Other, net	(488)	(1)	(489)
CASH FLOWS USED IN INVESTING ACTIVITIES FROM CONTINUING OPERATIONS	(2,325)	(4)	(2,329)
FINANCING ACTIVITIES:			
Proceeds from borrowings	67	--	67
Principal payments on borrowings	(174)	--	(174)
Issuance of convertible debt	544	--	544
Repurchases of common stock	(171)	--	(171)
Management and mortgage programs	510	--	510
Other, net	125	--	125
Inter-group funding	(3)	3	--
CASH FLOW PROVIDED BY FINANCING ACTIVITIES FROM CONTINUING OPERATIONS	898	3	901
Effect of changes in exchange rates on cash and cash equivalents	15	--	15
Net cash used in discontinued operations	(181)	--	(181)
Net decrease in cash and cash equivalents	(381)	--	(381)
Cash and cash equivalents, beginning of period	448	--	448
Cash and cash equivalents, end of period	$ 67	$ --	$ 67

27. SUBSEQUENT EVENTS

PHH CREDIT FACILITIES

On February 28, 2000, PHH reduced the availability of its unsecured committed credit facilities from $2.5 billion to $1.5 billion to reflect the reduced borrowing needs of PHH as a result of the disposition of its fleet businesses.

DEBT REDEMPTION

On January 21, 2000, the Company redeemed all outstanding 7 1/2% Senior Notes at a redemption price of 100.695% of par plus accrued interest.

SHARE REPURCHASES

Subsequent to December 31, 1999, the Company repurchased an additional $132 million (6 million shares) of its common stock under its repurchase program as of February 24, 2000.

STRATEGIC ALLIANCE

On December 15, 1999, the Company entered into a strategic alliance with Liberty Media Corporation ("Liberty Media") to develop Internet and related opportunities associated with the Company's travel, mortgage, real estate and direct marketing businesses. Such efforts may include the creation of joint ventures with Liberty Media and others as well as additional equity investments in each others businesses.

The Company agreed to assist Liberty Media in creating, and will receive an equity participation in, a new venture that will seek to provide broadband video, voice and data content to the Company's hotels and their guests on a worldwide basis, in consideration for which the Company expects to receive an equity participation in such venture, subject to negotiation of mutually agreeable terms. The Company also agreed to pursue opportunities within the cable industry with Liberty Media to leverage the Company's direct marketing resources and capabilities subject to negotiation of mutually agreeable terms.

On February 7, 2000, Liberty Media invested $400 million in cash to purchase 18 million shares of Company common stock and a two-year warrant to purchase approximately 29 million shares of Company common stock at an exercise price of $23.00 per share. The common stock, together with the common stock underlying the warrant, represents approximately 6.3% of our outstanding shares after giving effect to the aforementioned transaction. Liberty Media's Chairman, John C. Malone, Ph.D., will join the Company's Board of Directors and has also committed to purchase one million shares of the Company's common stock for approximately $17 million in cash.

INDEX TO COMBINED FINANCIAL STATEMENTS OF MOVE.COM GROUP

The accompanying Combined Financial Statements are presented in order to provide additional disclosure regarding the Move.com Group. The presentation of separate Combined Financial Statements does not constitute a change in the legal title of any assets or responsibility for any liabilities and does not affect the rights of any of the creditors of Cendant Corporation. Holders of Move.com stock are holders of stock of Cendant and do not have any claims on the assets of the Move.com Group. The financial information should be read in conjunction with Cendant's audited Consolidated Financial Statements as of December 31, 1999, included herein.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Cendant Corporation:

We have audited the accompanying combined balance sheets of Move.com Group (wholly owned by Cendant Corporation, "Cendant"), as of December 31, 1999 and 1998 and the related combined statements of operations, group equity and cash flows for the years ended December 31, 1999, 1998 and 1997. These combined financial statements are the responsibility of management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such combined financial statements present fairly, in all material respects, the combined financial position of Move.com Group at December 31, 1999 and 1998 and the results of its operations and its cash flows for the years ended December 31, 1999, 1998 and 1997 in conformity with generally accepted accounting principles.

Move.com Group is an integrated business unit of Cendant; consequently, as indicated in Note 1, these combined financial statements reflect allocations of certain assets, liabilities, revenue, expenses and cash flows to the Move.com Group. The financial position, results of operations and cash flows of the Move.com Group could differ from those that would have resulted had the Move.com Group operated autonomously or as an entity independent of Cendant.

/s/ Deloitte & Touche LLP
San Francisco, California
February 1, 2000

MOVE.COM GROUP
(WHOLLY OWNED BY CENDANT CORPORATION)

COMBINED STATEMENTS OF OPERATIONS

(IN THOUSANDS)

	FOR THE YEAR ENDED DECEMBER 31,		
	1999	1998	1997
Net revenue	$ 17,647	$ 9,674	$ 5,670
Cost of revenue	3,149	1,664	1,091
Gross profit	14,498	8,010	4,579
Operating expenses:			
Product development	3,940	193	--
Selling and marketing	16,020	5,484	3,906
General and administrative	16,751	1,922	1,227
Depreciation	291	188	69
Amortization	1,926	1,638	865
Total operating expenses	38,928	9,425	6,067
LOSS BEFORE INCOME TAX BENEFIT	(24,430)	(1,415)	(1,488)
Income tax benefit	9,976	572	603
NET LOSS	$(14,454)	$ (843)	$ (885)

See Notes to Combined Financial Statements.

MOVE.COM GROUP
(WHOLLY OWNED BY CENDANT CORPORATION)

COMBINED BALANCE SHEETS

(IN THOUSANDS)

	AS OF DECEMBER 31,	
	1999	1998
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,009	$ --
Accounts receivable (net of allowance for doubtful accounts of $811 and $427)	7,730	2,651
Other current assets	2,610	58
Deferred income taxes	330	173
Total current assets	11,679	2,882
Deferred income taxes	1,268	727
Property and equipment, net	3,354	1,512
Goodwill, net	5,111	3,493
Other intangibles, net	543	--
Other assets	45	--
TOTAL ASSETS	$ 22,000	$ 8,614
LIABILITIES AND GROUP EQUITY		
Liabilities		
Accounts payable	$ 119	$ 555
Accrued expenses	11,816	575
Deferred revenue	9,040	3,249
Total current liabilities	20,975	4,379
Commitments and contingencies (Note 8)		
Group equity		
Capital	730	--
Accumulated deficit	(18,024)	(3,570)
Funding from Cendant	18,319	7,805
Total Group equity	1,025	4,235
TOTAL LIABILITIES AND GROUP EQUITY	$ 22,000	$ 8,614

See Notes to Combined Financial Statements.

MOVE.COM GROUP
(WHOLLY OWNED BY CENDANT CORPORATION)

COMBINED STATEMENTS OF CASH FLOWS

(IN THOUSANDS)

	FOR THE YEAR ENDED DECEMBER 31,		
	1999	1998	1997
OPERATING ACTIVITIES:			
Net loss	$(14,454)	$ (843)	$ (885)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation	322	219	80
Amortization	1,926	1,638	865
Provision for doubtful accounts	8	382	181
Non-cash stock option compensation	264	--	--
Loss on disposal of assets	282	--	4
Deferred income taxes	(698)	(519)	(186)
Net change in assets and liabilities (net of effects of acquisitions):			
Accounts receivable	(5,463)	(1,828)	(931)
Other current assets	(2,548)	32	(3)
Accounts payable	(436)	129	132
Accrued expenses	10,866	114	376
Deferred revenue	5,541	1,955	795
Other assets	(45)	--	--
Net cash (used in) provided by operating activities	(4,435)	1,279	428
INVESTING ACTIVITIES:			
Purchases of property and equipment	(2,482)	(881)	(662)
Net assets acquired and acquisition related payments	(2,588)	(240)	(3,206)
NET CASH USED IN INVESTING ACTIVITIES	(5,070)	(1,121)	(3,868)
FINANCING ACTIVITIES:			
Net funding from (contribution to) Cendant	10,514	(158)	3,440
Net change in cash	1,009	--	--
Cash and equivalents, beginning of period	--	--	--
Cash and equivalents, end of period	$ 1,009	$ --	$ --
SUPPLEMENTAL NON-CASH INVESTING ACTIVITIES:			
Common stock issued in conjunction with purchase business combination	$ 730	$ --	$ --

See Notes to Combined Financial Statements.

MOVE.COM GROUP
(WHOLLY OWNED BY CENDANT CORPORATION)

COMBINED STATEMENTS OF GROUP EQUITY

(IN THOUSANDS)

	CAPITAL	ACCUMULATED DEFICIT	FUNDING FROM CENDANT	GROUP EQUITY
BALANCE, JANUARY 1, 1997	$ --	$ (1,842)	$ 4,523	$ 2,681
Net loss	--	(885)	--	(885)
Net funding from Cendant	--	--	3,440	3,440
BALANCE, DECEMBER 31, 1997	--	(2,727)	7,963	5,236
Net loss	--	(843)	--	(843)
Net funding from Cendant	--	--	(158)	(158)
BALANCE, DECEMBER 31, 1998	--	(3,570)	7,805	4,235
Net loss	--	(14,454)	--	(14,454)
Net funding from Cendant	--	--	10,514	10,514
Move.com, Inc. common stock issued in conjunction with Metro-Rent, Inc. acquisition (Note 9)	730	--	--	730
BALANCE, DECEMBER 31, 1999	$730	$(18,024)	$18,319	$ 1,025

See Notes to Combined Financial Statements.

NOTES TO COMBINED FINANCIAL STATEMENTS

(DOLLAR AMOUNTS IN THOUSANDS)

1. ORGANIZATION

BACKGROUND

Move.com Group, wholly owned by Cendant Corporation ("Cendant"), provides a broad range of quality relocation, real estate and home-related products and services through its flagship portal site, move.com and the move.com network. The move.com Web site was launched on January 27, 2000. Move.com Group's operations include the move.com network and the businesses of (1) Rent Net (an operator of online rental guides, acquired in February 1996); (2) Metro-Rent, Inc. ("MetroRent") (an online provider of fee-based apartment vacancy reports, acquired in December 1999); (3) National Home Connections, LLC (a facilitator of connecting and disconnecting utilities, processor of address changes and provider of moving-related products and services, acquired in May 1999); and (4) Move.com Mortgage, Inc. (a mortgage marketing company).

The offline resources of Cendant as well as individual Web sites of each of Cendant's real estate franchise systems are part of Cendant Group, which includes all of the businesses operated by Cendant other than the businesses that are part of Move.com Group. However, the franchise systems' Web sites are considered part of the move.com network as a result of Intercompany Agreements that permit Move.com Group to manage and sell advertisements on these sites and display home listings from the CENTURY 21-Registered Trademark-, COLDWELL BANKER-Registered Trademark- and ERA-Registered Trademark- real estate franchise systems. Through an additional Intercompany Agreement, Move.com Group provides online local merchant discount offers for customers of Welcome Wagon, a distributor of welcoming packages to new homeowners and consumers throughout the United States and Canada. Move.com Group allows users to apply for and obtain mortgage products and services through arrangements with Cendant Mortgage Corporation, provides users with relocation services and information leveraging Cendant Mobility's expertise, and provides users with access to third-party providers of relocation, real estate and home-related products and services.

The operating results of attributed and acquired companies are included in Move.com Group's Combined Financial Statements since the respective dates of acquisition by Cendant or Move.com Group. Accordingly, the historical financial information contained herein represents that of Rent Net only at and for the years ended December 31, 1998 and 1997.

Cendant acquired Rent Net from the General Partners of Rent Net (the "Sellers") under an asset purchase agreement (the "Agreement") which was attributed to the Move.com Group. Under the terms of the Agreement, the Sellers received $3,000 in cash and Cendant stock on the acquisition date. The Sellers received additional payments of $3,446 based on the earnout provisions of the Agreement, bringing the total purchase price to $6,446. The excess of the purchase price over the fair value of net assets acquired was $6,570. The acquisition was accounted for using the purchase method of accounting, and accordingly, the operating results are included in the combined statements of operations since the acquisition date.

TRACKING STOCK PROPOSAL

The shareholders of Cendant are scheduled to vote on a proposal (the "Tracking Stock Proposal") to authorize the issuance of a new series of common stock, to be designated as Move.com stock, intended to reflect the performance of Move.com Group. The Tracking Stock Proposal will allow Cendant to amend and restate its charter to (1) create a new series of Cendant common stock called Move.com

1. ORGANIZATION (CONTINUED)
stock that could be issued from time to time by the board of directors of Cendant, (2) re-classify each outstanding share of existing common stock into a share of CD Stock, and (3) increase the number of authorized shares of common stock from 2,000,000,000 to 2,500,000,000 initially comprised of 2,000,000,000 shares of CD Stock and 500,000,000 shares of Move.com stock. Although the issuance of Move.com stock is intended to track the performance of Move.com Group, shareholders of Move.com stock, if any, will still be subject to all the risks associated with an investment in Cendant and all of its businesses, assets and liabilities.

Cendant expects to issue shares of Move.com stock in one or more private or public financings. The specific terms of the financing, including whether they are private or public, the amount of Move.com stock issued, and the timing of the financing, will depend upon factors such as stock market conditions and performance of the Move.com Group.

BASIS OF PRESENTATION

The accompanying Combined Financial Statements include the accounts of the Move.com Group. All intercompany accounts and transactions are eliminated in combination. In order to prepare the separate combined financial statements of the Move.com Group, Cendant has allocated, for financial reporting purposes, certain assets, liabilities, revenue, expenses and cash flows to the Move.com Group. Cendant's allocation of assets, liabilities, revenues and expenses will not change the legal title to any assets or responsibility for any liabilities and will not affect the rights of Cendant's creditors. The financial position, results of operations and cash flows of the Move.com Group could differ from those that would have resulted had the Move.com Group operated autonomously or as an entity independent of Cendant. The Move.com Group's Combined Financial Statements reflect the application of certain cash management and allocation policies adopted by the board of directors of Cendant. Management believes that the allocation methods used are reasonable. The Combined Financial Statements should be read in conjunction with the consolidated financial statements of Cendant.

Allocation and related party transaction policies adopted by the board of directors of Cendant can be rescinded or amended at the sole discretion of the board of directors without approval by the stockholders, although no such changes are currently contemplated. Any such changes adopted by the board of directors would be made in its good faith business judgement of Cendant's best interests, taking into consideration the interest of all Cendant shareholders.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

USE OF ESTIMATES--The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts and related disclosures. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS--Move.com Group considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

CONCENTRATION OF CREDIT RISK--Financial instruments that potentially subject the Move.com Group to concentrations of credit risk consist of accounts receivable. Management periodically performs credit evaluations of its customers' financial condition and generally does not require collateral on accounts

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
receivable. During the years ended December 31, 1999, 1998 and 1997, no customers accounted for more than 10% of net revenue or net accounts receivable.

FAIR VALUE OF FINANCIAL INSTRUMENTS--Move.com Group's financial instruments, including cash and cash equivalents, accounts receivable and accounts payable are carried at cost, which approximates their fair value because of the short-term maturity and the relatively stable interest rate environment.

PROPERTY AND EQUIPMENT--Property and equipment is stated at cost less accumulated depreciation. Depreciation is computed by the straight-line method over the estimated useful lives of five and seven years. Amortization of lease improvements is computed by the straight-line method over the estimated useful lives of the assets or the lease term, if shorter.

GOODWILL--Goodwill, which represents the excess of cost over fair value of net assets acquired, is amortized on a straight-line basis over an estimated useful life of five years.

OTHER INTANGIBLES--Other intangibles, which represents a covenant not to compete (see Note 9 "Acquisitions--National Home Connections, LLC") is amortized on a straight-line basis over a useful life of seven years.

ASSET IMPAIRMENTS--The Move.com Group periodically evaluates the recoverability of its goodwill and long-lived assets, on an undiscounted basis, comparing the respective carrying values to the current and expected future cash flows to be generated from such assets.

REVENUE RECOGNITION--The Move.com Group's primary sources of revenue are from listing subscription fees (paid by various apartment, senior housing, corporate housing and self storage managers) and sponsorship advertising. Revenue from the listing subscription fees is recognized ratably over the contract period. Revenue from sponsorship advertising both from third parties and from Cendant Group entities is recognized as earned pursuant to the contractual relationship. Deferred revenue represents the unearned portion of listing and advertising fees received in advance.

PRODUCT DEVELOPMENT EXPENSES--Operating expenses include costs incurred by the Move.com Group to develop and enhance the move.com network. Product development expenses are expensed when incurred.

ADVERTISING EXPENSES--Advertising expenses are expensed in the period incurred. For the years ended December 31, 1999, 1998 and 1997, advertising expenses were $10,247, $1,926, and $1,120, respectively.

INCOME TAXES--The Move.com Group is included in the consolidated federal income tax return of Cendant. In addition, the Move.com Group files unitary and combined state income tax returns with Cendant in jurisdictions where required. The income tax benefit and balance sheet accounts are based on allocations from Cendant and are computed as if the Move.com Group filed its federal and state income tax returns on a stand-alone basis.

EARNINGS PER SHARE--Earnings per share for the Move.com Group is not presented because it is not a stand-alone entity, and as a result, the presentation of earnings per share is not applicable. After the issuance of the Move.com stock, Cendant intends to present earnings per share using the two-class

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

method. Under the two-class method, an earnings allocation formula is used to determine earnings per share for each class of common stock according to the participation rights in the undistributed earnings. Earnings per share for the Move.com Group will be computed by dividing (1) the product of the earnings of the Move.com Group multiplied by the outstanding Move.com Group "fraction" by (2) the weighted average number of shares of outstanding Move.com stock and dilutive Move.com stock equivalents during the applicable period. The outstanding Move.com Group "fraction" is a fraction, the numerator of which is such number of shares of Move.com stock outstanding and the denominator of which is the number of shares, that if issued, would represent 100 percent of the equity in earnings or losses of the Move.com Group. Basic and diluted earnings per share will be presented for each class of stock.

COMPREHENSIVE INCOME--Effective January 1, 1998, Move.com Group adopted the provisions of SFAS No. 130, "Reporting Comprehensive Income". SFAS No. 130 establishes standards for reporting comprehensive income and its components in financial statements. Comprehensive income, as defined, includes all changes in equity (net assets) during a period from non-owner sources. To date, Move.com Group has not had any transactions that are required to be reported in comprehensive income.

RECENT ACCOUNTING PRONOUNCEMENTS--In March 1998, the American Institute of Certified Public Accountants issued Statement of Position ("SOP") No. 98-1, "Software for Internal Use", which provides guidance on accounting for the cost of computer software developed or obtained for internal use. The adoption of SOP 98-1 in the first quarter of 1999 did not have a significant impact on the Move.com Group's financial position, results of operations or cash flows.

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities". The statement requires the recognition of all derivatives as either assets or liabilities in the balance sheet and the measurement of those instruments at fair value. The accounting for changes in the fair value of a derivative depends on the planned use of the derivative and the resulting designation. Since Move.com Group does not currently hold any derivative instruments and does not engage in hedging activities, the impact of adoption of SFAS No. 133 is not currently expected to have a material impact on financial position, results of operations or cash flows. Move.com Group will be required to implement SFAS No. 133 in the first quarter of fiscal 2001.

3. CERTAIN CASH MANAGEMENT AND ALLOCATION POLICIES

TREASURY ACTIVITIES

Cendant has provided all necessary funding for the operations and investments of the Move.com Group since inception and such funding has been accounted for as capital contributions from Cendant. Accordingly, no interest charges from Cendant have been reflected in the accompanying combined financial statements. Surplus cash, transferred from the Move.com Group from time to time, has been accounted for as a return of capital.

CORPORATE GENERAL AND ADMINISTRATIVE EXPENSES

Cendant allocates the cost of its general and administrative ("G&A") services to the Move.com Group generally based on utilization. Where determinations based on utilization are impracticable,

(DOLLAR AMOUNTS IN THOUSANDS)

3. CERTAIN CASH MANAGEMENT AND ALLOCATION POLICIES (CONTINUED)
Cendant uses other methods and criteria that management believes to be equitable and provide a reasonable estimate of costs attributable to the Move.com Group.

Corporate G&A allocation included in the accompanying Combined Statements of Operations include charges for legal, accounting (tax and financial), information and telecommunications services, marketing, intellectual property, public relations, corporate offices and travel.

INCOME TAXES

The income tax benefit and balance sheet accounts are based on allocations from Cendant and are computed as if the Move.com Group filed its federal and state income tax returns on a stand-alone basis.

4. PROPERTY AND EQUIPMENT--NET

Property and equipment, net as of December 31 consisted of:

	1999	1998
Computer and telephone equipment	$2,302	$ 944
Office furniture	307	372
Leasehold improvements	1,473	529
	4,082	1,845
Less accumulated depreciation and amortization	(728)	(333)
	$3,354	$1,512

5. INCOME TAXES

The Move.com Group is included in the consolidated federal income tax return of Cendant. In addition, the Move.com Group files unitary and combined state income tax returns with Cendant in jurisdictions where required. The income tax benefit and balance sheet accounts are based on allocations from Cendant and are computed as if the Move.com Group filed its federal and state income tax returns on a stand-alone basis.

(DOLLAR AMOUNTS IN THOUSANDS)

5. INCOME TAXES (CONTINUED)

The income tax benefit (provision) for the years ended December 31 consisted of:

	1999	1998	1997
Current:			
Federal	$7,246	$ (3)	$309
State	2,032	56	108
	9,278	53	417
Deferred:			
Federal	546	449	161
State	152	70	25
	698	519	186
	$9,976	$572	$603

Net deferred income tax assets and liabilities and the related temporary differences as of December 31 consisted of:

	1999	1998
CURRENT DEFERRED TAX ASSET:		
Provision for doubtful accounts	$ 330	$173
NONCURRENT DEFERRED TAX ASSET:		
Depreciation and amortization	1,268	727
	$1,598	$900

For the years ended December 31, the Move.com Group's effective income tax rate differs from the statutory federal rate as follows:

	1999	1998	1997
Federal statutory rate	35.0%	35.0%	35.0%
State and local income taxes, net of federal tax benefit	5.7	5.8	5.8
Other, net	0.1	(0.4)	(0.3)
	40.8%	40.4%	40.5%

6. GROUP EQUITY

Group equity represents the net amount of all funding received by the Move.com Group from Cendant and the accumulated net losses of the Move.com Group.

7. RELATED PARTY TRANSACTIONS

Cendant and its subsidiaries provide various services to and receive various services from the Move.com Group. There are no significant intercompany sales or purchases between Cendant Group and the Move.com Group, with the exception of a sponsorship agreement between the Move.com Group and Cendant Mortgage Corporation and an Internet Cooperation Agreement with each of Cendant's three real estate franchise systems. The significant related party transactions are as follows:

CENDANT--CORPORATE

Cendant allocated an overhead charge for corporate general and administrative services of $335, $290 and $170 during 1999, 1998 and 1997, respectively.

The Move.com Group has an Internet engineering services agreement with Cendant. Services are charged based upon usage volume. The charges were $1,773, $795 and $240 during 1999, 1998 and 1997, respectively.

Effective January 1, 1999, Cendant entered into a four year agreement with a telecommunications service provider (the "Provider"), which was attributed to the Move.com Group, whereby the use of the voice telecommunication services available to Cendant pursuant to a Cendant agreement is shared with Move.com Group. The Move.com Group receives bills directly from the Provider and is obligated under the service agreement to meet its affiliate guarantee of $300 of annual billings. Any shortfalls in meeting that guarantee will be reimbursed to Cendant by the Move.com Group. No such shortfall existed in 1999.

Move.com Group employees participate in Cendant sponsored medical and defined contribution benefit plans. The cost of such plans is allocated to the Move.com Group based on a percentage of total payroll dollars. These allocations were $653, $346 and $291 during 1999, 1998 and 1997, respectively.

CENDANT MORTGAGE CORPORATION

Effective February 15, 1999, the Move.com Group and Cendant Mortgage Corporation entered into a one year advertising agreement whereby the Move.com Group provides advertising space and links to various Cendant Mortgage Corporation mortgage programs and products on its Web site. The agreement is renewable every six months commencing after the first year until cancelled by either party. The Move.com Group's 1999 revenue from this agreement was $360.

REAL ESTATE FRANCHISE SYSTEMS

On October 1, 1999, Move.com Group entered into 40-year Internet Cooperation Agreements with each of Cendant's three real estate franchise systems. Under terms of these agreements, Move.com Group receives fees for Web site management. Such fees were $429 during 1999.

8. COMMITMENTS AND CONTINGENCIES

LEASES--Move.com Group leases its principal office facilities under operating leases. During the fourth quarter of 1999, Move.com Group entered into a lease for a larger facility that was occupied during

(DOLLAR AMOUNTS IN THOUSANDS)

8. COMMITMENTS AND CONTINGENCIES (CONTINUED)
January 2000. Rental expense was $1,057, $368 and $73 for the years ended December 31, 1999, 1998 and 1997, respectively.

Future minimum rental payments required under non-cancelable operating leases as of December 31, 1999 are as follows:

2000	$ 3,760
2001	3,855
2002	3,892
2003	3,987
2004	4,081
Thereafter	8,448
	$28,023

LITIGATION--On April 15, 1998, Cendant announced that it discovered accounting irregularities in the former business units of CUC International Inc. Such discovery prompted investigations into such matters by Cendant and the Audit Committee of the board of directors of Cendant. Since the April 15, 1998 announcement, more than 70 lawsuits claiming to be class actions, two lawsuits claiming to be brought derivatively on Cendant's behalf and several individual lawsuits have been filed in various courts against Cendant and other defendants. The court has ordered consolidation of many of the actions.

The Securities and Exchange Commission ("SEC") and the United States Attorney for the District of New Jersey are conducting investigations relating to the matters referenced above. The SEC advised Cendant that its inquiry should not be construed as an indication by the SEC or its staff that any violations of law have occurred. While Cendant made all adjustments considered necessary as a result of the findings from the investigations in restating its financial statements, Cendant can provide no assurance that additional adjustments will not be necessary as a result of these government investigations.

On December 7, 1999, Cendant announced that it reached a preliminary agreement to settle the principal securities class action pending against Cendant in the U.S. District Court in Newark, New Jersey relating to the common stock class action lawsuits. Under the agreement, Cendant would pay the class members $2.83 billion in cash. The settlement remains subject to execution of a definitive settlement agreement and approval by the U.S. District Court. If the preliminary settlement is not approved by the U.S. District Court, Cendant can make no assurances that the final outcome or settlement of such proceedings will not be for an amount greater than that set forth in the preliminary agreement. See Cendant's Form 8-K, dated December 7, 1999, for a description of the preliminary agreement to settle the common stock class action litigation.

EMPLOYEE RETENTION BONUS--In connection with Cendant's announcement during May 1999 to create a real estate Internet portal, later named move.com, Cendant made commitments to pay one-time, broad-based retention bonuses to the Move.com Group employees aggregating approximately $10,400. The costs associated with the entire bonuses were attributed to the Move.com Group. Bonus payments during 1999 were approximately $5,240. An additional $2,145 was paid during January 2000

(DOLLAR AMOUNTS IN THOUSANDS)

8. COMMITMENTS AND CONTINGENCIES (CONTINUED)
with the remaining payments to be made by March 31, 2000. In 1999, $9,625 of the aggregate bonus amount was expensed with the remaining $725 being expensed through March 31, 2000, the date upon which the applicable employee must still be employed to receive the payment.

9. ACQUISITIONS

METRORENT ACQUISITION

On December 17, 1999, Move.com Group purchased substantially all of the assets and assumed substantially all of the liabilities of MetroRent, for a total consideration of up to $3 million in cash and up to $6 million of stock to be paid over several years subject to meeting certain performance targets. The stock portion of the consideration consists of a new class of non-voting common stock of Move.com, Inc. (a part of the Move.com Group) mandatorily redeemable for Move.com stock upon a public offering. Initial consideration included $2.0 million in cash plus 48,756 shares of the non-voting common stock valued at $730 based upon the fair value of Move.com Group upon closing. The issuance of the non-voting stock is reflected as a component of capital in the Combined Balance Sheets. In the event that a public offering has not occurred by December 31, 2005, or earlier at Move.com, Inc.'s option, Move.com, Inc. must redeem each outstanding share of Move.com common stock at $20.51 per share. In conjunction with this acquisition, the Move.com Group committed to provide additional capital of up to $1,900 to fund future MetroRent related acquisitions. The acquisition was accounted for under the purchase method of accounting and accordingly, the combined financial statements include the results of the MetroRent business from the date of acquisition.

The purchase price of $3,076 plus the fair value of net liabilities acquired of $246 resulted in goodwill of $3,322 that is being amortized on a straight-line basis over 5 years.

PRO FORMA INFORMATION

The following table reflects the unaudited operating results of the Move.com Group for the years ended December 31, 1999 and 1998 on a pro forma basis, which gives effect to the acquisition of MetroRent. The pro forma results are not necessarily indicative of the operating results that would have occurred had the MetroRent acquisition been consummated on January 1, 1998, nor are they intended to be indicative of results that may occur in the future. The underlying pro forma information includes the amortization expense associated with the assets acquired, the Move.com Group's financial arrangements, certain purchase accounting adjustments and related income tax effects.

	YEAR ENDED DECEMBER 31,	
	1999	1998
Net revenue	$ 18,955	$ 10,801
Cost of revenue	3,602	2,155
Gross profit	15,353	8,646
Loss before income tax benefit	(25,038)	(2,030)
Net loss	(14,814)	(1,209)

9. ACQUISITIONS (CONTINUED)
NATIONAL HOME CONNECTIONS, LLC

In May 1999, Cendant, through its newly organized subsidiary National Home Connections, LLC, purchased substantially all of the assets and assumed all of the current liabilities of Utility Connections, Inc. ("UCI"), which was attributed to the Move.com Group for a total consideration of $600 in cash plus earnout payments equal to 9.5% of the earnings before interest, taxes, depreciation and amortization calculated over the next seven years. The purchase agreement stipulates a "covenant not to compete," whereby the sellers of UCI agrees not to participate in any competing businesses for a period up to seven years. Accordingly, the initial purchase price was allocated to other intangible assets and is amortized on a straight-line basis over seven years, the estimated period to be benefitted. Earnout payments will be allocated to goodwill and amortized over the remaining life of the "covenant not to compete." The acquisition is not significant and therefore, pro forma operating results are not included.

10. CHATHAM STREET HOLDINGS, LLC AGREEMENT

In September 1999, Cendant entered into an agreement with Chatham Street Holdings, LLC ("Chatham") pursuant to which Chatham was granted the right, until September 30, 2001, to purchase up to 1,561,000 shares of Move.com stock for approximately $16.02 per share. In addition, for every two shares of Move.com stock purchased by Chatham pursuant to the agreement, Chatham will be entitled to receive a warrant to purchase one share of Move.com stock at a price equal to $64.08 per share and a warrant to purchase one share of Move.com stock at a price equal to $128.16 per share.

11. MOVE.COM GROUP STOCK OPTION PLAN

On October 29, 1999, the Board of Directors of Move.com, Inc. adopted the Move.com, Inc. 1999 Stock Option Plan as amended January 13, 2000 (the "Option Plan") which authorizes the granting of up to six million shares of Move.com, Inc. common stock. All active employees of the Move.com Group and its affiliates are eligible to be granted options under the Option Plan. Options under the plan generally have a 10 year term and are exercisable at 33% per year commencing one year from the grant date. On October 29, 1999, 2,501,000 options to purchase shares of common stock of Move.com, Inc. were granted to employees of Move.com Group at a weighted average exercise price of $11.56. Subject to the approval of the stockholders of Cendant: (1) the Option Plan and existing grants will be ratified and assumed by Cendant; (2) all existing grants will be equitably adjusted to become options of Move.com stock; and (3) the remaining shares available to be issued in connection with the grant of options under the Option Plan will be equitably adjusted to become shares of Move.com stock. At December 31, 1999, all issued options remained outstanding but were not yet exercisable.

Move.com Group utilizes the disclosure-only provisions of SFAS No. 123 "Accounting for Stock-Based Compensation" and applies Accounting Principles Board ("APB") Opinion No. 25 and related interpretations in accounting for the Option Plan. Under APB No. 25, compensation expense is recognized when the exercise prices of Move.com Group's employee stock options are less than the estimated fair value of the underlying Move.com stock on the date of grant. Although the Company generally grants employee stock options at fair value, certain options were granted below fair value during 1999. As such, compensation expense is being recognized over the applicable vesting period.

11. MOVE.COM GROUP STOCK OPTION PLAN (CONTINUED)

Had Move.com Group elected to recognize and measure compensation expense for the Option Plan based on the calculated fair value at the grant dates for awards under such plans, consistent with the method prescribed by SFAS No. 123, pro forma net loss in 1999 would have been $15,199.

The fair values of the stock options are estimated on the dates of grant using the Black-Scholes option-pricing model with the weighted average assumptions for options granted. The weighted average assumptions in 1999 for dividend yield, expected volatility, risk-free interest rate and expected holding period were zero, 60%, 6.4% and 6.2 years, respectively. Forfeitures are recognized as they occur.

The weighted average grant date fair value of Move.com Group stock options granted during the year ended December 31, 1999 was $7.28.

12. SUBSEQUENT EVENT

On January 1, 2000, Move.com Group entered into an Internet Cooperation Agreement with Getko Group, Inc., a wholly owned subsidiary of Cendant, which owns the right to the Welcome Wagon brand name. Under the terms of the agreement, Move.com Group will develop, host and maintain the Welcome Wagon area of move.com in return for an escalating percentage of Getko's revenue and expenses.

On January 27, 2000, Move.com Group announced a strategic alliance with AltaVista, a new-media and commerce network, to create a co-branded real estate channel on the AltaVista Web site. Under the terms of the agreement, Move.com Group will pay AltaVista up to $40 million to be an exclusive real estate content provider of the new AltaVista Real Estate Channel. In addition, the move.com network will be exclusively featured through banners and links on keyword searches for most real estate and moving related terms. The agreement has a three year term.

NO DEALER, SALESPERSON OR OTHER PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO REPRESENT ANYTHING NOT CONTAINED IN THIS PROSPECTUS. YOU MUST NOT RELY ON ANY UNAUTHORIZED INFORMATION OR REPRESENTATIONS. THIS PROSPECTUS IS AN OFFER TO SELL ONLY THE SHARES OFFERED HEREBY, BUT ONLY UNDER CIRCUMSTANCES AND IN JURISDICTIONS WHERE IT IS LAWFUL TO DO SO. THE INFORMATION CONTAINED IN THIS PROSPECTUS IS CURRENT ONLY AS OF ITS DATE.

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CENDANT CORPORATION

MOVE.COM COMMON STOCK

[MOVE.COM LOGO]

GOLDMAN, SACHS & CO.

PART II

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table indicates the costs and expenses, other than underwriting discounts and commissions, to be incurred in connection with the offering described in this Registration Statement, all of which will be paid by Cendant Corporation. All amounts are estimates, other than the SEC registration fee, the NASD fee, and the NYSE listing fee.

SEC Registration fee	*
NASD fee	*
NYSE listing fee	*
Accounting fees and expenses	*
Legal fees and expenses	*
Director and officer insurance expenses	*
Printing and engraving expenses	*
Transfer agent's fees and expenses	*
Blue sky fees and expenses	*
Miscellaneous expenses	*
Total	$

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* To be completed by amendment.

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 102 of the Delaware General Corporation Law, as amended, allows a corporation to eliminate the personal liability of directors of a corporation to the corporation or its stockholders for monetary damages for a breach of 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 in violation of Delaware corporate law or obtained an improper personal benefit.

Section 145 of the DGCL 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 the 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 interest 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, 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 director, officer, employee or agent 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 DGCL 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 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 in 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 DGCL.

As permitted by Section 102(b)(7) of the DGCL, 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 certain exceptions.

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

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) The following exhibits are filed as part of this Registration Statement:

EXHIBIT	DESCRIPTION OF EXHIBIT
*1.1	Form of Underwriting Agreement
3.1	Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to Cendant Corporation's Form 10-K/A for the fiscal year ended December 31, 1999)
*3.2	Amended and Restated By-Laws of the Registrant (incorporated by reference to Exhibit 3.2 to Cendant Corporation's Form 10-K/A for the year ended December 31, 1999)
*4.1	Form of Move.com Common Stock Certificate
*5.1	Opinion of James E. Buckman, Vice Chairman and General Counsel of Cendant Corporation
*8.1	Tax opinion of Skadden, Arps, Slate, Meagher & Flom LLP
10.1	Internet Cooperation Agreement between CompleteHome Operations, Inc. (now Move.com Operations, Inc.) and Century 21 Real Estate Corporation dated October 1, 1999 (Incorporated by reference to Exhibit 10.39 to Cendant Corporation's Form 10-K/A for the fiscal year ended December 31, 1998).
10.2	Internet Cooperation Agreement between CompleteHome Operations, Inc. (now Move.com Operations, Inc.) and Coldwell Banker Real Estate Corporation dated October 1, 1999 (Incorporated by reference to Exhibit 10.40 to Cendant Corporation's Form 10-K/ A for the fiscal year ended December 31, 1998).
10.3	Internet Cooperation Agreement between CompleteHome Operations, Inc. (now Move.com Operations, Inc.) and ERA Franchise Systems, Inc. dated October 1, 1999 (Incorporated by reference to Exhibit 10.40 to Cendant Corporation's Form 10-K/A for the fiscal year ended December 31, 1998).

EXHIBIT	DESCRIPTION OF EXHIBIT
10.4	Internet Cooperation Agreement between Move.com Operations, Inc. and Getko Group, Inc. dated January 1, 2000.
10.5	Marketing Agreement, dated as of March 15, 2000 between Cendant Mortgage Corporation and Move.com Operations, Inc.
10.6	Marketing Agreement, dated as of January 1, 2000 between Cendant Mortgage Corporation and Move.com Operations, Inc.
10.7	Purchase Agreement, dated as of March 28, 2000, by and between Cendant Corporation and Liberty Digital, Inc.
10.8	Registration Rights Agreement, dated as of March 28, 2000, by and between Cendant Corporation and Liberty Digital, Inc.
10.9	Purchase Agreement, dated as of March 28, 2000, by and between Cendant Corporation and NRT Incorporated.
10.10	Registration Rights Agreement, dated as of March 28, 2000, by and between Cendant Corporation and NRT Incorporated.
10.11	Asset Purchase Agreement, dated October 29, 1999, by and among Cendant Corporation, Completehome.com, Inc., Rent Net, Inc., John P. McWeeny, Joseph A. Preis, and Metro-Rent, Inc.
10.12	Subscription Agreement, dated as of March 29, 2000 between Cendant Corporation and Chatham Street Holdings, LLC.
10.13	Registration Rights Agreement, dated as of March 29, 2000, among Cendant Corporation and Chatham Street Holdings, LLC.
23.1	Consent of Deloitte & Touche LLP (New York, New York)
23.2	Consent of Deloitte & Touche LLP (San Francisco, California)
23.4	Consent of James E. Buckman, Vice President and General Counsel of Cendant Corporation (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 (contained on the signature pages of this Registration Statement)

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* To be filed by amendment.

(B) FINANCIAL STATEMENT SCHEDULES.

None.

ITEM 17. UNDERTAKINGS.

The undersigned Registrant hereby undertakes to provide to the Underwriters at the closing certificates in such denominations and registered in such names as required by the Underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers, and controlling persons of the registrant pursuant to the provisions described in Item 15, or otherwise, the Registrant has been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is

therefore unenforceable. In the event that a claim for indemnification by the registrant 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 pubic policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b) (1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus 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.

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act, and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act, that is incorporated by reference in the registration statement 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.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Cendant Corporation has duly caused this amendment to its registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, on the 7th day of April, 2000.

CENDANT CORPORATION

By: /s/ JAMES E. BUCKMAN

Name: James E. Buckman
TITLE: VICE CHAIRMAN AND GENERAL COUNSEL

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the date indicated below.

SIGNATURE	TITLE	DATE
/s/ HENRY R. SILVERMAN* (Henry R. Silverman)	Chairman of the Board, President, Chief Executive Officer and Director	April 7, 2000
/s/ JAMES E. BUCKMAN* (James E. Buckman)	Vice Chairman, General Counsel and Director	April 7, 2000
/s/ STEPHEN P. HOLMES* (Stephen P. Holmes)	Vice Chairman and Director	April 7, 2000
/s/ DAVID M. JOHNSON* (David M. Johnson)	Senior Executive Vice President and Chief Financial Officer (Principal Financial Officer)	April 7, 2000
/s/ JON F. DANSKI* (Jon F. Danski)	Executive Vice President and Chief Accounting Officer (Principal Accounting Officer)	April 7, 2000
(Myra J. Biblowit)	Director	April 7, 2000
/s/ LEONARD S. COLEMAN* (Leonard S. Coleman)	Director	April 7, 2000

SIGNATURE	TITLE	DATE
*	Director	
(Martin L. Edelman)		April 7, 2000
*	Director	
(Dr. Carole G. Hankin)		April 7, 2000
	Director	
(Dr. John C. Malone)		April 7, 2000
*	Director	
(Michael P. Monaco)		April 7, 2000
	Director	
(The Rt. Hon. Brian Mulroney, P.C., LL.D)		April 7, 2000
*	Director	
(Robert E. Nederlander)		April 7, 2000
	Director	
(Robert W. Pittman)		April 7, 2000
	Director	
(Sheli Z. Rosenberg)		April 7, 2000
*	Director	
(Leonard Schutzman)		April 7, 2000
*	Director	
(Robert F. Smith)		April 7, 2000

*By: /s/ ERIC J. BOCK
Attorney-in-fact

Exhibit 10.4

INTERNET COOPERATION AGREEMENT

THIS INTERNET COOPERATION AGREEMENT (the "Agreement") is entered into this 1st day of January 2000 by and between MOVE.COM OPERATIONS, INC. ("Company"), a Delaware corporation with an office located at 795 Folsom Avenue, 6th Floor, San Francisco, California 94107 and GETKO GROUP, INC. ("Getko"), a Delaware corporation with an office located at 115 South Service Street, Westbury, New York 11590.

W I T N E S S E T H:

WHEREAS, Getko, through its Welcome Wagon division, provides merchants (E.G. local, national and non-profit)(collectively, the "Merchants") with a direct mail directory through which Merchants advertise their products and services and provide discount gift certificates to homeowners and, through its Getko Direct Response division, provides list management services; and

WHEREAS, Company is a provider of, among other things, a residential real estate services portal (the "Internet Portal") which provides information and resources for consumers before, during and after a relocation through internet Web Sites maintained by Company and its Affiliates; and

WHEREAS, Company and Getko wish to engage in a cooperative marketing effort with each other in accordance with the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the promises and covenants contained herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. DEFINITIONS. For purposes of this Agreement, the following terms shall have the following meanings:

(a) "Affiliate" shall mean an entity controlled by, controlling or under common control with Company and/or Getko, as applicable.

(b) "Coupon" shall mean a document containing the Merchant Offering that may be downloaded by a Visitor from the Online Area. Unless otherwise agreed to by the parties, Coupons will provide identical discounts as the Merchant Offering contained in the Offline Product. The appearance of the Coupon shall be identical in form and substance to the discount gift certificates distributed through the Offline Product.

(c) "Link" shall mean the electronic functionality located on a Web Site that may take the form of a colored item of text (such as a URL description), logo or image, and which allows a Visitor to automatically move to or between World Wide Web ("WWW") pages, WWW sites or within a WWW document.

(d) "Merchant Offering" shall mean the discounts off the retail price of a Merchant's product(s) and/or service(s) that are provided through the Offline Product and/or the Online Product.

(e) "Offline Product" shall mean the advertising of Merchant Offerings through direct mail or other non-Internet based means.

(f) "Online Area" shall mean the specific areas within the Internet Portal which shall be developed, managed and marketed by Company for Getko pursuant to this Agreement on which the Merchant Offerings and promotional information shall be displayed and from which Coupons for the Merchant Offerings can be downloaded. The Online Area shall permit a Visitor to access Merchants based on postal zip codes or specific geographic locations and to download Coupons. The Online Area shall also be known as the "Welcome Wagon" area of the Internet Portal.

(g) "Online Product" shall mean the advertising of the Merchant Offerings on or through the Online Area.

(h) "Registration Information" shall mean information provided by a Visitor who wishes to obtain Coupon(s), including, without limitation, the Visitor's full name and e-mail address and such other information as may be reasonably requested by Company.

(i) "Visitor" shall mean any potential customer who has interactively arrived at a web page by entering the URL or hyperlinking.

(j) "Web Site" shall mean a party's multi-media, interactive computer program designed to run on the WWW section of the Internet (including all the information displayed thereby and thereon).

Section 2. TERM. The term of this Agreement (the "Term") shall commence on January 1, 2000 and shall terminate on December 31, 2002, unless earlier terminated in accordance with the terms herein set forth. At the end of the Term, Company may elect to renew this Agreement for an additional three (3) year term subject to mutually acceptable terms, provided, however, such terms shall be no less favorable than the terms in effect as of the termination date. The parties agree to cooperate in good faith to negotiate the terms of the renewal agreement. The Company shall provide to Getko written notice of its intention to renew this Agreement not later than thirty (30) days prior to the expiration of the Term.

Section 3. COMPANY OBLIGATIONS. (a) During the Term, Company shall develop, host and maintain the Online Area, at Company's sole cost, for the purpose of promoting the Merchant Offerings, for Merchants with whom Getko maintains an agreement for such advertising, and which will permit Visitors to obtain Coupons to be redeemed by the Visitor at a Merchant's place of business, unless otherwise specified on the Coupon. Company shall provide Visitors access to the Online Area through Links from Web Sites operated by Company and its Affiliates through the Internet Portal, as designated by Company in its sole discretion. In the event Company is no longer controlled by, controlling or under common control with Cendant Corporation, Company shall be required to obtain the prior written approval of Getko (such

approval not to be unreasonably withheld) prior to providing access to the Online Area through Links from Web Sites operated by any third party, specifically excluding Links (i) from Web Sites operated by Company or the Affiliates of Company or (ii) established through any arrangement by and between the Company (including Company's Affiliates) and a third party as of the effective date of such change of control. The parties may mutually agree to provide access to the Online Area through Links from unaffiliated third parties' Web Sites. In no event shall access to the Online Area from a third party Web Site be permitted unless such third party Web Sites are being generated from Company servers. Company shall provide Internet traffic access to the Online Area at no cost to the Visitors. Display of the information, data and content, including without limitation, any presentation or placement criteria, shall be subject to the mutual agreement of the parties, with such parties acting reasonably and in good faith. For monitoring purposes only, Company shall provide Getko with unrestricted access to view the Online Area at no cost.

(b) Company shall develop and implement, at its sole cost, a registration system that will require each Visitor to the Online Area who wishes to download a Coupon to register through Company's server by providing Registration Information. Company shall use commercially reasonable efforts to include a tracking mechanism as part of the registration system that will prohibit a Visitor from downloading more than one (1) Coupon per Merchant by permitting not more than one (1) download from the same Visitor accessed computer. Each Coupon shall include the Visitor's name, a tracking number and the terms and conditions for use of the Coupon. Company makes no guarantee that a Visitor will not replicate or obtain more than one (1) Coupon for a particular Merchant and Company shall not be responsible for any multiple use of a Coupon by a Visitor.

(c) Company, in cooperation with Getko, shall use commercially reasonable efforts to promote the Online Area to potential Visitors. Any and all marketing activities performed by Company to promote the Online Area shall be at Company's cost and expense. Subject to Section 12 below, Company shall place the trademarks, logos or other identifying marks of Getko (the "Getko Marks"), as may be approved by Getko, on the Online Area. Placement and identification of the Getko Marks shall be at least as prominent as the placement and identification of any other similar company in the Web Site pages of the Internet Portal or other locations on the Internet Portal where such companies are collectively displayed. In no event shall Company (i) state or imply a preference for a particular company over Getko, or (ii) place any other merchant offerings and/or coupons or similar type of program or product on the Online Area utilized to display Getko's Merchant Offerings and/or Coupons; provided, however, that with respect to item (ii) of this Section 3(c), nothing shall prohibit or limit Company from placing any other merchant offerings and/or coupons or similar type of program or product on designated areas of the Internet Portal (other than the Online Area) and further provided that nothing shall prohibit or limit Company from displaying any and all banner advertisements on the Online Area or any other area of the Internet Portal.

(d) Company will implement and maintain during the Term a system to track and record Internet traffic to the Online Area on a "per postal zipcode" and "per Merchant" basis. For each calendar month during the Term, Company shall furnish a detailed report to Getko, via electronic means, in a format and containing such

information as may be mutually agreed to by the parties, including, but not limited to the total number of Visitors who accessed the Online Area, the total number of Visitors who viewed a particular Merchant, the total number of Coupons downloaded and a breakdown of the total number of each Merchant Coupon downloaded.

(e) On or about the date of execution of this Agreement, Company shall appoint a designated project representative who will serve as the primary point of contact with Getko for the purpose of carrying out the day-to-day activities under this Agreement. The project representative shall be qualified and shall have the appropriate authority to approve requests made by Getko in performing Company's obligations under this Agreement, including without limitation the ability to make any necessary modifications to the Online Area, Merchant Offerings and/or Coupons within two (2) business days after Getko's request for such modification. Communication between Getko and Company with respect to any modifications shall be made or confirmed via confirmed electronic means.

(f) Company agrees to provide any necessary training and information to Getko sales personnel to market the Online Product, including but not limited to training seminars, marketing packets and telephone support. The parties agree to cooperate in good faith to create and implement quality standards and procedures.

(g) Company agrees to be solely responsible for the cost of converting Getko's administrative programs. The estimated cost for the administrative program conversion is $150,000.00. Company and Getko agree that the cost of converting Getko's Merchant database shall be shared equally between the parties. The estimated cost for the Merchant database conversion is $250,000.00. Getko and Company shall cooperate with the other to complete such conversions.

Section 4. GETKO OBLIGATIONS. (a) Getko shall be responsible for marketing and promoting the Online Product to the Merchants through marketing programs and sales plans to be mutually agreed to by the parties. Getko shall be responsible for maintaining agreements with the Merchants for the purchase of the Online Product and the Offline Product and for collecting and processing payments for the Online Product and Offline Product. The fees charged to the Merchants for the Online Product (individually or as a package with the Offline Product) shall be determined by the mutual agreement of the parties. Notwithstanding any provision contained herein, Getko shall not enter into or maintain an agreement with a Merchant for the Online Product (or other form of marketing agreement) which, in the judgment of Company, would be considered a violation of any marketing agreement (or similar arrangement) entered into by Company, Company's Affiliate or Cendant Corporation, including without limitation, a violation of any exclusivity commitment contained therein. If, in the judgment of Company such agreement by Getko (or a Getko Affiliate) does or would cause such a violation, then the Company may, upon written notice to Getko, cause Getko to discontinue such agreement and to take any additional reasonable steps required by Company to ensure that Getko (or Getko's Affiliate) is not in violation of such agreement.

(b) During the Term, Getko shall provide Company information to be used in developing the display and content of the Online Area including the name of each participating Merchant, complete postal address, telephone number, information

relating to the Merchant Offering, Coupon layout and design and any other information as may be reasonably requested by Company to fulfill its obligations under this Agreement (the "Merchant Information"). Getko shall cause all Visitors accessing the Welcome Wagon domain to link directly into the Online Area.

(c) On or about the execution of this Agreement, Getko shall appoint a designated project representative who will serve as the primary point of contact with Company for the purpose of carrying out the day-to-day activities under this Agreement. The project representative shall be qualified and shall have the appropriate authority to approve requests made by Company in performing Getko's obligations under this Agreement.

(d) Getko acknowledges and agrees that Getko shall not be permitted to sell, transfer or otherwise disclose Visitor information or lists, including without limitation, the name, address, e-mail address or telephone number of any Visitor, to any third party. Getko shall only use such information to perform its obligations under this Agreement and for no other purpose.

Section 5. COMMISSIONS/PROGRAM EXPENSES. (a) COMMISSIONS. For each calendar quarter during the Term, Getko shall pay to Company a commission equal to a percentage of Getko's Net Revenues (excluding any unusual or non-recurring gains on the disposition of assets) during such quarter ("Net Revenues"). Net Revenues shall be defined in accordance with GAAP. Getko shall pay commissions Revenues to Company as follows:

	NET REVENUES
Year 2000	25%
Year 2001	40%
Year 2002	75%

(b) PROGRAM EXPENSES. For each calendar quarter during the Term, Company shall reimburse Getko for a percentage of the total expenses incurred by Getko (excluding depreciation, income taxes, amortization of intangibles and any restructuring or unusual/non-recurring expenses) ("Expenses") as follows:

	EXPENSES
Year 2000	30%
Year 2001	50%
Year 2002	75%

(c) At the end of each calendar quarter, Getko shall submit to Company a report detailing (i) the total Net Revenue and commission payable to Company thereon, and (ii) the total Expenses and reimbursement payable to Getko thereon. The parties shall reconcile the Net Revenues payable to Company and the Expenses payable to Getko. Any amounts payable to a party shall be paid by the other party not more than twenty-five (25) days after the end of such quarter.

Section 6. NEW PRODUCTS. In the event Getko develops a new product to be offered to its Merchants, Getko shall notify Company of the nature of the new product and the terms and conditions of the proposed offering, including pricing elements. The parties shall mutually determine, in good faith, whether including the new product on the Internet Portal is appropriate. If the parties determine not to offer the new product through the Internet Portal, Getko shall have the right to offer the new product through an agreement with a third party provider of internet services.

Section 7. INDEMNITY/LIMITATION OF LIABILITY. (a) Company shall indemnify and hold harmless Getko and its Affiliates (including Cendant), officers, directors, employees, agents, successors and assigns from any claims, damages, liabilities, losses, government procedures and costs, including reasonable attorneys' fees and costs of suit, arising from any third party claims for (i) Company's or its employees' or agents' failure to comply with applicable laws and regulations, negligence or willful misconduct, or misrepresentation, or breach of any warranty, obligation or covenant of this Agreement and (ii) libel, slander or defamation or violation (or misappropriation) of intellectual property rights, privacy rights, publicity rights or similar rights arising from any content or advertising placed or displayed on the Internet Portal or other approved Web Site only to the extent that such content or advertising is furnished by Company. In no event shall the indemnity obligation set forth in this subsection (a) apply to any information (including content) furnished to Company by Getko, provided Company has been authorized to use such information and has used such information in accordance with Getko's approval.

(b) Getko shall indemnify and hold harmless Company and its Affiliates (including Cendant), officers, directors, employees, agents, successors and assigns from any claims, damages, liabilities, losses, government procedures and costs, including reasonable attorneys' fees and costs of suit, arising from third party claims for (i) Getko's or its employees' or agents' failure to comply with applicable laws and regulations, negligence or willful misconduct, misrepresentation or breach of any warranty, obligation or covenant of this Agreement and (ii) libel, slander or defamation or violation (or misappropriation) of intellectual property rights, privacy rights, publicity rights or similar rights arising from any content or advertising placed or displayed on the Internet Portal or other approved Web Site only to the extent that such content or advertising is furnished by Getko. In no event shall the indemnity obligation set forth in this subsection (b) apply to or include the acts or omissions of any Merchant or apply to any information (including content) furnished to Getko by Company, provided Getko has been authorized to use such information and has used such information in accordance with Company's approval.

(c) In the event that the indemnified party is required to respond to any claim, action, demand or proceeding, the indemnifying party will, upon reasonable notification, respond and defend the indemnified party against such claims and demands in any such actions or proceedings pursuant to its indemnity obligations under this Section 7. In the event that the indemnifying party fails to defend the indemnified party, the indemnifying party will reimburse the indemnified party for all reasonable costs and expenses, including reasonable attorneys' fees, incurred by the indemnified party.

(d) Neither party shall be responsible to the other for any indirect, special or consequential damages (including lost profits or interruption of business) regardless of whether a party has been advised of the possibility of or could have foreseen such damages. Notwithstanding the foregoing, the limitation of liability provided under this subsection (d) shall not apply with respect to (i) third party claims and/or (ii) the willful misconduct or gross negligence of a party.

(e) This Section and the rights, remedies, obligations and limitations of the parties under this Section shall survive termination or expiration of this Agreement.

Section 8. BOOKS AND RECORDS; AUDIT. Getko shall use commercially reasonable efforts to keep accurate and complete records of the revenues generated by Getko in connection with this Agreement. All such records shall be available for inspection and audit by Company or its representatives on reasonable notice to Getko during normal business hours throughout the Term of this Agreement and for one (1) year thereafter. Notwithstanding the foregoing, Getko shall only be required to retain records for such period of time as required by law or as retained in standard accounting practices, but not less than three (3) years. Getko shall reasonably cooperate with Company in such inspection and audit. In the event any such inspection or audit establishes an underpayment of commissions, Getko shall, within five (5) business days of notification of such deficiency, (i) pay the amount of the deficit, or (ii) provide Company with written notification disputing the results of the audit. In the event such audit identifies an overpayment of commissions, such overpayment shall be a credit against future commissions to become due from Getko to Company, or if it is determined that future commissions will not become due, Company will remit payment in the amount of the overage within fifteen (15) days from such determination. In the event of a dispute over the result of any such audit, the amount so disputed shall be deposited by the party to be charged with an escrow agent acceptable to both parties and pursuant to an escrow agreement acceptable to both parties and such escrow agent shall retain the disputed amount until such time as the dispute is resolved. The parties agree any such dispute between the parties shall be the subject of a meeting between management representatives authorized to negotiate in good faith a mutually acceptable resolution of such dispute. In the event the parties are unable to resolve such dispute, each party shall be left to its remedies at law or in equity.

Section 9. ACKNOWLEDGMENTS. (a) Company acknowledges that the Merchant Offerings and Coupons are being offered by Merchants and not Getko, and that Getko shall not be responsible for the performance or failure to perform or the quality or level of performance of the Merchants with respect to the Merchant Offerings and Coupons.

(b) Company acknowledges and agrees that although Getko will promote and recommend the Online Product to the Merchants, the Merchants will be making an independent buying decision which may or may not be affected by Getko's promotion of the Online Product. Getko cannot compel or guarantee any level of participation by the Merchants.

(c) Company acknowledges and agrees that the Merchants may enter into and maintain agreements or arrangements with third parties which may include marketing agreements. In no event shall any such agreements or arrangements entered into by

the Merchants be construed to be a violation of the terms of this Agreement, including any obligations or limitations of Getko hereunder.

Section 10. TERMINATION/FORCE MAJEURE. (a) When fully executed, this Agreement will constitute a binding obligation of both parties which may not be terminated by either party except that either party may terminate this Agreement (in whole or in part) in the event of a material breach of the terms of this Agreement by the other party which is not cured during the period described below. In the event of a material breach as set forth above, the breaching party shall be given written notice of such breach and the opportunity to cure such breach within thirty (30) days of the date of such notice. In the event the breaching party fails to cure such breach within the applicable period stated above, the other party shall have the right to immediately terminate this Agreement upon written notice to the breaching party.

(b) In no event shall either party be liable to the other party for any delay or failure to perform hereunder, which delay or failure to perform is due to causes beyond the reasonable control of said party, including, but not limited to, acts of God; acts of the public enemy; acts of the United States, or any state, territory or political division of the United States of America, or of the District of Columbia; acts of a judiciary or legislative body; fires; floods; epidemics; quarantine restrictions; strikes or any other labor disputes; and freight embargoes; provided, however, that the delay or failure to perform by a party shall not be caused by the negligent acts of the such party and that the non-performing party shall act with due diligence to mitigate any such delays in its failure to perform.

Section 11. REPRESENTATIONS. (a) Each party has full power and authority and has been duly authorized, to enter into and perform its obligations under this Agreement, all necessary approvals of any Board of Directors, shareholders, partners, co-tenants and lenders having been obtained. The execution, delivery and performance of this Agreement by each party will not violate, create a default under or breach of any charter, bylaws, agreement or other contract, license, permit, indebtedness, certificate, order, decree or security instrument to which such party or any of its principals is a party or is subject. Neither party is the subject of any current or pending dissolution, receivership, bankruptcy, reorganization, insolvency, or similar proceeding on the date this Agreement is executed by such party and was not within the three (3) years proceeding such date. The persons signing this Agreement on behalf of each party are authorized to execute this Agreement for and on behalf of such party and have full authority to so bind such party.

(b) Company and Getko will comply with all applicable local, state and federal laws and regulations in connection with the performance of their respective obligations under this Agreement.

Section 12. TRADEMARKS/ARTWORK. (a) Except as specifically provided in this Agreement, Company specifically acknowledges that this Agreement does not confer upon Company any interest in or right to use any trademark, service mark or other intellectual property right of Getko, the Merchants or their Affiliates (the "Getko Intellectual Property Rights") in connection with this Agreement unless Company receives the prior written consent of Getko. Company further agrees that upon termination or expiration of this Agreement, Company shall immediately cease and

discontinue all use of the Getko Intellectual Property Rights. Further, if Company wishes to utilize the Getko Intellectual Property Rights in advertising or promotional materials, it must submit such materials to Getko for final approval before utilizing them. In no event may Company or any affiliated or associated person or entity utilize the Getko Intellectual Property Rights for any purpose other than in connection with this Agreement. Company agrees to comply with all requests of Getko with respect to the appearance and use of the Getko Intellectual Property Rights, including without limitation, any requests to change the form or style of the Getko Intellectual Property Rights and shall at all times consistently use the Getko Intellectual Property Rights so as to ensure that Getko's rights are adequately preserved. Getko reserves the right from time to time to require changes to the Getko Intellectual Property Rights upon thirty (30) days prior written notice to Company.

(b) Except as specifically provided in this Agreement, Getko specifically acknowledges that this Agreement does not confer upon Getko any interest in or right to use any trademark, service mark or other intellectual property right of Company or its Affiliates (the "Company Intellectual Property Rights") in connection with this Agreement unless Getko receives the prior written consent of Company. Getko further agrees that upon termination or expiration of this Agreement, Getko shall immediately cease and discontinue all use of the Company Intellectual Property Rights. Further, if Getko wishes to utilize the Company Intellectual Property Rights in advertising or promotional materials, it must submit such materials to Company for final approval before utilizing them. In no event may Getko or any affiliated or associated person or entity utilize the Company Intellectual Property Rights for any purpose other than in connection this Agreement. Getko agrees to comply with all requests of Company with respect to the appearance and use of the Company Intellectual Property Rights, including without limitation, any request to change the form or style of the Company Intellectual Property Rights and shall at all times consistently use the Company Intellectual property Rights so as to ensure that Company's rights are adequately preserved. Company reserves the right from time to time to require changes to the Company Intellectual Property Rights upon thirty (30) days prior written notice to Getko.

Section 13. RELATIONSHIP OF PARTIES. The relationship between Company and Getko is one of an independent contractor. Neither party is the legal representative or agent of, or has the power to obligate (or has the right to direct or supervise the daily affairs of) the other or any other party for any purpose whatsoever. Company and Getko expressly acknowledge that the relationship intended by them is a business relationship based entirely on and circumscribed by the express provisions of this Agreement and that no partnership, joint venture, agency, fiduciary or employment relationship is intended or created by reason of this Agreement.

Section 14. ASSIGNMENTS. This Agreement may not be assigned by either party without the prior written consent of the non-assigning party, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, either party may assign this Agreement without the consent of the other party to an Affiliate or in connection with a merger, consolidation or a sale of substantially all of its assets. This Agreement and the covenants and agreements herein contained shall, subject to the provisions of this Section, inure to the benefit of and be binding on the parties hereto and their respective permitted successors and assigns.

Section 15. CONFIDENTIALITY. (a) Company acknowledges that any information conveyed to or obtained by Company regarding the Merchants, Getko and its business, plans and operations in connection with this Agreement is confidential and proprietary to Getko (the "Getko Confidential Information"). Company agrees that in no event shall Company disclose, transfer, copy, duplicate, or publish any Getko Confidential Information to any third party without the prior written consent of Company, which consent may be withheld in Getko's sole discretion. Company further agrees that it shall not utilize any Getko Confidential Information for any purpose whatsoever other than for the purpose of performing its obligations under this Agreement. Company shall only make available the Getko Confidential Information to its employees on a need-to-know basis and shall advise such employees of the restriction set forth with respect to the use of such Getko Confidential Information. Company shall be responsible for the unauthorized disclosure of any Getko Confidential Information by its employees.

(b) Getko acknowledges that any information conveyed to or obtained by Getko regarding Company, its business, plans and operations in connection with this Agreement is confidential and proprietary to Company (the "Company Confidential Information"). Getko agrees that in no event shall Getko disclose, transfer, copy, duplicate, or publish any Company Confidential Information to any third party without the prior written consent of Company, which consent may be withheld in Company's sole discretion. Getko further agrees that it shall not utilize any Company Confidential Information for any purpose whatsoever other than for the purpose of performing its obligations under this Agreement. Getko shall only make available the Company Confidential Information to its employees on a need-to-know basis and shall advise such employees of the restriction set forth with respect to the use of such Company Confidential Information. Getko shall be responsible for the unauthorized disclosure of any Company Confidential Information by its employees.

(c) The non-disclosure restrictions set forth in this Section 15 shall not apply to information which (i) is or becomes generally available to the public other than as a result of a disclosure by the receiving party; (ii) was within the receiving party's possession prior to its being furnished by the originating party, provided that the source of such information was not known by the receiving party to be bound by a confidentiality agreement or non-disclosure restrictions with respect to such information; or (iii) becomes available to the receiving party on a nonconfidential basis from a source other than the originating party, provided that the source of such information was not known by the receiving party to be bound by a confidentiality agreement or non-disclosure restrictions with respect to such information. With respect to disclosures of the Getko Confidential Information or Company Confidential Information as may be required by law or court order, such disclosures shall be permitted without the consent of the originating party provided that the disclosing party furnishes the originating party prior written notification (as soon as practicably possible after the request for disclosure is made). Upon the termination of this Agreement or upon the earlier written request by the originating party, the receiving party shall return the Getko Confidential Information and Company Confidential Information (as the case may be) to the originating party including any copies relating thereto on whatever media (or alternatively destroy such information if so instructed by the originating party).

(d) The parties acknowledge that Getko Confidential Information and Company Confidential Information, respectively, is a valuable asset of the originating party, the disclosure of which would cause the originating party irreparable harm for which there is no adequate remedy at law. Accordingly, in the event of a breach or alleged breach of this Section 15, the originating party or parties shall be allowed injunctive relief and any other equitable remedies in addition to remedies afforded by law. The obligations of each party pursuant to this Section 15 shall survive the termination or expiration of this Agreement.

Section 16. PARTIAL INVALIDITY. Should any part of this Agreement, for any reason, be declared invalid, such decision shall not affect the validity of any remaining portion of this Agreement.

Section 17. NO WAIVER. No failure or delay in requiring strict compliance with any obligation of this Agreement (or in the exercise of any right or remedy provided herein) and no custom or practice at variance with the requirements hereof shall constitute a waiver or modification of any such obligation, requirement, right or remedy or preclude exercise of any such right or remedy or the right to require strict compliance with any obligation set forth herein. No waiver of any particular default or any right or remedy with respect to such default shall preclude, affect or impair enforcement of any right or remedy provided herein with respect to any subsequent default. No approval or consent of either party shall be effective unless in writing and signed by an authorized representative of such party, and such party's consent or approval may be withheld for so long as the other party is in default of any of its obligations under this Agreement.

Section 18. NOTICES. Notices will be effective hereunder when and only when they are reduced to writing and delivered, by next day delivery service, with proof of delivery, or mailed by certified or registered mail, return receipt requested, or via confirmed facsimile or electronic mail, to the appropriate party at its address stated below or to such person and at such address as may be designated by notice hereunder. Notices shall be deemed given on the date delivered or date of attempted delivery, if service is refused.

COMPANY:	GETKO:
Move.com Operations, Inc.	Getko Group, Inc.
795 Folsom Avenue, 6th Floor	115 South Service Street
San Francisco, California 94107	Westbury, NY 11590
Attn: President	Attn: President

Section 19. PUBLICITY. Each party shall (a) submit to the other party all advertising, written sales promotions, press releases, and other publicity matters relating to this Agreement in which the other party's name or mark is mentioned or which contains language from which a relationship with the other party may be inferred or implied and (b) not publish or use such advertising, sales promotions, press releases or publicity matters without the other party's consent.

Section 20. MISCELLANEOUS. The remedies provided in this Agreement are not exclusive. This Agreement will be construed in accordance with the laws of the State

of New York, except for New York's conflict of laws principles. The parties consent to District Court for the Southern District of New York and further waive objection to venue in any such court. This Agreement is exclusively for the benefit of the parties hereto and may not give rise to liability to a third party. No agreement between Company or Getko and anyone else is for the benefit of the other party hereto. Neither party will interfere with contractual relations of the other. The section headings in this Agreement are for convenience of reference only and will not affect its interpretation.

This Agreement, together with all instruments, exhibits, attachments and schedules hereto, constitutes the entire agreement (superseding all prior agreements and understanding, oral or written, including without limitation, a certain Internet Cooperation Agreement dated September 1, 1999 by and between CompleteHome.com, Inc. and Getko Group, Inc.) of the parties hereto with respect to the subject matter hereof and shall not be modified or amended in any respect unless in writing executed by all such parties.

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

MOVE.COM OPERATIONS, INC	GETKO GROUP, INC.
By: /s/ Jed Katz	By: /s/ Douglas L. Patterson
Name: Jed Katz	Name: Douglas L. Patterson
Title: Chief Strategic Officer	Title: President and CEO

Exhibit 10.5

MARKETING AGREEMENT

BY AND BETWEEN

MOVE.COM OPERATIONS, INC.

AND

CENDANT MORTGAGE CORPORATION

MARKETING AGREEMENT

This Marketing Agreement ("Agreement") is entered into as of the 15th day of March, 2000 by and between Cendant Mortgage Corporation ("Cendant Mortgage"), a New Jersey corporation having an office at 6000 Atrium Way, Mt. Laurel, New Jersey 08054 and Move.com Operations, Inc. ("Move.com"), a Delaware corporation having an office at 795 Folsom Street, 6th Floor, San Francisco, California 94107 (collectively, the "Parties").

WHEREAS, Cendant Mortgage is engaged in providing mortgage services that include counseling, efficient processing, origination, and servicing of mortgage loans on homes located in the United States; and

WHEREAS, Move.com is an entity which provides marketing and access services to mortgage lenders via the Internet; and

WHEREAS, Cendant Mortgage and Move.com wish to develop a marketing and access program ("Program") the purpose of which will be to market Cendant Mortgage services on the Internet.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the Parties hereby agree as follows:

1. THE PROGRAM.

(a) Move.com shall provide access to Cendant Mortgage and market Cendant Mortgage and its various mortgage programs and products on the Internet at various web sites. The web sites shall include promotional information about Cendant Mortgage and educational materials to customers regarding the mortgage process. Move.com shall be responsible for developing and maintaining these sites which shall serve as a destination for customers interested home listings, mortgage-related services, and other real estate-related information online.

(b) The Parties contemporaneously have agreed upon additional details concerning their respective obligations under the Program, including but not limited to, as applicable, the frequency, size, number and general content of the web sites to be advertised. Move.com shall review and make suggestions to Cendant Mortgage regarding Cendant Mortgage advertisements and the most effective manner in which to promote its programs and products on the Internet. Both parties shall cooperate with each other, in good faith, to agree in selecting the marketing materials that are ultimately placed on the web site.

(c) As part of the Program, Move.com shall provide monthly reports to Cendant Mortgage (Move.com Reports), in form and format reasonably acceptable to the

Parties, that describe, among other things, the extent to which Move.com has met its obligations under the Program.

(d) In addition, Cendant Mortgage shall provide to Move.com its standard monthly reporting on registrations, cancellations, closings and pipeline so that Move.com may monitor the effectiveness and quality of the mortgage services provided by Cendant Mortgage.

2. COMPENSATION. For the Term (as defined below), Cendant Mortgage shall pay a fee to Move.com ("Marketing Fee") for the access and marketing provided under the Program. The amount of the Marketing Fee shall be Two Million One Hundred Eighty Five Thousand Dollars ($2,185,000). The Marketing Fee shall be paid within thirty (30) days after the Effective Date (as defined below) of this Agreement. The Parties each acknowledge and agree that the Marketing Fee reflects the reasonable and fair market value of the goods and services to be provided by Move.com under the Program, without regard to the value or volume of mortgage loans that may be attributable to the Program.

3. REGULATORY COMPLIANCE. Each party will comply with all applicable regulatory requirements of the United States or any state with respect to its services to be provided under this Agreement. Each party shall maintain any and all government approvals, licenses or authorizations required by the laws of the United States or any state to engage in the activities described in this Agreement.

4. RELATIONSHIP. The relationship between Cendant Mortgage and Move.com shall be that of independent contractors and neither party shall be or represent itself to be an agent, employee, partner or joint venturer of the other, nor shall either party have or represent itself to have any power or authority to act for, bind or commit the other. Cendant Mortgage shall have sole discretion and authority with respect to product development, origination, processing, underwriting and servicing of all mortgage financing.

5. CONFIDENTIAL INFORMATION. Each party recognizes that, during the Term of this Agreement, its directors, officers or employees may obtain knowledge of trade secrets, membership lists and other confidential information of the other party which are valuable, special or unique to the continued business of that party. Accordingly, each party hereby agrees to hold such information in confidence and to use its best efforts to ensure that such information is held in confidence by its officers, directors and employees and to be utilized only in accordance with the terms of this Agreement.

6. TRADEMARKS. Each party shall grant the other party a license to use certain of its trademarks (the "Marks") during the Term of this Agreement. Each party agrees that nothing herein shall give to the other party any right, title or interest in the other party's Marks, except to use the Marks in accordance with the terms of this Agreement and that the Cendant Mortgage Marks and the Move.com Marks are the sole and exclusive property of Cendant Mortgage and Move.com, respectively.

7. DISCLAIMER. Neither Cendant Mortgage nor Move.com make any representation or warranty to the other regarding the effect that this Agreement and the consummation of the transactions contemplated hereby may have upon the Foreign, Federal, State or local tax liability of the other.

8. SEVERABILITY. If any provision of this Agreement should be invalid, illegal or in conflict with any applicable state or federal law or regulation, such law or regulation shall control, to the extent of such conflict, without affecting the remaining provisions of this Agreement.

9. TERM AND TERMINATION.

(a) The term of this Agreement (the "Term") shall commence on May 1, 2000 (the "Effective Date") and shall terminate on December 31, 2000, unless earlier terminated in accordance with the provisions of this Section 9.

(b) Upon termination of this Agreement, as provided herein: (i) Move.com shall refrain from any and all further use of or reference to materials utilizing Cendant Mortgage in connection with this Agreement, unless otherwise agreed in writing by the parties; (ii) Cendant Mortgage shall continue to process, in due course, any mortgage loan applications submitted by Move.com's customers prior to termination of this Agreement; and (iii) Cendant Mortgage shall be obligated to pay any then due Marketing Fee; and (iv) the provisions of Sections 5 and 10 of this Agreement shall survive.

(c) When fully executed, this Agreement will constitute a binding obligation of both parties which may not be terminated by either party except in the event of a material breach of the terms of this Agreement by the other party. In the event of a material breach as set forth above, the breaching party shall be given written notice of such breach and the opportunity to cure such breach within thirty (30) days of the date of such notice. In the event the breaching party fails to cure such breach within the applicable period stated above, the other party shall have the right to immediately terminate this Agreement upon written notice to the breaching party.

10. HOLD HARMLESS.

(a) Cendant Mortgage agrees to indemnify, defend and hold Move.com harmless from and against any and all claims, suits, actions, liability, losses, expenses, or damages which may hereafter arise, which Move.com, its affiliates, directors, officers, agents or employees may sustain due to or arising out of any negligent act or omission by Cendant Mortgage, its affiliates, officers, agents, representatives or employees or out of any act by Cendant Mortgage, its affiliates, officers, agents,

representatives or employees in violation of this Agreement or in violation of any applicable law or regulation. Provided, however, the above indemnification shall not provide coverage for (i) any claim, suit, action, liability, loss, expense or damage that resulted from an act or omission of Move.com or (ii) the amount by which any cost, fee, expense or loss associated with any of the foregoing were increased as a result of an act or omission on the part of Move.com.

(b) Move.com agrees to indemnify, defend and hold Cendant Mortgage harmless from and against any and all claims, suits, actions, liability, losses, expenses, or damages which may hereafter arise, which Cendant Mortgage, its affiliates, directors, officers, agents or employees may sustain due to or arising out of any negligent act or omission by Move.com, its affiliates, officers, agents, representatives or employees or out of any act by Move.com, its affiliates, officers, agents, representatives or employees in violation of this Agreement or in violation of any applicable law or regulation. Provided, however, the above indemnification shall not provide coverage for (i) any claim, suit, action, liability, loss, expense or damage that resulted from an act or omission of Cendant Mortgage or (ii) the amount by which any cost, fee, expense or loss associated with any of the foregoing were increased as a result of an act or omission on the part of Cendant Mortgage.

11. NON-EXCLUSIVITY. The parties acknowledge and agree that the marketing and access services required of Move.com hereunder are provided under this Agreement on a non-exclusive basis and, as such, Move.com may enter into similar marketing agreements for the Program with parties other than Cendant Mortgage.

12. NOTICES. All notices required or permitted by this Agreement shall be in writing and shall be given by certified mail, return receipt requested or by reputable overnight courier with package tracing capability and sent to the address at the head of this Agreement or such other address that a party specified in writing in accordance with this paragraph.

13. AMENDMENT. The terms and conditions of this Agreement may not be modified or amended other than by a writing signed by both Parties.

14. ASSIGNMENT; BINDING NATURE. The terms of this Agreement shall be binding upon and shall inure to the benefit of the Parties hereto. This Agreement shall not be assigned by any party without the express prior written consent of the other party.

15. ENTIRE AGREEMENT. This Agreement and any exhibits, attachments and schedules attached hereto constitute the entire agreement between the Parties and supersede all oral or written negotiations (and prior agreements and understandings) of the Parties with respect to the subject matter hereof.

16. GOVERNING LAW. This Agreement shall be subject to and construed under the laws of the State of New Jersey, without reference to conflicts of law provisions thereof.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed the day and year first above written.

MOVE.COM OPERATIONS, INC.	CENDANT MORTGAGE CORPORATION
Signature: /s/ Barry Allen	Signature: /s/ Terence Edwards
By: Barry Allen	By: Terence W. Edwards
Title: CFO	Title: President & CEO

Exhibit 10.6

AMENDED & RESTATED

MARKETING AGREEMENT

BY AND BETWEEN

MOVE.COM OPERATIONS, INC.

AND

CENDANT MORTGAGE CORPORATION

AMENDED & RESTATED

MARKETING AGREEMENT

This Marketing Agreement ("Agreement") is entered into as of the 1st day of January, 2000 ("Effective Date"), between Cendant Mortgage Corporation ("Cendant Mortgage"), a New Jersey corporation having an office at 6000 Atrium Way, Mt. Laurel, New Jersey 08054 and Move.com Operations, Inc. ("Move.com"), a Delaware corporation having an office at 795 Folsom Street, 6th Floor, San Francisco, California 94107 (collectively, the "Parties").

WHEREAS, Cendant Mortgage is engaged in providing mortgage services that include counseling, efficient processing, origination, and servicing of mortgage loans on homes located in the United States; and

WHEREAS, Move.com is an entity which provides marketing and access services to mortgage lenders via the Internet; and

WHEREAS, Cendant Mortgage and Move.com wish to develop a marketing and access program ("Program") the purpose of which will be to market Cendant Mortgage services on the Internet.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the Parties hereby agree as follows:

1. THE PROGRAM.

(a) Move.com shall provide access to Cendant Mortgage and market Cendant Mortgage and its various mortgage programs and products on the Internet at various web sites. The web sites shall include promotional information about Cendant Mortgage and educational materials to customers regarding the mortgage process. Move.com shall be responsible for developing and maintaining these sites which shall serve as a destination for customers interested home listings, mortgage-related services, and other real estate-related information online.

(b) The Parties contemporaneously have agreed upon additional details concerning their respective obligations under the Program, including but not limited to, as applicable, the frequency, size, number and general content of the web sites to be advertised. Move.com shall review and make suggestions to Cendant Mortgage regarding Cendant Mortgage advertisements and the most effective manner in which to promote its programs and products on the Internet. Both parties shall cooperate with each other, in good faith, to agree in selecting the marketing materials that are ultimately placed on the web site.

(c) As part of the Program, Move.com shall provide monthly reports to Cendant Mortgage (Move.com Reports), in form and format reasonably acceptable to the Parties, that describe, among other things, the extent to which Move.com has met its obligations under the Program.

(d) In addition, Cendant Mortgage shall provide to Move.com its standard monthly reporting on registrations, cancellations, closings and pipeline so that Move.com may monitor the effectiveness and quality of the mortgage services provided by Cendant Mortgage.

2. COMPENSATION. For the four (4) month period from the Effective Date through April 30, 2000, Cendant Mortgage shall pay a fee to Move.com ("Marketing Fee") for the access and marketing provided under the Program. The amount of the Marketing Fee shall be $565,000. The Marketing Fee shall be paid within thirty (30) days after the Effective Date of this Agreement. The Parties each acknowledge and agree that the Marketing Fee reflects the reasonable and fair market value of the goods and services to be provided by Move.com under the Program, without regard to the value or volume of mortgage loans that may be attributable to the Program.

3. REGULATORY COMPLIANCE. Each party will comply with all applicable regulatory requirements of the United States or any state with respect to its services to be provided under this Agreement. Each party shall maintain any and all government approvals, licenses or authorizations required by the laws of the United States or any state to engage in the activities described in this Agreement.

4. RELATIONSHIP. The relationship between Cendant Mortgage and Move.com shall be that of independent contractors and neither party shall be or represent itself to be an agent, employee, partner or joint venturer of the other, nor shall either party have or represent itself to have any power or authority to act for, bind or commit the other. Cendant Mortgage shall have sole discretion and authority with respect to product development, origination, processing, underwriting and servicing of all mortgage financing.

5. CONFIDENTIAL INFORMATION. Each party recognizes that, during the term of this Agreement, its directors, officers or employees may obtain knowledge of trade secrets, membership lists and other confidential information of the other party which are valuable, special or unique to the continued business of that party. Accordingly, each party hereby agrees to hold such information in confidence and to use its best efforts to ensure that such information is held in confidence by its officers, directors and employees and to be utilized only in accordance with the terms of this Agreement.

6. TRADEMARKS. Each party shall grant the other party a license to use certain of its trademarks (the "Marks") during the term of this Agreement. Each party agrees that nothing herein shall give to the other party any right, title or interest in the other party's Marks, except to use the Marks in accordance with the terms of this Agreement and that

the Cendant Mortgage Marks and the Move.com Marks are the sole and exclusive property of Cendant Mortgage and Move.com, respectively.

7. DISCLAIMER. Neither Cendant Mortgage nor Move.com make any representation or warranty to the other regarding the effect that this Agreement and the consummation of the transactions contemplated hereby may have upon the Foreign, Federal, State or local tax liability of the other.

8. SEVERABILITY. If any provision of this Agreement should be invalid, illegal or in conflict with any applicable state or federal law or regulation, such law or regulation shall control, to the extent of such conflict, without affecting the remaining provisions of this Agreement.

9. TERM AND TERMINATION.

(a) The term of this Agreement shall be for a period of four (4) months commencing on the Effective Date unless earlier terminated in accordance with the provisions of this Section 9.

(b) Upon termination of this Agreement, as provided herein: (i) Move.com shall refrain from any and all further use of or reference to materials utilizing Cendant Mortgage in connection with this Agreement, unless otherwise agreed in writing by the parties; (ii) Cendant Mortgage shall continue to process, in due course, any mortgage loan applications submitted by Move.com's customers prior to termination of this Agreement; and (iii) Cendant Mortgage shall be obligated to pay any then due Marketing Fee; and (iv) the provisions of Sections 5 and 10 of this Agreement shall survive.

(c) When fully executed, this Agreement will constitute a binding obligation of both parties which may not be terminated by either party except in the event of a material breach of the terms of this Agreement by the other party. In the event of a material breach as set forth above, the breaching party shall be given written notice of such breach and the opportunity to cure such breach within thirty (30) days of the date of such notice. In the event the breaching party fails to cure such breach within the applicable period stated above, the other party shall have the right to immediately terminate this Agreement upon written notice to the breaching party.

10. HOLD HARMLESS.

(a) Cendant Mortgage agrees to indemnify, defend and hold Move.com harmless from and against any and all claims, suits, actions, liability, losses, expenses, or damages which may hereafter arise, which Move.com, its affiliates, directors, officers, agents or employees may sustain due to or arising out of any negligent act

or omission by Cendant Mortgage, its affiliates, officers, agents, representatives or employees or out of any act by Cendant Mortgage, its affiliates, officers, agents, representatives or employees in violation of this Agreement or in violation of any applicable law or regulation. Provided, however, the above indemnification shall not provide coverage for (i) any claim, suit, action, liability, loss, expense or damage that resulted from an act or omission of Move.com or (ii) the amount by which any cost, fee, expense or loss associated with any of the foregoing were increased as a result of an act or omission on the part of Move.com.

(b) Move.com agrees to indemnify, defend and hold Cendant Mortgage harmless from and against any and all claims, suits, actions, liability, losses, expenses, or damages which may hereafter arise, which Cendant Mortgage, its affiliates, directors, officers, agents or employees may sustain due to or arising out of any negligent act or omission by Move.com, its affiliates, officers, agents, representatives or employees or out of any act by Move.com, its affiliates, officers, agents, representatives or employees in violation of this Agreement or in violation of any applicable law or regulation. Provided, however, the above indemnification shall not provide coverage for (i) any claim, suit, action, liability, loss, expense or damage that resulted from an act or omission of Cendant Mortgage or (ii) the amount by which any cost, fee, expense or loss associated with any of the foregoing were increased as a result of an act or omission on the part of Cendant Mortgage.

11. NON-EXCLUSIVITY. The parties acknowledge and agree that the marketing and access services required of Move.com hereunder are provided under this Agreement on a non-exclusive basis and, as such, Move.com may enter into similar marketing agreements for the Program with parties other than Cendant Mortgage.

12. NOTICES. All notices required or permitted by this Agreement shall be in writing and shall be given by certified mail, return receipt requested or by reputable overnight courier with package tracing capability and sent to the address at the head of this Agreement or such other address that a party specified in writing in accordance with this paragraph.

13. AMENDMENT. The terms and conditions of this Agreement may not be modified or amended other than by a writing signed by both Parties.

14. ASSIGNMENT; BINDING NATURE. The terms of this Agreement shall be binding upon and shall inure to the benefit of the Parties hereto. This Agreement shall not be assigned by any party without the express prior written consent of the other party.

15. ENTIRE AGREEMENT. This Agreement and any exhibits, attachments and schedules attached hereto constitute the entire agreement between the Parties and supersede all oral or written negotiations (and prior agreements and understandings) of the Parties with respect to the subject matter hereof.

16. GOVERNING LAW. This Agreement shall be subject to and construed under the laws of the State of New Jersey, without reference to conflicts of law provisions thereof.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed the day and year first above written.

MOVE.COM OPERATIONS, INC.	CENDANT MORTGAGE CORPORATION
Signature: /s/ Barry Allen	Signature: /s/ Terence Edwards
By: Barry Allen	By: Terence Edwards
Title: CFO	Title: President & CEO
Date: 3/28/00	Date: March 23, 2000

Exhibit 10.7

PURCHASE AGREEMENT

PURCHASE AGREEMENT, dated as of March 28, 2000 (this "Agreement"), by and between Cendant Corporation, a Delaware corporation ("Cendant"), and Liberty Digital, Inc., a Delaware corporation ("Liberty Digital").

WHEREAS, Cendant has created a network of websites which offer a wide selection of quality relocation, real estate and home-related products and services primarily through a new internet portal at WWW.MOVE.COM (the "Move.com Group");

WHEREAS, Cendant has amended and restated its Certificate of Incorporation in order to authorize a new series of Cendant common stock, par value $.01 per share, intended to track the performance of Move.com Group; and

WHEREAS, Liberty Digital desires to purchase from Cendant, and Cendant desires to sell to Liberty Digital, 1,598,030 shares (the "Shares") of Move.com Common Stock ("Move.com Stock").

NOW, THEREFORE, in consideration of the representations, warranties, covenants and agreements contained in this Agreement, the parties hereby agree as follows:

ARTICLE I

THE PURCHASE

Section 1.1 PURCHASE AND SALE. (a) Upon the terms and subject to the conditions of this Agreement, at the Closing (as hereinafter defined), Cendant will issue to Liberty Digital, and Liberty Digital will purchase from Cendant, the Shares, in consideration for which, at the Closing, Liberty Digital will pay to Cendant (i) ten million dollars ($10,000,000) in cash (the "Cash Consideration") and (ii) a number of whole shares of Liberty Digital Series A common stock, par value $.01 per share ("Series A Common Stock"), as determined in accordance with paragraph (b) below (the "Purchaser Shares" and, together with the Cash Consideration, the "Purchase Price"). Upon the Closing, Liberty Digital shall pay the Cash Consideration to Cendant by wire transfer of immediately available funds to an account or accounts designated by Cendant in writing for such purpose prior to the Closing and delivery of Shares.

(b) The number of whole shares of Series A Common Stock to be delivered pursuant to Section 1.1.(a)(ii) hereof shall be determined by dividing (i) $40,000,000 by (ii) the average of the per share closing sales prices of the Series A Common Stock on the NASDAQ National Market System for the 20 consecutive trading days immediately preceding the third trading day prior to the Closing Date ("Liberty Digital Stock Value"). If the above calculation would result in the issuance of a fraction of a share of Series A Common Stock, such result will be rounded up to the nearest whole share.

Section 1.2 TIME AND PLACE OF CLOSING. Upon the terms and subject to the conditions of this Agreement, the closing of the transactions contemplated by this Agreement (the "Closing") will take place at the offices of Skadden, Arps, Slate, Meagher & Flom LLP, 4 Times Square, New York, New York 10036, at 9:00 a.m. (New York City time) on the third business day following the satisfaction or waiver of the conditions set forth in Article V, unless another time or date is agreed to by the parties hereto (the "Closing Date").

Section 1.3 DELIVERIES BY CENDANT. Subject to the terms and conditions hereof, at the Closing, Cendant will deliver the following to Liberty Digital:

(a) A certificate or certificates, duly registered on the stock books of Cendant in the name of Liberty Digital, representing the Shares;

(b) A counterpart to the Registration Rights Agreement (as hereinafter defined) duly executed by Cendant;

(c) The officer's certificate provided for in Section 5.3(c);

(d) A copy of the Amended and Restated Certificate of Incorporation of Cendant, as in effect on the Closing Date, certified by the Delaware Secretary of State within the five business day period prior to the Closing Date;

(e) A copy of the amended and restated By-laws of Cendant, as in effect on the Closing Date, certified as of the Closing Date by the Secretary or an Assistant Secretary of Cendant;

(f) A certificate of existence and good standing for Cendant in the State

of Delaware, certified by the Delaware Secretary of State within the five business day period prior to the Closing Date; and

(g) Such other documents as Liberty Digital may reasonably request relating to the existence of Cendant, the authority of Cendant to enter into, and the validity of, this Agreement and any other matters relevant hereto, all in form and substance reasonably satisfactory to Liberty Digital.

Section 1.4 DELIVERIES BY LIBERTY DIGITAL. Subject to the terms and conditions hereof, at the Closing, Liberty Digital will deliver the following to Cendant:

(a) The Cash Consideration in immediately available funds, in the manner set forth in Section 1.1 hereof;

(b) A certificate or certificates, duly registered on the stock books of Liberty Digital in the name of Cendant, representing the Purchaser Shares;

(c) The officer's certificate provided for in Section 5.2(c);

(d) A counterpart to the Registration Rights Agreement duly executed by Liberty Digital;

(e) A certificate of existence and good standing for Liberty Digital in the State of Delaware, certified by the Delaware Secretary of State within the five business day period prior to the Closing Date; and

(f) Such other documents as Cendant may reasonably request relating to the existence of Liberty Digital, the authority of Liberty Digital to enter into, and the validity of, this Agreement and any other matters relevant hereto, all in form and substance reasonably satisfactory to Cendant.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF CENDANT

Section 2.1 ORGANIZATION. Cendant is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and has the requisite corporate power and authority to carry on its business substantially as it is now being conducted.

Section 2.2 AUTHORITY. Cendant has the corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite corporate action on the part of Cendant. This Agreement has been validly executed and delivered by Cendant and (assuming this Agreement has been duly authorized, executed and delivered by Liberty Digital) constitutes a valid and binding agreement of Cendant, enforceable against Cendant in accordance with its terms, except that (a) such enforcement may be subject to any bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or other laws, now or hereafter in effect, relating to or limiting creditors' rights generally and (b) enforcement of this Agreement, including, among other things, the remedy of specific performance and injunctive and other forms of equitable relief, may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

Section 2.3 THE SHARES. As of the Closing Date, the Shares will be duly and validly authorized and, when a certificate evidencing the Shares is issued and delivered against payment of the Purchase Price in accordance with the terms of this Agreement, the Shares shall be duly and validly issued, fully paid and non-assessable. Upon issuance, the Shares will have the designations, preferences and relative participating, optional and other special rights, and qualifications, limitations or restrictions of the Move.com Stock, as set forth in the Amended and Restated Certificate of Incorporation of Cendant (the "Amended Charter"), a true and correct copy of which has been delivered to Liberty Digital, and as described in (a) the Proxy Statement of Cendant, dated February 10, 2000, and distributed to Cendant's stockholders in connection with the Special Meeting (the "Move.com Proxy Statement") and (b) the Registration Statement on Form S-3 filed by Cendant with the Securities Exchange Commission (the "SEC") on February 14, 2000 relating to the offering and sale of shares of Move.com Stock to the public (as such registration statement was filed and without giving effect to any amendments, modifications or

supplements thereto) (the "Move.com Registration Statement"). Delivery of the certificate(s) for the Shares will pass valid title to the Shares, free and clear of any claim, lien, charge, security interest, encumbrance, restriction on transfer or voting or other defect in title whatsoever ("Liens"), other than Liens resulting from any action(s) by Liberty Digital.

Section 2.4 CAPITALIZATION. The authorized capital of Cendant consists of 2,500,000,000 shares of common stock, par value $.01 per share (the "Common Stock") of which 2,000,000,000 have been designated as CD Common Stock ("CD Stock") and 500,000,000 have been designated as Move.com Stock, and 10,000,000 shares of preferred stock, par value $.01 per share (the "Preferred Stock"). As of January 24, 2000, there were 704,560,494 shares of CD Stock issued and outstanding, no shares of Move.com Stock issued and outstanding and no shares of Preferred Stock issued and outstanding.

Section 2.5 CONSENTS AND APPROVALS; NO VIOLATIONS. As of the date hereof and as of the Closing Date, neither the execution and delivery of this Agreement by Cendant, nor the consummation by Cendant of the transactions contemplated hereby will (a) conflict with or result in any breach of any provision of the Amended Charter or amended and restated by-laws of Cendant, (b) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation or acceleration) under, or require any consent under, any indenture, license, contract, agreement or other instrument or obligation to which the Cendant is a party, (c) violate any order, writ, injunction, decree or award rendered by any Governmental Entity (as hereinafter defined) or any statute, rule or regulation (collectively, "Laws" and, individually, a "Law") applicable to Cendant, or (d) require any filing with, or the obtaining of any permit, authorization, consent or approval of, any governmental or regulatory authority or court, domestic or foreign (a "Governmental Entity"), except in the case of clauses (c) and (d) of this Section 2.5, for the applicable requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act").

Section 2.6 SEC REPORTS. Since January 1, 1999, Cendant has filed all required reports, schedules, forms, statements and other documents, including exhibits and all other information incorporated therein (the "SEC Documents"), with the SEC. As of their respective dates, the SEC Documents complied in all material respects with the requirements of the Securities Act of 1933, as amended (the "Securities Act"), or the Securities Exchange Act of 1934, as amended, as the case may be, and the rules and regulations of the SEC promulgated thereunder applicable to such SEC Documents, and none of the SEC Documents when filed (as amended and restated and as supplemented by subsequently filed SEC Documents) contained

any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; PROVIDED, that the SEC Documents relating to the Tracking Stock Proposal and the proposed initial public offering of the Move.com Stock (including, without limitation, the Move.com Proxy Statement and the Move.com Registration Statement), each as amended and supplemented to the date hereof, do not as of the date hereof, and will not as of the Closing Date, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

Section 2.7 MOVE.COM GROUP. As of the date hereof and as of the Closing Date, the descriptions set forth in the Move.com Registration Statement of the businesses, assets and properties included in the Move.com Group (including the historical and pro forma financial information for those businesses, assets and properties included therein) and the contracts, agreements, arrangements and other relationships between the Cendant Group (as defined therein), on the one hand, and the Move.com Group, on the other, are true and complete in all material respects (without regard to any amendments or supplements to the Move.com Registration Statement following the date hereof).

Section 2.8 TAX TREATMENT OF MOVE.COM STOCK. On the Closing Date, shares of Move.com Stock will constitute stock of Cendant for purposes of the Internal Revenue Code of 1986, as amended.

Section 2.9 INVESTMENT REPRESENTATIONS. Cendant understands that the Purchaser Shares have not been registered under the Securities Act. Cendant also understands that the Purchaser Shares are being offered and sold pursuant to an exemption from registration contained in the Securities Act based in part upon Cendant's representations contained in the Agreement.
Cendant hereby represents and warrants as follows:

(a) CENDANT BEARS ECONOMIC RISK. Cendant has substantial experience in evaluating and investing in private placement transactions of securities in companies similar to Liberty Digital so that it is capable of evaluating the merits and risks of its investment in Liberty Digital and has the capacity to protect its own interests. Cendant must bear the economic risk of this investment indefinitely unless the Purchaser Shares are registered pursuant to the Securities Act or an exemption from registration is available. Cendant also understands that there is no assurance that any exemption from registration under the Securities Act will be available and that, even

if available, such exemption may not allow Cendant to transfer all or any portion of the Purchaser Shares under the circumstances in the amounts or at the times Cendant might propose.

(b) ACQUISITION FOR OWN ACCOUNT. Cendant is acquiring the Purchaser Shares for Cendant's own account for investment only and not with a view towards their distribution other than as contemplated herein.

(c) CENDANT CAN PROTECT ITS INTEREST. Cendant represents that by reason of its, or of its management's, business or financial experience, Cendant has the capacity to protect its own interests in connection with the transactions contemplated in this Agreement.

(d) ACCREDITED INVESTOR. Cendant represents that it is an accredited investor within the meaning of Regulation D under the Securities Act.

(e) CENDANT ACKNOWLEDGMENT. Cendant has conducted its own independent investigation, review and analysis of Liberty Digital. In entering into this Agreement, Cendant acknowledges that it has relied solely upon the representations and warranties made in Article III of this Agreement and/or the aforementioned investigation, review and analysis, and, other than with respect to the representations and warranties made in Article III of this Agreement, Cendant acknowledges that none of Liberty Digital, or any of its directors, officers, employees, affiliates, controlling persons, agents, advisors or representatives makes or has made any representation or warranty, either express or implied

(f) RULE 144. Cendant acknowledges and agrees that the Purchaser Shares must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available as contemplated herein. Cendant has been advised or is aware of the provisions of Rule 144 promulgated under the Securities Act, which permits limited resale of Purchaser Shares purchased in a private placement subject to the satisfaction of certain conditions, including, among other things: the availability of certain current public information about Liberty Digital, the resale occurring not less than one year after a party has purchased and paid for the security to be sold, the sale being through an unsolicited "broker's transaction" or in transactions directly with a market maker (as said term is defined under the Securities Exchange Act of 1934, as amended) and the number of Purchaser Shares being sold during any three-month period not exceeding specified limitations.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF LIBERTY DIGITAL

Section 3.1 ORGANIZATION. Liberty Digital is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and has the requisite corporate power and authority to carry on its business substantially as it is now being conducted.

Section 3.2 AUTHORITY RELATIVE TO THIS AGREEMENT. Liberty Digital has the corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite corporate action on the part of Liberty Digital. This Agreement has been duly and validly executed and delivered by Liberty Digital and (assuming this Agreement has been duly authorized, executed and delivered by Cendant) constitutes a valid and binding agreement of Liberty Digital, enforceable against Liberty Digital in accordance with its terms, except that (a) such enforcement may be subject to any bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or other laws, now or hereafter in effect, relating to or limiting creditors' rights generally and (b) enforcement of this Agreement, including, among other things, the remedy of specific performance and injunctive and other forms of equitable relief, may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

Section 3.3 CONSENTS AND APPROVALS; NO VIOLATIONS. Neither the execution and delivery of this Agreement by Liberty Digital, nor the consummation by Liberty Digital of the transactions contemplated hereby will (a) conflict with or result in any breach of any provision of the certificate of incorporation or by-laws (or similar organizational documents) of Liberty Digital, (b) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation or acceleration) under, or require any consent under, any indenture, license, contract, agreement or other instrument or obligation to which Liberty Digital is a party, (c) violate any order, writ, injunction, decree or award rendered by any Governmental Entity or Law applicable to Liberty Digital, or (d) require any filing with, or the obtaining of any permit, authorization, consent or approval of, any Governmental Entity, except in the case of clauses (c) and (d) of this Section 3.3, for the applicable requirements of the HSR Act.

Section 3.4 PURCHASER SHARES. The Purchaser Shares have been duly and validly authorized and, when a certificate evidencing the Purchaser Shares is issued

and delivered in accordance with the terms of this Agreement, the Purchaser Shares shall be duly and validly issued, fully paid and non-assessable. Other than as provided for herein, delivery of the certificate(s) for the Purchaser Shares will pass valid title to the Purchaser Shares, free and clear of any claim, lien, charge, security, interest, encumbrance, restriction on transfer or voting or other defect in title whatsoever ("Liens"), other than Liens resulting from any action(s) by Cendant.

Section 3.5 CAPITALIZATION. The authorized capital of Liberty Digital consists of 295,000,000 shares of Series A Common Stock, 200,000,000 shares of Series B Common Stock and 5,000,000 shares of preferred stock, par value $.01 per share (the "Preferred Stock"). As of January 31, 2000, there were 26,638,479 shares of Series A Common Stock issued and outstanding, 171,950,167 shares of Series B Common Stock issued and outstanding and 150,000 shares of Preferred Stock issued and outstanding, all of which are designated as Series B Preferred Stock.

Section 3.6 SEC REPORTS. Since January 1, 1998, Liberty Digital has filed all required reports, schedules, forms, statements and other documents, including exhibits and all other information incorporated therein (the "SEC Documents"), with the SEC. As of their respective dates, the SEC Documents complied in all material respects with the requirements of the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, as the case may be, and the rules and regulations of the SEC promulgated thereunder applicable to such SEC Documents, and none of the SEC Documents when filed (as amended and restated and as supplemented by subsequently filed SEC Documents) contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

Section 3.7 INVESTMENT REPRESENTATIONS. Liberty Digital understands that the Shares have not been registered under the Securities Act. Liberty Digital also understands that the shares are being offered and sold pursuant to an exemption from registration contained in the Securities Act based in part upon Liberty Digital's representations contained in the Agreement. Liberty Digital hereby represents and warrants as follows:

(a) LIBERTY DIGITAL BEARS ECONOMIC RISK. Liberty Digital has substantial experience in evaluating and investing in private placement transactions of securities in companies similar to Cendant and Move.com Group so that it is capable of evaluating the merits and risks of its investment in Cendant and Move.com Group and has the capacity to protect its own interests. Liberty Digital

must bear the economic risk of this investment indefinitely unless the Shares are registered pursuant to the Securities Act or an exemption from registration is available. Liberty Digital also understands that there is no assurance that any exemption from registration under the Securities Act will be available and that, even if available, such exemption may not allow Liberty Digital to transfer all or any portion of the Shares under the circumstances in the amounts or at the times Liberty Digital might propose.

(b) ACQUISITION FOR OWN ACCOUNT. Liberty Digital is acquiring the Shares for Liberty Digital's own account for investment only and not with a view towards their distribution.

(c) LIBERTY DIGITAL CAN PROTECT ITS INTEREST. Liberty Digital represents that by reason of its, or of its management's, business or financial experience, Liberty Digital has the capacity to protect its own interests in connection with the transactions contemplated in this Agreement.

(d) ACCREDITED INVESTOR. Liberty Digital represents that it is an accredited investor within the meaning of Regulation D under the Securities Act.

(e) LIBERTY DIGITAL ACKNOWLEDGMENT. Liberty Digital has conducted its own independent investigation, review and analysis of Cendant and Move.com Group. In entering into this Agreement, Liberty Digital acknowledges that it has relied solely upon the representations and warranties made in Article II of this Agreement, the information contained in the Move.com Registration Statement and the Move.com Proxy Statement and the aforementioned investigation, review and analysis, and, other than as specified above, Liberty Digital acknowledges that none of Move.com Group, Cendant, or any of its directors, officers, employees, affiliates, controlling persons, agents, advisors or representatives makes or has made any representation or warranty, either express or implied.

(f) RULE 144. Liberty Digital acknowledges and agrees that the Shares must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Liberty Digital has been advised or is aware of the provisions of Rule 144 promulgated under the Securities Act, which permits limited resale of shares purchased in a private placement subject to the satisfaction of certain conditions, including, among other things: the availability of certain current public information about Cendant, the resale occurring not less than one year after a party has purchased and paid for the security to be sold, the sale being through an unsolicited "broker's transaction" or in transactions directly with a market maker (as said term is defined under the Securities Exchange Act of

1934, as amended) and the number of shares being sold during any three-month period not exceeding specified limitation.

ARTICLE IV

COVENANTS

Section 4.1 CONSENTS; COOPERATION. Each of Cendant and Liberty Digital shall cooperate, and use its reasonable best efforts, to prepare and file all necessary materials with the appropriate Governmental Entities pursuant to the HSR Act within ten business days of the date of this Agreement. Each party covenants to (x) furnish the other party with such necessary or appropriate information and reasonable assistance as such other party may reasonably request in connection with its preparation of necessary filings and submission pursuant to the HSR Act and (y) use its commercially reasonable efforts to comply as promptly as possible with requests for additional information issued by applicable Governmental Entities pursuant to the HSR Act.

Section 4.2 FUTURE DEVELOPMENT EFFORTS.

(a) From and after the Closing Date, each of Cendant and Liberty Digital agrees to use good faith efforts to negotiate and enter into mutually acceptable agreements relating to the development of real estate related programming for Liberty Digital's interactive home channel based on Move.com Group's web content, subject to the negotiation of mutually agreeable terms between the parties relating to such efforts. Unless terminated by either party on or before any anniversary hereof occurring after the first anniversary hereof, such provision will automatically continue until the following anniversary hereof.

(b) From and after the Closing, each of Cendant and Liberty Digital agree to endeavor to introduce the respective parties to their business partners for purposes of enhancing their respective business development efforts for as long as Cendant and Liberty Digital mutually agree to provide each other such introductions; provided that the determination as to the appropriateness of making an introduction shall be in the introducing party's sole discretion.

(c) The provisions of this Section 4.2 shall not prohibit nor in any way interfere with the right of Liberty Digital, Move.com Group or Cendant, or any of their respective affiliates, to engage in any business or pursue any business opportunity (including entering into any agreement in connection therewith),

anywhere in the world, including those that may be in competition with, or complimentary to, any business engaged in by the other party or any of its affiliates.

Section 4.3 PUBLIC ANNOUNCEMENTS. Prior to the Closing, except as otherwise agreed to by the parties, neither party shall issue any report, statement or press release or otherwise make any public statements with respect to this Agreement and the transactions contemplated hereby, except as in the reasonable judgment of such party may be required by law or in connection with its obligations as a publicly-held, exchange-listed company, in which case the parties will use their reasonable best efforts to reach mutual agreement as to the language of any such report, statement or press release. Upon execution hereof and upon the Closing, Cendant and Liberty Digital will consult with each other with respect to the issuance of a joint report, statement or press release with respect to this Agreement and the transactions contemplated hereby.

Section 4.4 SALE OF PURCHASER SHARES.

(a) Until the second anniversary of the Closing, Cendant agrees not to sell, transfer or otherwise dispose of Purchaser Shares other than up to one-seventh of the Purchaser Shares in each fiscal quarter beginning with the fiscal quarter following the Closing Date; provided that such restrictions shall terminate if, at any time, Liberty Media Corporation, a Delaware corporation ("Liberty Media"), together with any affiliates of Liberty Media, fails to own at least 50% of the combined voting power of the securities of Liberty Digital. Cendant acknowledges that, until such time as the Liberty Digital Registration Statement becomes effective, the Purchaser Shares will constitute "restricted securities" as that term is used in Rule 144 promulgated under the Securities Act. The right to sell Purchaser Shares in any quarter pursuant to the foregoing sentence shall not cumulate except that if the Liberty Digital Registration Statement does not become effective within 90 days of the Closing Date such sale right will cumulate for each fiscal quarter for which Cendant was unable to sell the Purchaser Shares as a result of the failure of the Liberty Digital Registration Statement to be declared effective. Notwithstanding the foregoing, Liberty Digital shall have a one-time right to request, and Cendant agrees to comply with such request, that Cendant not sell the Purchaser Shares for a period not to exceed 42 days. Cendant agrees that Liberty Digital may instruct its transfer agent to place stop transfer notations in its records to enforce the immediately preceding sentence.

(b) Notwithstanding the foregoing, Cendant may subject the Purchaser Shares to liens, pledges or other security interests in connection with a bona fide financing so long as the pledgee or secured party executes an instrument

reasonably acceptable to Liberty Digital agreeing to be bound by the restrictions on transfer set forth in this Section 4.4.

Section 4.5 BOARD REPRESENTATION. Cendant agrees to nominate and appoint Lee Masters as a member of the Move.com Group advisory board or similar board, effective upon the later of the Closing Date or the formation of such board.

Section 4.6 REGISTRATION RIGHTS AGREEMENT. At the Closing, Cendant and Liberty Digital shall enter into a registration rights agreement, substantially in the form attached hereto as Exhibit B relating to the Shares (the "Registration Rights Agreement").

Section 4.7 REGISTRATION STATEMENT. Following the Closing, Liberty Digital shall prepare and file with the SEC a "shelf" registration statement on Form S-3 (the "Liberty Digital Registration Statement") to register the Purchaser Shares for resale by Cendant in accordance with the procedures described on EXHIBIT A to this Agreement.

Section 4.8 REDEMPTION. If Cendant redeems all of the shares of Move.com Stock in exchange for shares of Cendant common stock or other securities of Cendant it will use commercially reasonable efforts to ensure that shares of Move.com Stock held by Liberty Digital are redeemed in a transaction that does not give rise to United States federal income tax liability.

Section 4.9 SALE OF SHARES BELOW PURCHASE PRICE. If Cendant issues or sells Additional Shares of Move.com Stock (as defined below) after the date hereof for aggregate consideration of at least $10 million, in any transaction or series of related transactions (including in an initial public offering of the Move.com Stock (an "IPO"), for an Effective Price (as defined below) less than the Effective Price of the Shares (a "Qualifying Transaction"), Cendant shall transfer to Liberty Digital a number of shares of Series A Common Stock equal to the quotient of (a)(i) $50 million MINUS (ii) the product of (A) 1,598,030 (as adjusted for stock splits, stock dividends, combinations, or other recapitalizations occurring after the date hereof and affecting the Move.com Stock) MULTIPLIED BY (B) the Effective Price of the Additional Shares of Move.com Stock issued or sold in such Qualified Transaction, DIVIDED BY (b) the Liberty Digital Stock Value.

Cendant's obligation to transfer shares of Series A Common Stock pursuant to this Section 4.9 shall only apply to one Qualifying Transaction which occurs upon the earlier of (i) the consummation of an IPO or (ii) June 30, 2001 (the earlier of such dates, the "Measurement Date"). Within five business days following the

Measurement Date, Cendant shall transfer to Liberty Digital a number of shares of Series A Common Stock calculated pursuant to the formula described in the preceding paragraph, using the lowest Effective Price of the Additional Shares of Move.com Stock applicable to any Qualifying Transaction occurring after the date hereof and on or prior to the Measurement Date.

"ADDITIONAL SHARES OF MOVE.COM STOCK" shall mean all shares of Move.com Stock or securities convertible into or exercisable or exchangeable for Move.com Stock issued or issuable by Cendant other than (a) shares of Move.com Stock issued upon the conversion or exchange of (i) shares of Move.com, Inc. Common Stock outstanding on the date hereof and (ii) shares of CD Stock in accordance with the terms of the Amended Charter, (b) shares of Move.com Stock and/or options, warrants or other rights to acquire Move.com Stock and the Move.com Stock issued pursuant to such options, warrants or other rights to acquire shares issued to employees, officers or directors of, or consultants or advisors to Cendant or Move.com Group or any subsidiary pursuant to stock purchase or stock option plans or other arrangements, (c) shares of Move.com Stock issued or issuable pursuant to the exercise of options, warrants or convertible securities outstanding as of the date hereof, including the option granted to Chatham Street Holdings, LLC on September 30, 1999, (d) shares of Move.com Stock and/or options, warrants or other rights to acquire Move.com Stock and the Move.com Stock issued pursuant to such options, warrants or other rights which are issued for consideration other than cash pursuant to a merger, consolidation, acquisition or similar business combination approved by the Board, or (e) shares of Move.com Stock and/or options, warrants or other rights to acquire Move.com Stock issued pursuant to any bona fide lease, or debt financing from a bank or similar financial institution covered in (c). The "EFFECTIVE PRICE" of Additional Shares of Move.com Stock shall mean the quotient determined by dividing the total number of Additional Shares of Move.com Stock issued or sold by Cendant under this Section into the aggregate consideration received, or to be received or deemed to have been received by Cendant under this Section for such Additional Shares of Move.com Stock (including, in the case of options and warrants and other rights to acquire shares, the consideration received for such issuance as well as the exercise price payable, and in the case of indebtedness, preferred stock or other securities which are convertible into or exchangeable for Move.com Stock, the purchase price therefor together with the amount of indebtedness or other obligations to be cancelled upon the conversion or exchange of such indebtedness, preferred stock or other security in each case to the extent such options, warrants or other rights to acquire shares are not excluded from being Additional Shares of Move.com Stock pursuant to (a) through (e) above). The "EFFECTIVE PRICE OF THE SHARES" shall equal $31.29 per share as adjusted for stock splits, dividends, combinations or other recapitalizations occurring after the date hereof.

Section 4.10 EXCHANGE PROVISIONS. If the initial public offering of Move.com Stock has not been consummated by June 30, 2001, then Cendant and Liberty Digital agree to exchange the Shares for shares of Cendant common stock, par value $.01 per share ("CD Stock"), as follows: Liberty Digital shall receive a number of shares of CD Stock determined by dividing (a) $50 million by (b) the average of the per share closing prices of CD Stock on the New York Stock Exchange for the 20 consecutive trading days immediately preceding June 30, 2001 (appropriately adjusted in the event of any stock split, dividend, combination, recapitalization or similar event occurring during such 20 day period. The CD Stock delivered pursuant to this Section 4.10 shall be validly issued, fully paid and nonassessible and not subject to any Liens (other than as may be created by Liberty Digital) and will be registered under the Securities Act and freely tradable by Liberty Digital.

ARTICLE V

CONDITIONS AND TERMINATION

Section 5.1 CONDITIONS TO EACH PARTY'S OBLIGATIONS TO CONSUMMATE THE TRANSACTIONS UNDER THIS AGREEMENT. The respective obligations of each party to consummate the transactions contemplated hereby is subject to the satisfaction at or prior to the Closing of the following conditions:

(a) Any waiting periods applicable to the transactions contemplated by this Agreement under the HSR Act shall have expired or been terminated; and

(b) Neither Cendant nor Liberty Digital shall be subject to any order, decree or injunction of a court of competent jurisdiction, and no statute, rule or regulation shall have been enacted, promulgated or issued, which enjoins or prohibits the consummation of any of the transactions contemplated by this Agreement.

Section 5.2 CONDITIONS TO CENDANT'S OBLIGATIONS TO CONSUMMATE THE TRANSACTIONS UNDER THIS AGREEMENT. The obligation of Cendant to consummate the transactions contemplated hereby are further subject to the satisfaction or waiver of the following conditions:

(a) The representations and warranties of Liberty Digital contained in this Agreement shall be true and correct at and as of the Closing Date in all material respects as though such representations and warranties were made at and as of such date (except to the extent expressly made as of an earlier date, in which case, as of such date);

(b) Liberty Digital shall have performed and complied in all material respects with all agreements and obligations required by this Agreement to be performed or complied with by it on or prior to the Closing; and

(c) Liberty Digital shall have delivered to Cendant an officer's certificate to the effect that each of the conditions specified above in Sections 5.2(a) and (b) is satisfied.

Section 5.3 CONDITIONS TO LIBERTY DIGITAL'S OBLIGATIONS TO CONSUMMATE THE TRANSACTIONS UNDER THIS AGREEMENT. The obligation of Liberty Digital to consummate the transactions contemplated hereby are further subject to satisfaction or waiver of the following conditions:

(a) The representations and warranties of Cendant contained in this Agreement shall be true and correct at and as of the Closing Date in all material respects as though such representations and warranties were made at and as of such date (except to the extent expressly made as of an earlier date, in which case, as of such date);

(b) Cendant shall have performed and complied in all material respects with all agreements and obligations required by this Agreement to be performed or complied with by it on or prior to the Closing; and

(c) Cendant shall have delivered to Liberty Digital an officer's certificate to the effect that each of the conditions specified above in Sections 5.3(a) and (b) is satisfied.

ARTICLE VI

TERMINATION

Section 6.1 TERMINATION. This Agreement may be terminated and the transactions contemplated hereby may be abandoned at any time prior to the Closing Date:

(a) by mutual agreement of the parties; or

(b) by Cendant or Liberty Digital at any time after 90 days from the date of this Agreement if the Closing shall not have occurred by such date; PROVIDED, however, that the right to terminate this Agreement under this Section 6.1(b) shall not be available to a party if it has breached any of its representations, warranties or covenants hereunder in any material respect and such breach has been the cause of or resulted in the failure of the Closing to occur on or before such date.

Section 6.2 PROCEDURE FOR AND EFFECT OF TERMINATION. In the event of termination of this Agreement and the abandonment of the transactions contemplated hereby by the parties pursuant to Section 6.1 hereof, written notice thereof shall be given by a party so terminating to the other party and this Agreement shall forthwith terminate and shall become null and void and of no further effect, and the transactions contemplated hereby shall be abandoned without further action by Cendant or Liberty Digital. If this Agreement is terminated pursuant to Section 6.1 hereof:

(a) all filings, applications and other submissions made pursuant hereto shall, to the extent practicable, be withdrawn from the Governmental Entity to which made; and

(b) there shall be no liability or obligation hereunder on the part of Cendant or Liberty Digital or any of their respective directors, officers, employees, affiliates, controlling persons, agents or representatives, except that Cendant or Liberty Digital, as the case may be, may have liability to the other party if the basis of termination is a breach by Cendant or Liberty Digital, as the case may be, of one or more of the provisions of this Agreement, and except that the obligations provided for in this Section 6.2 shall survive any such termination.

ARTICLE VII

MISCELLANEOUS

Section 7.1 ENTIRE AGREEMENT. This Agreement constitutes the entire agreement of the parties relating to the subject matter hereof and supersedes other prior agreements and understandings between the parties both oral and written regarding such subject matter.

Section 7.2 SEVERABILITY. Any provision of this Agreement that is held by a court of competent jurisdiction to violate applicable law shall be limited or nullified only to the extent necessary to bring the Agreement within the requirements of such law.

Section 7.3 NOTICES. Any notice required or permitted by this Agreement must be in writing and must be sent by facsimile, by nationally recognized commercial overnight courier, or mailed by United States registered or certified mail, addressed to the other party at the address below or to such other address for notice (or facsimile number, in the case of a notice by facsimile) as a party gives the other party written notice of in accordance with this Section 7.3. Any such notice will be effective as of the date of receipt:

(a) if to Cendant, to

Cendant Corporation
9 West 57th Street
37th Floor
New York, New York 10019
Fax: (212) 413-1922/23
Attention: Eric J. Bock
Senior Vice President, Legal

(b) if to Liberty Digital, to

Liberty Digital Inc.
12312 W. Olympic Blvd.
Los Angeles, CA 90064
Fax:
Attention: Craig Enenstein
Vice President, Business Development
and Strategy

(c) with a copy (which shall not constitute effective notice) to

Baker Botts, L.L.P.
599 Lexington Avenue
New York, New York 10022
Fax: (212) 705-5125
Attention: Frederick H. McGrath
Craig Troyer

Section 7.4 GOVERNING LAW; JURISDICTION. This Agreement shall be governed by, enforced under and construed in accordance with the laws of the State of New York, without giving effect to any choice or conflict of law provision or rule thereof. Each of the parties hereto hereby irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of the State of New York and of the United States of America in each case located in the County of New York for any litigation arising out of or relating to this Agreement and the transactions contemplated hereby (and agrees not to commence any litigation relating thereto except in such courts) and further agrees that service of any process, summons, notice or document by U.S. registered mail to its respective address set forth in Section 7.3 (or to such other address for notice that such party has given the other party written notice of in accordance with Section 7.3) shall be effective service of process for any litigation brought against it in any such court. Each of the parties hereto hereby irrevocably and unconditionally waives any objection to the laying of venue of any litigation arising out of this Agreement or the transactions contemplated hereby in the courts of the State of New York or of the United States of America in each case located in the County of New York and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such litigation brought in any such court has been brought in an inconvenient forum.

Section 7.5 DESCRIPTIVE HEADINGS. The descriptive headings herein are inserted for convenience of reference only and shall in no way be construed to define, limit, describe, explain, modify, amplify, or add to the interpretation, construction or meaning of any provision of, or scope or intent of, this Agreement nor in any way affect this Agreement.

Section 7.6 COUNTERPARTS. This Agreement may be signed in counterparts and all signed copies of this Agreement will together constitute one original of this Agreement. This Agreement shall become effective when each party hereto shall have received counterparts thereof signed by all the other parties hereto.

Section 7.7 ASSIGNMENT. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other party, except that Liberty Digital may cause the Shares to be sold to, and registered in the name of, a wholly owned direct or indirect subsidiary of Liberty Digital. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Section 7.8 DEFINITION OF "SHARES" AND "PURCHASER SHARES." As used in this Agreement, the term "Shares" includes (a) all dividends (other than ordinary cash dividends with a record date prior to the Closing) and distributions declared by Cendant on the Shares subsequent to the date hereof and prior to the Closing and (b) shall be appropriately adjusted to give effect to any subdivision, combination or reclassification of the Shares effected prior to the Closing. As used in this Agreement, the term "Purchaser Shares" includes (a) all dividends (other than ordinary cash dividends with a record date prior to the Closing) and distributions declared by Liberty Digital on the Purchaser Shares subsequent to the date hereof and prior to the Closing and (b) shall be appropriately adjusted to give effect to any subdivision, combination or reclassification of the Purchaser Shares effected prior to the Closing.

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly signed as of the date first above written.

CENDANT CORPORATION

By: /s/ Samuel L. Katz

Name:
Title:

LIBERTY DIGITAL, INC.

By: /s/ Lee Masters

Name: Lee Masters
Title: President

EXHIBIT A

REGISTRATION PROCEDURES

The rights and obligations of Cendant and Liberty Digital with respect to the registration, offer and sale of the Purchaser Shares contemplated in Section 4.7 of the Agreement are as set forth on this Exhibit A.

Section 1. DEFINITIONS; INTERPRETATION.

1.1 DEFINITIONS. As used in this Exhibit A, the following terms have the following meanings.

"ACTION" has the meaning set forth in Section 3.3.

"AGREEMENT" means the Purchase Agreement, dated as of March 28, 2000, between Liberty Digital and Cendant, to which this Exhibit A is annexed, as such agreement may be amended, supplemented or modified in accordance with its terms.

"COMMISSION" means the Securities and Exchange Commission.

"LIBERTY DIGITAL INDEMNIFIED PARTIES" has the meaning set forth in Section 3.2.

"PERSON" means an individual, partnership, corporation, trust, limited liability company, unincorporated organization or government or political department or agency thereof or other entity.

"REGISTERED SHARES" means (i) the shares of Series A Common Stock issued and delivered to Cendant pursuant to the Agreement and (ii) any shares of capital stock issued with respect to or in exchange for the shares referred to in the preceding clause (i) by way of a stock dividend or stock split or in connection with a recapitalization or a merger, consolidation or other reorganization. As to any particular Registered Shares, such shares shall cease to be Registered Shares when (i) the Liberty Digital Registration Statement shall have become effective under the Securities Act and such Registered Shares shall have been disposed of in accordance with the Liberty Digital Registration Statement, (ii) such shares shall have been distributed pursuant to Rule 144 (or any successor provision then in force) under the Securities Act, (iii) such shares shall have been otherwise transferred, new certificates or other evidences of ownership for them not bearing a legend restricting further transfer and not subject to any stop transfer order or other restrictions on transfer shall have been delivered by Liberty Digital or the transfer agent for such shares and subsequent disposition of such shares shall not require registration or qualification under the Securities Act or any state securities laws then in force, (iv) such shares shall become eligible for sale pursuant to Rule 144(k) or (v) such shares shall cease to be outstanding.

"REGISTRATION EXPENSES" means the following expenses incident to Liberty Digital's performance of its obligations hereunder: (i) registration and filing fees with the Commission; (ii) fees and expenses of compliance with state securities or "blue sky" laws (including reasonable fees and disbursements of "blue sky" counsel); (iii) printing expenses, messenger and delivery expenses; (iv) fees and expenses incurred in connection with the listing of the Registered Shares on the Nasdaq National Market or on such securities exchange or other national market system on which shares of Liberty Digital Common Stock may then be principally traded; and (v) fees and expenses of counsel for Liberty Digital and of its independent certified public accountants, including the expenses of any special audits or "cold comfort" letters. The term "Registration Expenses" does not include, and Liberty Digital shall not be responsible for: (1) brokerage commissions, underwriting discounts and commissions and transfer taxes attributable to the sale of any of the Registered Shares; (2) fees and disbursements of underwriters and underwriters counsel (other than fees and expenses of such counsel incurred in connection the "blue sky" qualification of the Registered Shares); (3) fees and disbursements of counsel or of any experts retained by Cendant in connection with the registration of the Registered Shares or the disposition of such securities; or (4) any other out-of-pocket expenses of Cendant.

"SELLER INDEMNIFIED PARTIES" has the meaning set forth in Section 3.1.

All other capitalized terms used herein and not otherwise defined have the meanings ascribed thereto in the Agreement.

1.2 INTERPRETATION. When a reference is made in this Exhibit A to a Section, such reference shall be to a Section of this Exhibit A, unless otherwise clearly indicated. The headings contained in this Exhibit A are for reference purposes only and shall not affect in any way the meaning or interpretation of this Schedule or the Agreement. Whenever the word "including" is used in this Exhibit A, it shall be deemed to be followed by the words "without limitation". The use of any gender herein shall be deemed to be or include the other genders and the use of the singular herein shall be deemed to be or include the plural (and VICE VERSA), wherever appropriate.

Section 2. REGISTRATION.

2.1 REGISTRATION PROCEDURES.

Following the Closing, Liberty Digital shall (i) prepare and, as soon as practicable thereafter but in no event more than 60 days following the Closing Date, cause to be filed with the Commission the Liberty Digital Registration Statement, and (ii) use its commercially reasonable efforts to cause the Liberty Digital Registration Statement to be declared effective at the earliest practicable date. In connection with such registration of the Liberty Digital Shares, Liberty Digital shall:

(i) prepare and file with the Commission such amendments and supplements to the Liberty Digital Registration Statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all Registered Shares covered by such registration statement until such time as all of such Registered Shares have been disposed of in accordance with the intended methods of disposition thereof as set forth in such registration statement;

(ii) furnish to Cendant and any managing underwriter such number of conformed copies of such registration statement and of each amendment and supplement thereto (in each case including all exhibits), such number of copies of the prospectus included in such registration statement (including each preliminary prospectus), and such other documents as Cendant or such managing underwriter may reasonably request to facilitate the disposition of the Registered Shares in accordance with the intended methods of disposition thereof as set forth in such registration statement;

(iii) use its commercially reasonable efforts to register or qualify all the Registered Shares under such securities or "blue sky" laws of such jurisdictions as Cendant shall reasonably request (given the intended methods of distribution), and do any and all other acts and things which may be reasonably necessary or advisable to enable Cendant to consummate the disposition in such jurisdictions of his Registered Shares covered by such registration statement; PROVIDED that in connection therewith Liberty Digital shall not be required to register or qualify any Registered Shares under the securities or "blue sky" laws of any jurisdiction where Liberty Digital would be required (x) to qualify to do business as a foreign corporation or as a dealer in such jurisdiction, (y) to conform its capitalization or the composition of its assets at the time to the securities or "blue sky" laws of such jurisdiction or (z) to take any action that would subject it to service of process in suits other than those arising out of the offer and sale of the Registered Shares covered by such registration statement or subject itself to taxation in such jurisdiction;

(iv) immediately notify Cendant, at any time when a prospectus relating thereto is required to be delivered pursuant to the Securities Act, of the happening of any event which comes to the attention of Liberty Digital and as a result of which the prospectus included in such registration statement, as then in effect, would 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, in the light of the circumstances under which they were made, not misleading, and, subject to Section 2.4(c), Liberty Digital will promptly prepare and furnish to Cendant a supplement to or an amendment of such prospectus so that, as thereafter delivered to the purchasers of such Registered Shares, such prospectus will not contain an untrue statement of material fact or omit to state a

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;

(v) immediately notify Cendant of the issuance or, to the knowledge of Liberty Digital, threatened issuance of any stop order by the Commission suspending the effectiveness of the registration statement or of the receipt by Liberty Digital of any notification with respect to the suspension or threatened suspension of the qualification of any Registered Shares for sale under the securities or blue sky laws of any jurisdiction, and Liberty Digital shall take all practicable action necessary (A) to prevent the entry of any threatened stop order or any threatened suspension or (B) to remove any stop order or lift any suspension once entered;

(vi) otherwise use its commercially reasonable efforts to comply with all applicable rules and regulations of the Commission, and make available to its securities holders as promptly as practicable an earnings statement covering a period of twelve months beginning after the effective date of such registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 promulgated thereunder;

(vii) enter into customary agreements (including an underwriting agreement containing customary terms and conditions) and take such other actions as are reasonably required to facilitate the disposition of such Registered Shares; and

(viii) use its reasonable best efforts to cause the Registered Shares to be listed on the Nasdaq National Market or on such other securities exchange or national market system on which securities of Liberty Digital of the same class are then principally traded.

2.2 REGISTRATION EXPENSES. Liberty Digital will pay all Registration Expenses in connection with the registration of Registered Shares pursuant to Section 2.1. Cendant will pay, and hold Liberty Digital harmless from, all other costs and expenses incurred by or on behalf of Cendant or Cendant in connection with an offer and sale or other disposition of Registered Shares pursuant to this Exhibit A.

2.3 PREPARATION; REASONABLE INVESTIGATION. In connection with the preparation and filing of the Liberty Digital Registration Statement, Liberty Digital shall provide Cendant and its attorneys and accountants the opportunity to participate in the preparation of such registration statement, each prospectus included therein or filed with the Commission, and each amendment thereof or supplement thereto, and shall make available and give each of them such access to its books and records, pertinent corporate documents and such opportunities to discuss the business of Liberty Digital with its employees as shall be necessary for Cendant to conduct a reasonable investigation within the meaning of Section 11 of the Securities Act. Liberty Digital

shall not file any registration statement, any prospectus included therein or any amendment thereof or supplement thereto with the Commission over the reasonable objections of counsel for Cendant.

2.4 CERTAIN COVENANTS. In addition to the obligations under the Agreement, including but not limited to Section 4.4 thereof, Cendant agrees with Liberty as follows: (a) Cendant shall furnish to Liberty Digital such information regarding Cendant, its intended method of distribution of Registered Shares and such other information as Liberty Digital may from time to time reasonably request for purposes of preparation of the Liberty Digital Registration Statement and to maintain the effectiveness of such registration statement.

(b) At least two business days prior to any disposition of Registered Shares by Cendant, Cendant will orally advise Liberty Digital of the dates on which such disposition is expected to commence and terminate, the number of Registered Shares expected to be sold, the method of disposition and such other information as Liberty Digital may reasonably request in order to supplement the prospectus contained in the registration statement in accordance with the rules and regulations of the Commission. Promptly after receiving such advice, Liberty Digital will, if necessary, (i) prepare a supplement to the prospectus based upon such advice and file the same with the Commission pursuant to Rule 424(b) under the Securities Act and (ii), if necessary, qualify the Registered Shares to be sold under the securities or blue sky laws of such jurisdictions in the United States as Cendant shall reasonably request (subject to the proviso of Section 2.1(iii)).

(c) Liberty Digital may postpone the filing or the effectiveness of the Liberty Digital Registration Statement or suspend the use of the Liberty Digital Registration Statement for a period of time, not to exceed 180 days in any 12-month period, if Liberty Digital determines that the filing or continued use of the Liberty Digital Registration Statement would require Liberty Digital to disclose a material financing, acquisition or other corporate development of Liberty Digital or any of its affiliates and Liberty Digital shall have determined that such disclosure is not in the best interest of Liberty Digital (any such determination to be made by resolution of the Board of Directors of Liberty Digital); provided that (i) each executive officer and director of Liberty Digital and (ii) each holder of more than 1% of any class of capital stock of Liberty Digital (who, in the case of (ii) above is entitled to similar registration rights granted by Liberty Digital), are subject to restrictions substantially equivalent to those imposed on Cendant.

(d) Cendant agrees that, upon receipt of any notice from Liberty Digital of the happening of any event of the kind described in Section 2.1(iv), Cendant will forthwith discontinue disposition of the Registered Shares pursuant to such registration statement until receipt of copies of the supplemented or amended prospectus contemplated by Section 2.1(iv), and, if so directed by Liberty Digital, will deliver to Liberty Digital all copies of the prospectus covering the Registered Shares in its possession at the time of receipt of such notice.

(e) Cendant shall, at any time it is engaged in a distribution of Registered Shares, comply with all applicable laws, including Regulation M promulgated under the Exchange Act and (i) will not engage in any stabilization activity in connection with the

securities of Liberty Digital in contravention of such rules, (ii) will distribute the Registered Shares solely in the manner described in the Liberty Digital Registration Statement and (iii) will not bid for or purchase any securities of Liberty Digital or attempt to induce any person to purchase any securities of Liberty Digital other than as permitted under the Exchange Act.

(f) Cendant shall provide such information and materials, execute all such documents and take all such other actions as Liberty Digital shall reasonably request in order to permit Liberty Digital to comply with all applicable requirements of law and to effect the registration of Cendant's Registered Shares.

Section 3. INDEMNIFICATION.

3.1 INDEMNIFICATION BY LIBERTY DIGITAL. Liberty Digital will indemnify and hold harmless Cendant, its directors, officers and partners and each other Person, if any, who controls Cendant within the meaning of the Securities Act or the Exchange Act ("Seller Indemnified Parties"), against any and all losses, claims, damages or liabilities, joint or several, and expenses to which the Seller Indemnified Parties, or any of them, may become subject, insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) or expenses arise out of or are based upon (x) any untrue statement or alleged untrue statement of any material fact contained in the Liberty Digital Registration Statement, any preliminary, final or summary prospectus included therein, or any amendment or supplement thereto, or (y) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and Liberty Digital will reimburse such Seller Indemnified Parties for any legal or any other expenses reasonably incurred by them in connection with investigating or defending such loss, claim, liability, action or proceeding; PROVIDED, that Liberty Digital shall not be liable to any Seller Indemnified Party to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon (i) any actual or alleged untrue statement in or any actual or alleged omission from, the Liberty Digital Registration Statement or amendment or supplement thereto or any preliminary, final or summary prospectus, in reliance upon and in conformity with written information furnished by or on behalf of Cendant to Liberty Digital specifically for use in the preparation thereof, (ii) any actual or alleged untrue statement of a material fact or any actual or alleged omission of a material fact required to be stated in any preliminary prospectus if Cendant sells Registered Shares to a Person to whom there was not sent or given, at or prior to the written confirmation of such sale, a copy of the final prospectus or of the final prospectus as then amended or supplemented, whichever is most recent, if Liberty Digital had previously furnished copies thereof to Cendant or its representatives and such final prospectus, as then amended or supplemented, corrected any such misstatement or omission, (iii) the use of any preliminary, final or summary prospectus by or on behalf of Cendant after Liberty Digital has notified Cendant, in accordance with Section 2.1(iv), that such prospectus contains an untrue statement of a material fact or omits to state a material fact required to be stated therein, in the light of the circumstances under which they were made, not misleading, (iv) the use of any final prospectus, as amended or supplemented, by or on behalf of Cendant after such time as the obligation of Liberty Digital under Section 2.1(i) to keep the related registration statement effective has expired or (v) any violation of any federal or state securities laws, rules or regulations committed

by Cendant (other than any violation that arises out of or is based upon the circumstances described in clause (x) or (y) above and as to which Cendant would otherwise be entitled to indemnification hereunder).

3.2 INDEMNIFICATION BY CENDANT. Cendant will indemnify and hold harmless Liberty Digital, each of its directors and officers, and each Person, if any, who controls Liberty Digital within the meaning of the Securities Act or the Exchange Act (the "Liberty Digital Indemnified Parties"), against any and all losses, claims, damages or liabilities, joint or several, and expenses to which the Liberty Digital Indemnified Parties may become subject, insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) or expenses arise out of or are based upon (i) any untrue statement or alleged untrue statement of any material fact contained in the Liberty Digital Registration Statement, any preliminary, final or summary prospectus included therein, or amendment or supplement thereto, or 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, if the statement or omission was made in reliance upon and in conformity with written information furnished to Liberty Digital by or on behalf of Cendant specifically for use in the preparation thereof, (ii) the use of any prospectus by or on behalf of Cendant (x) after Liberty Digital has notified Cendant that such prospectus contains an untrue statement of a material fact or omits to state a material fact required to be stated therein, in light of the circumstances under which they were made, not misleading or (y) after such time as the obligation of Liberty Digital to keep the Liberty Digital Registration Statement effective and current has expired, (iii) the failure to send or deliver to a Person to whom Cendant sells Registered Shares, at or prior to the written confirmation of sale, a copy of the final prospectus or of the final prospectus as then amended or supplemented, whichever is most recent, if Liberty Digital had previously furnished copies thereof to Cendant or its representatives, or (iv) any violation by Cendant of any federal or state securities law or rule or regulation thereunder (other than any violation that arises out of or is based upon the circumstances described in clause (x) or (y) of Section 3.1 above and as to which Cendant is entitled to indemnification thereunder). Notwithstanding the foregoing, Cendant shall not be liable under this Section 3.2 for any amounts exceeding the gross proceeds received by Cendant in connection with the sale of Cendant's Registered Shares.

3.3 INDEMNIFICATION PROCEDURES. Any Person that proposes to assert the right to be indemnified under this Section 3 shall, promptly after receipt of notice of any claim, action, suit, proceeding or other litigation (collectively, an "Action") against such Person in respect of which a claim is to be made against an indemnifying party under this Section 3, notify such indemnifying party of the commencement of such Action, enclosing a copy of all papers served, but the omission so to notify such indemnifying party of any such Action shall not relieve it from any liability that it may have to any indemnified party otherwise than under this Section 3, except to the extent that such indemnifying party is prejudiced by such failure to give notice. In case any such Action shall be brought and notice given to the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate in and to assume the defense thereof, with counsel satisfactory to the indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party for any further legal or other

expenses incurred by such indemnified party, except as provided below and except for the reasonable costs of investigation subsequently incurred by such indemnified party in connection with the defense thereof. The indemnified party shall have the right to employ separate counsel and to participate in (but not control) any such Action, but the fees and expenses of such counsel shall be the expense of such indemnified party unless (i) the employment of counsel by such indemnified party has been authorized by the indemnifying party, (ii) the indemnified party shall have been advised by its counsel in writing that there are legal defenses available to it that are different from or in addition to those available to the indemnifying parties, (iii) the indemnified party shall have been advised by its counsel in writing that there is a conflict of interest between the indemnifying party and the indemnified party in the conduct of the defense of such Action (in which case the indemnifying party shall not have the right to direct the defense of such Action on behalf of the indemnified party) or (iv) the indemnifying party shall not in fact have employed counsel to assume the defense of such Action, in each of which cases the fees and expenses of such counsel shall be at the expense of the indemnifying party. An indemnifying party shall not be liable for any settlement of an Action effected without its written consent (which consent shall not be unreasonably withheld). No indemnifying party will consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect of such Action. An indemnifying party who is not entitled to, or elects not to, assume the defense of an Action will not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such Action.

3.4 CONTRIBUTION. If recovery is not available under the foregoing indemnification provisions, for any reason other than as specified therein, the parties entitled to indemnification by the terms thereof shall be entitled to contribution for any and all losses, claims, damages or liabilities, joint or several, and expenses to which they may become subject, in such proportion as is appropriate to reflect the relative fault of the parties entitled to indemnification, on the one hand, and the indemnifying parties, on the other, in connection with the matter out of which such losses, claims, damages, liabilities or expenses arise or result from. In determining the amount of contribution to which the respective parties are entitled, there shall be considered the parties' relative knowledge and access to information concerning the matter with respect to which the Action was asserted, the opportunity to correct and prevent any statement or omission, and any other equitable considerations appropriate under the circumstances. Liberty Digital and Cendant agree that it would not be equitable if the amount of such contribution were determined by pro rata or per capita allocation.

Section 4. RULE 144. Liberty Digital hereby covenants to use its best efforts to file in a timely manner all reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the Commission thereunder (or, if at any time Liberty Digital is not required to file such reports, it will, upon the request of Cendant, make publicly available other information so long as necessary to permit sales under Rule 144 under the Securities Act), and it will take such further action as Cendant may reasonably request, all to the extent required from time to time to enable Liberty Digital to meet the requirements for issuers entitled to register securities on Form S-3 or any successor form.

Exhibit 10.8

EXHIBIT B

REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT, dated as of March [ ], 2000 by and between Cendant Corporation, a Delaware corporation ("Cendant"), and Liberty Digital, Inc., a Delaware corporation ("Liberty Digital").

1. INTRODUCTION. Cendant is a party to a Purchase Agreement (the "Purchase Agreement") with Liberty Digital, pursuant to which Cendant has agreed, among other things, to issue to Liberty Digital shares of a new series of Cendant common stock, par value $.01 per share (the "Move.com Stock"). This Agreement shall become effective upon the issuance of such shares to Liberty Digital pursuant to the Purchase Agreement (the date of such issuance being the "Closing Date"). Certain capitalized terms used in this Agreement are defined in Section 3 hereof; references to Sections shall be to sections of this Agreement.

2. REGISTRATION UNDER SECURITIES ACT, ETC.

2.1 REGISTRATION ON REQUEST.

(a) REQUEST. Subject to Section 2.5, Liberty Digital may make up to (2) written requests that Cendant effect the registration under the Securities Act of all or part of the Registrable Securities (a "Demand Registration"). Any request for a Demand Registration will specify the aggregate number of Registrable Securities proposed to be sold and the intended method of disposition thereof. Cendant will, subject to the terms of this Agreement, use reasonable efforts to effect such registration under the Securities Act of:

(i) the Registrable Securities which Cendant has been so requested to register by Liberty Digital for disposition in accordance with the intended method of disposition stated in such request; and

(ii) all securities which Cendant may elect to register in connection with the offering of Registrable Securities pursuant to this Section 2.1,

all to the extent necessary to permit the disposition (in accordance with the intended methods thereof as aforesaid) of the Registrable Securities and the additional securities

referred to in clause (ii) above, if any, so to be registered, PROVIDED that Cendant shall not be required to effect any registration of Registrable Securities pursuant to this Section 2.1 unless the aggregate value of the Registrable Securities requested to be registered by Liberty Digital is equal to or greater than $10 million.

(b) REGISTRATION STATEMENT FORM. Registrations under Section 2.1(a) shall be on such appropriate registration form of the Commission (i) as shall be selected by Cendant and (ii) as shall permit the disposition of such Registrable Securities in accordance with the intended method or methods of disposition specified in the request for such registration.

(c) EXPENSES. Cendant shall pay any Registration Expenses (excluding underwriting discounts and commissions, the fees of Liberty Digital's counsel and transfer taxes, if any) in connection with each registration requested under Section 2.1(a). Underwriting discounts and commissions and transfer taxes (if any) in connection with each such registration shall be allocated PRO RATA among all persons on whose behalf securities of Cendant are included in such registration, on the basis of the respective amounts of the securities then being registered on their behalf.

(d) EFFECTIVE REGISTRATION STATEMENT. A registration requested pursuant to Section 2.1(a) shall not be deemed to have been effected (i) unless a registration statement with respect thereto has become effective, PROVIDED that a registration which does not become effective after Cendant has filed a registration statement with respect thereto solely by reason of the refusal to proceed of Liberty Digital (other than a refusal to proceed based upon the advice of counsel to Liberty Digital relating to a matter with respect to Cendant, in which case the registration shall be deemed not to have been effected) shall be deemed to have been effected by Cendant at the request of Liberty Digital, (ii) if, after it has become effective, such registration becomes subject to, for longer than 60 days, any stop order, injunction or other order or requirement of the Commission or other governmental agency or court for any reason which would prevent the effectiveness of the registration statement or (iii) the conditions to closing specified in the purchase agreement or underwriting agreement entered into in connection with such registration are not satisfied, other than by reason of an act or omission by Liberty Digital.

(e) SELECTION OF UNDERWRITERS. If a registration pursuant to Section 2.1(a) involves an underwritten offering, the underwriter or underwriters thereof shall be selected by Cendant, provided that if Liberty Digital reasonably objects to the qualifications of such underwriter or underwriters, Cendant shall select one or more underwriters other than the underwriter or underwriters to which objection was so made.

(f) PRIORITY IN REQUESTED REGISTRATIONS. If a registration pursuant to Section 2.1(a) involves an underwritten offering, and the managing underwriter shall advise Cendant in writing (with a copy to Liberty Digital) that, in its opinion, the number of securities requested to be included in such registration (including securities of Cendant which are not Registrable Securities) exceeds the number which can be sold in such offering, Cendant will include in such registration, to the extent of the number which Cendant is so advised can be sold in such offering, (i) first, Registrable Securities requested to be included in such registration by Liberty Digital and (ii) second, securities Cendant proposes to sell. If any shares requested to be included in such registration by Liberty Digital are excluded from registration, then Liberty Digital shall have the right to withdraw all, or any part, of its shares from such registration and if all shares are withdrawn in full such Demand Registration shall not be deemed to have been effected and will not count as a Demand Registration.

2.2 INCIDENTAL REGISTRATION. Subject to Section 2.5, if Cendant at any time after the Closing Date proposes to register any shares of Move.com Stock under the Securities Act (other than on Form S-4 or S-8 or any successor or similar forms and other than pursuant to Section 2.1), whether or not for sale for its own account, it will each such time give prompt written notice to Liberty Digital of its intention to do so and of Liberty Digital's rights under this Section 2.2; PROVIDED that Cendant will not give such notice and will have no obligation to effect any registration of any Registrable Securities under this Section 2.2 if the proposed registration is pursuant to an agreement in effect on the date hereof which prohibits other holders of shares of Move.com Stock from participating in such registration. Upon the written request of Liberty Digital made within 10 business days after the receipt of any such notice (which request shall specify the Registrable Securities intended to be disposed of by Liberty Digital and the intended method of disposition thereof, provided that if the shares to be registered by Cendant are to be distributed through one or more underwriters as provided in Section 2.4 Liberty Digital must agree to distribute such Registrable Securities by or through such underwriter or underwriters), Cendant will, subject to the terms of this Agreement, use its reasonable efforts to effect the registration under the Securities Act of all Registrable Securities which Cendant has been so requested to register by Liberty Digital, to the extent required to permit the disposition (in accordance with the intended methods thereof as aforesaid) of the Registrable Securities so to be registered, by inclusion of such Registrable Securities in the registration statement which covers the shares of Move.com Stock which Cendant proposes to register (whether or not for sale for its own account); PROVIDED, that if, at any time after giving written notice of its intention to register any securities and prior to the effective date of the registration statement filed in connection with such registration, Cendant shall determine for any reason either not

to register or to delay registration of such securities, Cendant may, at its election, give written notice of such determination to Liberty Digital and, thereupon, (i) in the case of a determination not to register, shall be relieved of its obligation to register any Registrable Securities in connection with such registration (but not from its obligation to pay the Registration Expenses in connection therewith), without prejudice, however, to the rights of Liberty Digital to request that such registration be effected as a Demand Registration, and (ii) in the case of a determination to delay registering, shall be permitted to delay registering any Registrable Securities, for the same period as the delay in registering such other securities. No registration effected under this Section 2.2 shall relieve Cendant of its obligation to effect any Demand Registration, nor shall any such registration hereunder be deemed to be a Demand Registration. Cendant will pay all Registration Expenses in connection with each registration of Registrable Securities requested pursuant to this Section 2.2.

2.3 REGISTRATION PROCEDURES. If and whenever Cendant is required to use its reasonable efforts to effect the registration of any Registrable Securities under the Securities Act as provided in Sections 2.1 and 2.2, Cendant shall:

(i) prepare and file (in the case of a Demand Registration, such filing to be made within 60 days after the initial request of Liberty Digital with the Commission the requisite registration statement to effect such registration and thereafter use its reasonable efforts to cause such registration statement to become and remain effective, PROVIDED, HOWEVER, that Cendant may postpone the filing or effectiveness of any registration statement otherwise required to be filed by Cendant pursuant to this Agreement or suspend the use of any registration statement for a period of time, not to exceed 180 days in any 12-month period, if Cendant determines that the filing or continued use of such registration statement would require Cendant to disclose a material financing, acquisition or other corporate development of Cendant or any of its subsidiaries and Cendant shall have determined that such disclosure is not in the best interests of Cendant (any such determination to be made by resolution of the Board of Directors of Cendant) PROVIDED, FURTHER, that Cendant may discontinue any registration of its securities which are not Registrable Securities (and, under the circumstances specified in Section 2.2, its securities which are Registrable Securities) at any time prior to the effective date of the registration statement relating thereto;

(ii) subject to Section 2.1(d), prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep

such registration statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement until the earlier of (A) such time as all of such securities have been disposed of in accordance with the intended methods of disposition set forth in such registration statement or (B) the expiration of 90 days after such registration statement becomes effective;

(iii) furnish to Liberty Digital such number of conformed copies of such registration statement and of each such amendment and supplement thereto (in each case including all exhibits), such number of copies of the prospectus contained in such registration statement (including each preliminary prospectus and any summary prospectus) and any other prospectus filed under Rule 424 under the Securities Act, in conformity with the requirements of the Securities Act, and such other documents, as Liberty Digital may reasonably request in order to facilitate the public sale or other disposition of the Registrable Securities;

(iv) use its reasonable efforts to register or qualify all Registrable Securities and other securities covered by such registration statement under such other securities laws or blue sky laws of such jurisdictions as Liberty Digital shall reasonably request, to keep such registrations or qualifications in effect for so long as such registration statement remains in effect, and take any other action which may be reasonably necessary or advisable to consummate the disposition in such jurisdictions of the Registrable Securities, except that Cendant shall not for any such purpose be required to qualify generally to do business as a foreign corporation or dealer in any jurisdiction wherein it would not but for the requirements of this subdivision (iv) be obligated to be so qualified, to subject itself to taxation in any such jurisdiction, to conform its capitalization or the composition of its assets at the time to the securities or blue sky laws of such jurisdiction or to consent to general service of process in any such jurisdiction;

(v) furnish to each underwriter, if an underwritten offering, customary "cold comfort" letters from its independent auditors, legal opinions from counsel to Cendant on customary matters, and such other certificates or other instruments reasonably requested by such underwriters;

(vi) notify Liberty Digital and the managing underwriter or underwriters, if any, promptly and confirm such advice in writing promptly thereafter:

(A) when the registration statement, the prospectus or any prospectus supplement related thereto or post-effective amendment to the registration statement has been filed, and, with respect to the registration statement or any post-effective amendment thereto, when the same has become effective;

(B) of any request by the Commission for amendments or supplements to the registration statement or the prospectus or for additional information;

(C) of the issuance by the Commission of any stop order suspending the effectiveness of the registration statement or the initiation of any proceedings by any Person for that purpose;

(D) if at any time the representations and warranties of Cendant made as contemplated by Section 2.4 below cease to be true and correct; and

(E) of the receipt by Cendant of any notification with respect to the suspension of the qualification of any Registrable Securities for sale under the securities or blue sky laws of any jurisdiction or the initiation or threat of any proceeding for such purpose;

(vii) notify Liberty Digital, at any time when a prospectus relating to a registration statement is required to be delivered under the Securities Act, upon Cendant's discovery that, or upon the happening of any event as a result of which, the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made, and as soon as practicable prepare and furnish to Liberty Digital and each underwriter, if any, a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such securities, such prospectus shall not include 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 the light of the circumstances under which they were made;

(viii) use its reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of the registration statement at the earliest possible moment;

(ix) cause the Registrable Securities included in any registration statement to be (A) listed on each securities exchange, if any, on which the same securities issued by Cendant are then listed, or (B) authorized to be quoted and/or listed (to the extent) applicable on the NASDAQ National Market if the Registrable Securities so qualify;

(x) cooperate with Liberty Digital and each underwriter participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with the National Association of Securities Dealers, Inc. ("NASD");

(xi) during the period when a prospectus is required to be delivered under the Securities Act, promptly file all documents required to be filed with the Commission pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange act; and

(xii) otherwise use its reasonable efforts to comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve months, but not more than eighteen months, beginning with Cendant's first full calendar quarter after the effective date of such registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder.

Cendant may require Liberty Digital to furnish Cendant such information regarding the sellers and the distribution of the Registrable Securities as Cendant may from time to time reasonably request in writing.

Cendant will not file any registration statement under Section 2.1 or amendment thereto or any prospectus or any supplement thereto (excluding documents incorporated by reference which constitute required reports under the Exchange Act) to which Liberty Digital shall reasonably object, PROVIDED that Cendant may file such document in a form required by law or upon the advice of its counsel.

At least two days prior to any disposition of Registrable Securities by Liberty Digital, Liberty Digital will orally advise Cendant of the dates on which such disposition is expected to commence and terminate, the number of Registrable Securities

expected to be sold, the method of disposition and such other information as Cendant may reasonably request in order to supplement the prospectus contained in any registration statement in accordance with the rules and regulations of the Commission. Promptly after receiving such advice, Cendant will, if necessary, (i) prepare a supplement to such prospectus based upon such advice and file the same with the Commission pursuant to Rule 424(b) under the Securities Act and (ii) if necessary, qualify the Registrable Securities to be sold under the securities or blue sky laws of such jurisdictions in the United States as Liberty Digital shall reasonably request (subject to the proviso of Section 2.3(iv)).

Liberty Digital agrees by acquisition of the Registrable Securities that, upon receipt of any notice from Cendant of the occurrence of any event of the kind described in subdivisions (vi) or (vii) of this Section 2.3, Liberty Digital will forthwith discontinue its disposition of Registrable Securities pursuant to the registration statement relating to such Registrable Securities until Liberty Digital's receipt of the copies of the supplemented or amended prospectus contemplated by subdivisions (vi) or (vii) of this Section 2.3 and, if so directed by Cendant, will deliver to Cendant (at Cendant's reasonable expense) all copies, other than permanent file copies, then in Liberty Digital's possession of the prospectus relating to such Registrable Securities current at the time of receipt of such notice.

Liberty Digital shall, at any time it is engaged in the distribution of Registrable Securities comply with all applicable laws, including Regulation M promulgated under the Exchange Act and (i) will not engage in any stabilization activity in connection with the securities Cendant in contravention of such rules, (ii) will distribute the Registrable Securities solely in the manner described in any applicable registration statement and (iii) will not bid for or purchase any securities of Cendant or attempt to induce any person to purchase any securities of Cendant other than as permitted under the Exchange Act.

2.4 UNDERWRITTEN OFFERINGS.

(a) REQUESTED UNDERWRITTEN OFFERINGS. If requested by the underwriters for any underwritten offering pursuant to a Demand Registration, Cendant will enter into an underwriting agreement with such underwriters for such offering, such agreement to be reasonably satisfactory in substance and form to Cendant and Liberty Digital, and to contain such representations and warranties by Cendant and such other terms as are generally prevailing in agreements of such type, including, without limitation, indemnities substantially the same as those provided in Section 2.6. Liberty Digital will cooperate with Cendant in the negotiation of the underwriting agreement

and will give consideration to the reasonable suggestions of Cendant regarding the form thereof. Liberty Digital shall be a party to such underwriting agreement.

(b) INCIDENTAL UNDERWRITTEN OFFERINGS. If Cendant at any time proposes to register any shares of Move.com Stock under the Securities Act as contemplated by Section 2.2 and such securities are to be distributed by or through one or more underwriters, Cendant will, if requested by Liberty Digital as provided in Section 2.2 and subject to the provisions of Section 2.3, use its reasonable efforts to arrange for such underwriters to include all the Registrable Securities to be offered and sold by Liberty Digital among the securities to be distributed by such underwriters, PROVIDED that if the managing underwriter of such underwritten offering shall inform Liberty Digital and the holders of any other securities which shall have exercised, in respect of such underwritten offering, registration rights comparable to the rights under Section 2.2 by letter of its belief that inclusion in such underwritten distribution of all or a specified number of such Registrable Securities or of such other securities so requested to be included would interfere with the successful marketing of the securities by the underwriters (such letter to state the basis of such belief and the approximate number of such Registrable Securities and shares of other securities so requested to be included which may be included in such underwritten offering without such effect), then Cendant may, upon written notice to Liberty Digital and all holders of such other securities so requested to be included, exclude PRO RATA from such underwritten offering (if and to the extent stated by such managing underwriter to be necessary to eliminate such effect) the number of such Registrable Securities and shares of such other securities so requested to be included the registration of which shall have been requested by Liberty Digital and by the holders of such other securities so that the resultant aggregate number of such Registrable Securities and of such other shares of securities so requested to be included which are included in such underwritten offering shall be equal to the approximate number of shares stated in such managing underwriter's letter. Liberty Digital shall be a party to the underwriting agreement between Cendant and such underwriters. If as a result of the provisions of this Section 2.4(b) Liberty Digital shall not be entitled to include all Registrable Securities in a registration that it has requested to be so included, Liberty Digital may withdraw its request to include Registrable Securities in such registration statement prior to its effectiveness provided such withdrawal is made within 1 business day of Liberty Digital's receipt of notice of such event.

(c) HOLDBACK AGREEMENT. Liberty Digital agrees by acquisition of the Registrable Securities, if so required by the managing underwriter, not to sell, make any short sale of, loan, grant any option for the purchase of, effect any public sale or distribution of, make any sale or distribution pursuant to Rule 144 (or any

successor provision) under the Securities Act of or otherwise dispose of any shares of Move.com Stock, during the period of not more than 180 days after any underwritten registration of Move.com Stock pursuant to Section 2.1 or 2.2 has become effective, except as part of such underwritten registration, whether or not Liberty Digital participates in such registration. Liberty Digital agrees that Cendant may instruct its transfer agent to place stop transfer notations in its records to enforce this Section 2.4(c), provided that in connection with such underwritten registration (i) each executive officer and director of Cendant and (ii) each holder of 1% or more of any class of capital stock of Cendant (who, in the case of (ii) above, is entitled to similar registration rights granted by Cendant) are subject to restrictions substantially equivalent to those imposed on Liberty Digital.

(d) PARTICIPATION IN UNDERWRITTEN OFFERINGS. Liberty Digital agrees that it will complete and execute all questionnaires, indemnities, underwriting agreements and other documents (other than powers of attorney) reasonably required and on reasonably acceptable terms under the terms of any underwriting arrangements.

2.5 RESTRICTIONS ON RESALE.

(a) Notwithstanding anything in this agreement, until the first anniversary of the Closing Date, Liberty Digital will not sell, transfer or otherwise dispose of any Registrable Securities. Following the first anniversary of the Closing Date and until the second anniversary of the Closing Date, Liberty Digital will not sell, transfer or otherwise dispose of more than one-half of the Registrable Securities and will not make a request for more than one Demand Registration. Following the second anniversary of the Closing Date, Liberty Digital may sell, transfer or otherwise dispose of any or all of the Registrable Securities. Notwithstanding the foregoing, Liberty Digital may subject Registrable Securities to liens, pledges or other security interests in connection with a bona fide financing so long as the pledgee or secured party executes an instrument reasonably acceptable to Cendant agreeing to be bound by the restrictions on transfer set forth herein.

(b) In no event will Liberty Digital have any rights under Sections 2.1 or 2.2 of this agreement until after the closing of an initial public offering of the Move.com Stock.

2.6 INDEMNIFICATION.

(a) INDEMNIFICATION BY CENDANT. In the event of any registration of any securities of Cendant under the Securities Act, Cendant will, and

hereby agrees to, indemnify and hold harmless Liberty Digital, its directors and officers, and each other Person, if any, who controls Liberty Digital within the meaning of the Securities Act, against any losses, claims, damages or liabilities, joint or several, to which Liberty Digital or any such director or officer or controlling Person may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon (x) any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which such securities were registered under the Securities Act, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, or any omission or (y) alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and Cendant will reimburse Liberty Digital and each such director, officer, and controlling Person for any legal or any other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, liability, action or proceeding, PROVIDED that Cendant shall not be liable in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, any such preliminary prospectus, final prospectus, summary prospectus, amendment or supplement in reliance upon and in conformity with written information furnished to Cendant through an instrument duly executed by Liberty Digital specifically stating that it is for use in the preparation thereof, PROVIDED, FURTHER, that Cendant shall not be liable to Liberty Digital in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of Liberty Digital's failure to send or give a copy of the final prospectus, as the same may be then supplemented or amended, within the time required by the Securities Act to the Person asserting the existence of an untrue statement or alleged untrue statement or omission or alleged omission at or prior to the written confirmation of the sale of Registrable Securities to such Person if such statement or omission was corrected in such final prospectus; and PROVIDED, FURTHER, that Cendant shall not be liable to Liberty Digital in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based (i) upon the use of any preliminary final or summary prospectus by or on behalf of Liberty Digital after Cendant has notified Liberty Digital, in accordance with Section 2.3(vii), that such prospectus contains an untrue statement of 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, (ii) the use of any final prospectus, as amended or supplemented, by or on behalf of Liberty Digital after such time as the obligation of Cendant to keep the related registration statement effective has expired or (iii) any violation of any federal or state

securities laws, rules or regulations committed by Liberty Digital (other than any violation that arises out of or is based upon the circumstances described in clause (x) or (y) above and as to which Liberty Digital would otherwise be entitled to indemnification hereunder). Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of Liberty Digital or any such director, officer, or controlling Person and shall survive the transfer of such securities by Liberty Digital.

(b) INDEMNIFICATION BY LIBERTY DIGITAL. Cendant may require, as a condition to including any Registrable Securities in any registration statement filed pursuant to this Agreement, that Cendant shall have received an undertaking satisfactory to it from Liberty Digital, to indemnify and hold harmless (in the same manner and to the same extent as set forth in subdivision (a) of this Section 2.6) Cendant, each director of Cendant, each officer of Cendant and each other Person, if any, who controls Cendant within the meaning of the Securities Act, with respect to (i) any statement or alleged statement in or omission or alleged omission from such registration statement, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, if such statement or alleged statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to Cendant through an instrument duly executed by Liberty Digital specifically stating that it is for use in the preparation of such registration statement, preliminary prospectus, final prospectus, summary prospectus, amendment or supplement, (ii) the use of any prospectus by or on behalf of Liberty Digital after Cendant has notified Liberty Digital that such prospectus contains an untrue statement of material fact or omits to state 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, (iii) the failure to send or deliver to a Person to whom Liberty Digital sells Registrable Securities at or prior to the written confirmation of sale, a copy of the final prospectus or of the final prospectus as then amended or supplemented, whichever is most recent, if Cendant has previously furnished copies thereof to Liberty Digital or its representatives, or (iv) any violation by Liberty Digital of any federal or state securities law or rule or regulation thereunder (other than any violation that arises out of or is based upon circumstances described in clause (x) or (y) of Section 2.6(a) above and as to which Liberty Digital is entitled to indemnification thereunder). Any such indemnity shall remain in full force and effect, regardless of any investigation made by or on behalf of Cendant or any such director, officer or controlling person and shall survive the transfer of such securities by Liberty Digital. Notwithstanding the foregoing, the indemnity obligation of Liberty Digital pursuant to this Section 2.6(b) shall be limited to an amount equal to the total proceeds (before deducting underwriting discounts and commissions and expenses) received by Liberty Digital for the sale of shares by Liberty Digital in a registration hereunder.

(c) NOTICES OF CLAIMS, ETC. Promptly after receipt by an indemnified party of notice of the commencement of any action or proceeding involving a claim referred to in the preceding subdivisions of this Section 2.6, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the latter of the commencement of such action, enclosing a copy of all papers served, PROVIDED that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under the preceding subdivisions of this Section 2.6, except to the extent that the indemnifying party is actually prejudiced by such failure to give notice. In case any such action is brought against an indemnified party, unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist in respect of such claim, the indemnifying party shall be entitled to participate in and to assume the defense thereof, jointly with any other indemnifying party similarly notified, to the extent that the indemnifying party may wish, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the consent of the indemnified party, consent to entry of any judgment or enter into any settlement of any such action which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability, and a covenant not to sue, in respect to such claim or litigation. No indemnified party shall consent to entry of any judgment or enter into any settlement of any such action the defense of which has been assumed by an indemnifying party without the consent of such indemnifying party.

(d) INDEMNIFICATION PAYMENTS. The indemnification required by this Section 2.6 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or expense, loss, damage or liability is incurred.

(e) CONTRIBUTION. If the indemnification provided for in the preceding subdivisions of this Section 2.6 is unavailable to an indemnified party in respect of any expense, loss, claim, damage or liability referred to therein, then each indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such expense, loss, claim, damage or liability (i) in such proportion as is appropriate to reflect the relative benefits received by Cendant on the one hand and Liberty Digital on the other from the

distribution of the Registrable Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of Cendant on the one hand and of Liberty Digital on the other in connection with the statements or omissions which resulted in such expense, loss, damage or liability, as well as any other relevant equitable considerations. The relative benefits received by Cendant on the one hand and Liberty Digital on the other in connection with the distribution of the Registrable Securities shall be deemed to be in the same proportion as the total net proceeds received by Cendant from the initial sale of the Registrable Securities by Cendant bear to the gain, if any, realized by Liberty Digital. The relative fault of Cendant on the one hand and of Liberty Digital on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission to state a material fact relates to information supplied by Cendant or by Liberty Digital and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission, PROVIDED that the foregoing contribution agreement shall not inure to the benefit of any indemnified party if indemnification would be unavailable to such indemnified party by reason of the provisions contained in the first sentence of subdivision (a) of this Section 2.6, and in no event shall the obligation of any indemnifying party to contribute under this subdivision (e) exceed the amount that such indemnifying party would have been obligated to pay by way of indemnification if the indemnification provided for under subdivisions (a) or (b) of this Section 2.6 had been available under the circumstances.

Cendant and Liberty Digital agree that it would not be just and equitable if contribution pursuant to this subdivision (e) were determined by PRO RATA allocation or by any other method of allocation that does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth in the preceding sentence and subdivision (c) of this Section 2.6, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim.

Notwithstanding the provisions of this subdivision (e), Liberty Digital shall not be required to contribute any amount in excess of the amount by which the total proceeds (before deducting underwriting discounts and commissions and expenses) received by Liberty Digital from the sale of Registrable Securities exceeds the amount of any damages that Liberty Digital has otherwise been required to pay by reason of such untrue or alleged untrue statement or 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.

3. DEFINITIONS. As used herein, unless the context otherwise requires, the following terms have the following respective meanings:

COMMISSION: The Securities and Exchange Commission or any other Federal agency at the time administering the Securities Act.

MOVE.COM STOCK: As defined in Section 1.

CENDANT: As defined in the introductory paragraph of this Agreement.

DEMAND REGISTRATION: A registration under the Securities Act requested in accordance with Section 2.1.

EXCHANGE ACT: The Securities Exchange Act of 1934, or any similar Federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time. Reference to a particular Section of the Securities Exchange Act of 1934 shall include a reference to the comparable Section, if any, of any such similar Federal statute.

PERSON: A corporation, an association, a partnership, a limited liability company, an organization, business, an individual, a governmental or political subdivision thereof, a governmental agency or any other entity.

REGISTRABLE SECURITIES: any shares of Move.com Stock issued to Liberty Digital pursuant to the Purchase Agreement and any securities issued or issuable with respect to any Move.com Stock referred to above by way of stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization or otherwise. As to any particular Registrable Securities, once issued such securities shall cease to be Registrable Securities when (a) a registration statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with such

registration statement, (b) they shall have been distributed to the public pursuant to Rule 144 (or any successor provision) under the Securities Act, (c) they shall have been otherwise transferred, new certificates for them not bearing a legend restricting further transfer shall have been delivered by Cendant and subsequent disposition of them shall not require registration or qualification of them under the Securities Act or any similar state law then in force, (d) they become eligible for resale pursuant to Rule 144(k) (or any successor provision) under the Securities Act or (e) they shall have ceased to be outstanding.

REGISTRATION EXPENSES: All expenses incident to Cendant's performance of or compliance with Section 2, including, without limitation, all registration, filing and NASD fees, all stock exchange listing fees, all fees and expenses of complying with securities or blue sky laws, all word processing, duplicating and printing expenses, messenger and delivery expenses, the fees and disbursements of counsel for Cendant and of its independent public accountants, including the expenses of any special audits or "cold comfort" letters required by or incident to such performance and compliance and any fees and disbursements of underwriters customarily paid by issuers or sellers of securities, but excluding (i) brokerage commissions, underwriting discounts and commissions and transfer taxes, if any; (ii) fees and disbursements of counsel or of any experts retained by Liberty Digital in connection with the registration of any Registrable Securities or the distribution of such shares; or (iii) any other out-of-pocket expenses of Liberty Digital.

SECURITIES ACT: The Securities Act of 1933, or any similar federal statute, and the rules and regulations of the Commission thereunder, all as of the same shall be in effect at the time. References to a particular Section of the Securities Act of 1933 shall include a reference to the comparable Section, if any, of any such similar federal statute.

4. AMENDMENTS AND WAIVERS. This Agreement may be amended and Cendant may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if Cendant shall have obtained the written consent to such amendment, action or omission to act, of Liberty Digital.

5. NOTICES. Except as otherwise provided in this Agreement, all notices, requests and other communications to any party hereto shall be in writing and shall be given and addressed to such party in the manner set forth in the Purchase Agreement or at such other address as such party shall have furnished to the other party in writing. Each such notice, request or other communication shall be effective (i) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid or (ii) if given by any other means (including, without limitation, by air courier), when delivered at the address specified above.

6. ASSIGNMENT. Except as set forth herein, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other party, except that the provisions of this Agreement which are for the benefit of Liberty Digital shall also be for the benefit of and enforceable by any wholly owned direct or indirect subsidiary of Liberty Digital to which Liberty Digital transfers any of its Registrable Securities pursuant to the Purchase Agreement. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns. Liberty Digital shall be entitled to assign all or any part of its rights under this agreement to any Person to whom Liberty Digital sells, transfers, assigns or pledges such Registrable Securities without the prior written consent of Cendant; provided, that in the event of any such assignment, Liberty Digital shall be appointed as representative of any such assignees for the purpose of exercising the registration rights provided herein and Cendant shall not be required to give any Person, other than Liberty Digital, any notice pursuant to this Agreement or be obligated to take instruction from any Person other than Liberty Digital.

7. DESCRIPTIVE HEADINGS. The descriptive headings of the several Sections and paragraphs of this Agreement are inserted for reference only and shall not limit or otherwise affect the meaning hereof.

8. GOVERNING LAW. This agreement shall be governed by, enforced under and construed in accordance with the laws of the State of New York, without giving effect to any choice of law provision or rule thereof.

9. COUNTERPARTS. This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

10. ENTIRE AGREEMENT. This Agreement embodies the entire agreement and understanding between Cendant and Liberty Digital relating to the subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter.

11. SUBMISSION TO JURISDICTION. Each of the parties hereto hereby irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of the State of New York and of the United States of America in each case located in the County of New York for any litigation arising out of or relating to this Agreement and the transactions contemplated hereby (and agrees not to commence any litigation relating thereto except in such courts) and further agrees that service of any process, summons, notice or document by U.S. registered mail to its respective address set forth in Section 5 (or to such other address for notice that such party has given the other party written notice of in accordance with Section 5) shall be effective service of process for any litigation brought against it in any such court. Each of the parties hereto hereby irrevocably and unconditionally waives any objection to the laying of venue of any litigation arising out of this Agreement or the transactions contemplated hereby in the courts of the State of New York or of the United States of America in each case located in the County of New York and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such litigation brought in any such court has been brought in an inconvenient forum.

12. SEVERABILITY. If any provision of this Agreement, or the application of such provisions to any Person or circumstance, shall be held invalid, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered by their respective officers hereunto duly authorized as of the date first above written.

CENDANT CORPORATION

By: /s/ Samuel L. Katz

Name:
Title:

LIBERTY DIGITAL, INC.

By: /s/ Lee Masters

Name: Lee Masters
Title: President

Exhibit 10.9

PURCHASE AGREEMENT

PURCHASE AGREEMENT, dated as of March 28, 2000 (this "Agreement"), by and between Cendant Corporation, a Delaware corporation ("Cendant"), and NRT Incorporated. a Delaware corporation ("NRT").

WHEREAS, Cendant has created a network of websites which offer a wide selection of quality relocation, real estate and home-related products and services primarily through a new internet portal at WWW.MOVE.COM (the "Move.com Group");

WHEREAS, the shareholders of Cendant have approved a proposal to create a new series of Cendant common stock, par value $.01 per share, intended to track the performance of Move.com Group (the "Move.com Stock"); and

WHEREAS, NRT desires to purchase from Cendant, and Cendant desires to sell to NRT, 319,591 shares (the "Shares") of Move.com Stock.

NOW, THEREFORE, in consideration of the representations, warranties, covenants and agreements contained in this Agreement, the parties hereby agree as follows:

ARTICLE I

THE PURCHASE

Section 1.1 PURCHASE AND SALE. Upon the terms and subject to the conditions of this Agreement, at the Closing (as hereinafter defined), Cendant will issue to NRT, and NRT will purchase from Cendant, the Shares, in consideration for which, at the Closing, NRT will pay to Cendant an amount equal to ten million dollars ($10,000,000) in cash (the "Cash Consideration"). Upon the Closing, NRT shall pay the Cash Consideration to Cendant by wire transfer of immediately available funds to an account or accounts designated by Cendant in writing for such purpose prior to the Closing and delivery of Shares.

Section 1.2 TIME AND PLACE OF CLOSING. Upon the terms and subject to the conditions of this Agreement, the closing of the transactions contemplated by this Agreement (the "Closing") will take place at the offices of Skadden, Arps, Slate, Meagher & Flom LLP, 4 Times Square, New York, New York 10036, at 9:00 a.m. (New York City time) on the third business day following the satisfaction or waiver

of the conditions set forth in Article V, unless another time or date is agreed to by the parties hereto (the "Closing Date").

Section 1.3 DELIVERIES BY CENDANT. Subject to the terms and conditions hereof, at the Closing, Cendant will deliver the following to NRT:

(a) A certificate or certificates, duly registered on the stock books of Cendant in the name of NRT, representing the Shares;

(b) A Registration Rights Agreement (as hereinafter defined) duly executed by Cendant; and

(c) The officer's certificate provided for in Section 5.3(c).

Section 1.4 DELIVERIES BY NRT. Subject to the terms and conditions hereof, at the Closing, NRT will deliver the following to Cendant:

(a) The Cash Consideration, in immediately available funds, in the manner set forth in Section 1.1 hereof;

(b) The officer's certificate provided for in Section 5.2(c).

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF CENDANT

Section 2.1 ORGANIZATION. Cendant is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and has the requisite corporate power and authority to carry on its business substantially as it is now being conducted.

Section 2.2 AUTHORITY. Cendant has the corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by all requisite corporate action on the part of Cendant. This Agreement has been validly executed and delivered by Cendant and (assuming this Agreement has been duly authorized, executed and delivered by NRT) constitutes a valid and binding agreement of Cendant, enforceable against Cendant in accordance with its terms, except that (a) such enforcement may be subject to any

bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or other laws, now or hereafter in effect, relating to or limiting creditors' rights generally and (b) enforcement of this Agreement, including, among other things, the remedy of specific performance and injunctive and other forms of equitable relief, may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

Section 2.3 THE SHARES. Upon issuance, the Shares will be duly and validly authorized and, when a certificate evidencing the Shares is issued and delivered against payment of the Purchase Price in accordance with the terms of this Agreement, the Shares shall be duly and validly issued, fully paid and non-assessable. Delivery of the certificate(s) for the Shares will pass valid title to the Shares, free and clear of any claim, lien, charge, security interest, encumbrance, restriction on transfer or voting or other defect in title whatsoever ("Liens"), other than Liens resulting from any action(s) relating to NRT.

Section 2.4 CAPITALIZATION. The authorized capital of Cendant consists of 2,000,000,000 shares of common stock, par value $.01 per share (the "Common Stock"); 500,000,000 shares of Move.com Stock; and 10,000,000 shares of preferred stock, par value $.01 per share (the "Preferred Stock"). As of January 24, 2000, there were 704,560,494 shares of Common Stock issued and outstanding and no shares of Preferred Stock or Move.com Stock issued and outstanding.

Section 2.5 CONSENTS AND APPROVALS; NO VIOLATIONS. Neither the execution and delivery of this Agreement by Cendant, nor the consummation by Cendant of the transactions contemplated hereby or thereby will (a) conflict with or result in any breach of any provision of the amended and restated certificate of incorporation (the "Cendant Charter") or amended and restated by-laws of Cendant, (b) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation or acceleration) under, or require any consent under, any indenture, license, contract, agreement or other instrument or obligation to which the Cendant is a party, (c) violate any order, writ, injunction, decree or award rendered by any Governmental Entity (as hereinafter defined) or any statute, rule or regulation (collectively, "Laws" and, individually, a "Law") applicable to Cendant, or (d) require any filing with, or the obtaining of any permit, authorization, consent or approval of, any governmental or regulatory authority or court, domestic or foreign (a "Governmental Entity"), except in the case of clauses (c) and (d) of this Section 2.5, for the applicable requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act").

Section 2.6 SEC REPORTS. Since January 1, 1999, Cendant has filed all required reports, schedules, forms, statements and other documents, including exhibits and all other information incorporated therein (the "SEC Documents"), with the SEC. As of their respective dates, the SEC Documents complied in all material respects with the requirements of the Securities Act of 1933, as amended (the "Securities Act"), or the Securities Exchange Act of 1934, as amended, as the case may be, and the rules and regulations of the SEC promulgated thereunder applicable to such SEC Documents, and none of the SEC Documents when filed (as amended and restated and as supplemented by subsequently filed SEC Documents) contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF NRT

Section 3.1 ORGANIZATION. NRT is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and has the requisite corporate power and authority to carry on its business substantially as it is now being conducted.

Section 3.2 AUTHORITY RELATIVE TO THIS AGREEMENT. NRT has the corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite corporate action on the part of NRT. This Agreement has been duly and validly executed and delivered by NRT and (assuming this Agreement has been duly authorized, executed and delivered by Cendant) constitutes a valid and binding agreement of NRT, enforceable against NRT in accordance with its terms, except that (a) such enforcement may be subject to any bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or other laws, now or hereafter in effect, relating to or limiting creditors' rights generally and (b) enforcement of this Agreement, including, among other things, the remedy of specific performance and injunctive and other forms of equitable relief, may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

Section 3.3 CONSENTS AND APPROVALS; NO VIOLATIONS. Neither the execution and delivery of this Agreement by NRT, nor the consummation by NRT of the transactions contemplated hereby will (a) conflict with or result in any breach of any provision of the certificate of incorporation or by-laws (or similar organizational documents) of NRT, (b) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation or acceleration) under, or require any consent under, any indenture, license, contract, agreement or other instrument or obligation to which the NRT is a party, (c) violate any order, writ, injunction, decree or award rendered by any Governmental Entity or Law applicable to NRT, or (d) require any filing with, or the obtaining of any permit, authorization, consent or approval of, any Governmental Entity, except in the case of clauses (c) and (d) of this Section 3.3, for the applicable requirements of the HSR Act.

Section 3.4 NRT ACKNOWLEDGMENT. NRT has conducted its own independent investigation, review and analysis of Cendant and Move.com Group. In entering into this Agreement, NRT acknowledges that it has relied solely upon the aforementioned investigation, review and analysis, and, other than with respect to the representations and warranties made in Article II of this Agreement, NRT acknowledges that none of Move.com Group, Cendant, or any of its directors, officers, employees, affiliates, controlling persons, agents, advisors or representatives makes or has made any representation or warranty, either express or implied.

Section 3.9 INVESTMENT REPRESENTATIONS. NRT understands that the Shares have not been registered under the Securities Act. NRT also understands that the shares are being offered and sold pursuant to an exemption from registration contained in the Securities Act based in part upon NRT's representations contained in the Agreement. NRT hereby represents and warrants as follows:

(a) NRT BEARS ECONOMIC RISK. NRT has substantial experience in evaluating and investing in private placement transactions of securities in companies similar to Cendant and Move.com Group so that it is capable of evaluating the merits and risks of its investment in Cendant and Move.com Group and has the capacity to protect its own interests. NRT must bear the economic risk of this investment indefinitely unless the Shares are registered pursuant to the Securities Act or an exemption from registration is available. NRT also understands that there is no assurance that any exemption from registration under the Securities Act will be available and that, even if available, such exemption may not allow NRT

to transfer all or any portion of the Shares under the circumstances in the amounts or at the times NRT might propose.

(b) ACQUISITION FOR OWN ACCOUNT. NRT is acquiring the Shares for NRT's own account for investment only and not with a view towards their distribution.

(c) NRT CAN PROTECT ITS INTEREST. NRT represents the by reason of its, or of its management's, business or financial experience, NRT has the capacity to protect its own interests in connection with the transactions contemplated in this Agreement. Further, NRT is aware of no publication of any advertisement in connection with the transactions contemplated in the Agreement.

(d) ACCREDITED INVESTOR. NRT represents that it is an accredited investor within the meaning of Regulation D under the Securities Act.

(e) RULE 144. NRT acknowledges and agrees that the Shares must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. NRT has been advised or is aware of the provisions of Rule 144 promulgated under the Securities Act, which permits limited resale of shares purchased in a private placement subject to the satisfaction of certain conditions, including, among other things: the availability of certain current public information about Cendant, the resale occurring not less than one year after a party has purchased and paid for the security to be sold, the sale being through an unsolicited "broker's transaction" or in transactions directly with a market maker (as said term is defined under the Securities Exchange Act of 1934, as amended) and the number of shares being sold during any three-month period not exceeding specified limitation

ARTICLE IV

COVENANTS

Section 4.1 CONSENTS; COOPERATION. Each of Cendant and NRT shall cooperate, and use its best efforts, to prepare and file all necessary materials with the appropriate Governmental Entities pursuant to the HSR Act within ten business days of the date of this Agreement. Each party covenants to (x) furnish the other party with such necessary or appropriate information and reasonable assistance as such other party may reasonably request in connection with its preparation of necessary filings and submission pursuant to the HSR Act and (y) use its commercially reasonable efforts to comply as promptly as possible with requests for additional information issued by applicable Governmental Entities pursuant to the HSR Act.

Section 4.2 PUBLIC ANNOUNCEMENTS. Prior to the Closing, except as otherwise agreed to by the parties, the parties shall not issue any report, statement or press release or otherwise make any public statements with respect to this Agreement and the transactions contemplated hereby, except as in the reasonable judgment of a party may be required by law or in connection with its obligations as a publicly-held, exchange-listed company, in which case the parties will use their reasonable best efforts to reach mutual agreement as to the language of any such report, statement or press release. Upon execution hereof and upon the Closing, Cendant and NRT will consult with each other with respect to the issuance of a joint report, statement or press release with respect to this Agreement and the transactions contemplated hereby.

Section 4.3 REGISTRATION RIGHTS AGREEMENT. At the Closing, Cendant and NRT shall enter into a registration rights agreement, substantially in the form attached hereto as Exhibit A relating to the Shares (the "Registration Rights Agreement").

ARTICLE V

CONDITIONS AND TERMINATION

Section 5.1 CONDITIONS TO EACH PARTY'S OBLIGATIONS TO CONSUMMATE THE TRANSACTIONS UNDER THIS AGREEMENT. The respective obligations of each party to consummate the transactions contemplated hereby is subject to the satisfaction at or prior to the Closing of the following conditions:

(a) Any waiting periods applicable to the transactions contemplated by this Agreement under the HSR Act shall have expired or been terminated; and

(b) Neither Cendant nor NRT shall be subject to any order, decree or injunction of a court of competent jurisdiction, and no statute, rule or regulation shall have been enacted, promulgated or issued, which enjoins or prohibits the consummation of any of the transactions contemplated by this Agreement.

Section 5.2 CONDITIONS TO CENDANT'S OBLIGATIONS TO CONSUMMATE THE TRANSACTIONS UNDER THIS AGREEMENT. The obligation of Cendant to consummate the transactions contemplated hereby are further subject to the satisfaction or waiver of the following conditions:

(a) The representations and warranties of NRT contained in this Agreement shall be true and correct at and as of the Closing Date in all material respects as though such representations and warranties were made at and as of such date (except to the extent expressly made as of an earlier date, in which case, as of such date);

(b) NRT shall have performed and complied in all material respects with all agreements and obligations required by this Agreement to be performed or complied with by it on or prior to the Closing; and

(c) NRT shall have delivered to Cendant an officer's certificate to the effect that each of the conditions specified above in Sections 5.2(a) and (b) is satisfied.

Section 5.3 CONDITIONS TO NRT'S OBLIGATIONS TO CONSUMMATE THE TRANSACTIONS UNDER THIS AGREEMENT. The obligation of NRT to consummate the transactions contemplated hereby are further subject to satisfaction or waiver of the following conditions:

(a) The representations and warranties of Cendant contained in this Agreement shall be true and correct at and as of the Closing Date in all material respects as though such representations and warranties were made at and as of such date (except to the extent expressly made as of an earlier date, in which case, as of such date);

(b) Cendant shall have performed and complied in all material respects with all agreements and obligations required by this Agreement to be performed or complied with by it on or prior to the Closing; and

(c) Cendant shall have delivered to NRT an officer's certificate to the effect that each of the conditions specified above in Sections 5.3(a) and (b) is satisfied.

ARTICLE VI

TERMINATION

Section 6.1 TERMINATION. This Agreement may be terminated and the transactions contemplated hereby may be abandoned at any time prior to the Closing Date:

(a) by mutual agreement of the parties; or

(b) by Cendant or NRT at any time after 90 days from the date of this Agreement if the Closing shall not have occurred by such date; PROVIDED, HOWEVER, that the right to terminate this Agreement under this Section 6.1(b) shall not be available to a party if it has breached any of its representations, warranties or covenants hereunder in any material respect and such breach has been the cause of or resulted in the failure of the Closing to occur on or before such date.

Section 6.2 PROCEDURE FOR AND EFFECT OF TERMINATION. In the event of termination of this Agreement and the abandonment of the transactions contemplated hereby by the parties pursuant to Section 6.1 hereof, written notice thereof shall be given by a party so terminating to the other party and this Agreement shall forthwith terminate and shall become null and void and of no further effect, and the transactions contemplated hereby shall be abandoned without further action by Cendant or NRT. If this Agreement is terminated pursuant to Section 6.1 hereof:

(a) all filings, applications and other submissions made pursuant hereto shall, to the extent practicable, be withdrawn from the Governmental Entity to which made; and

(b) there shall be no liability or obligation hereunder on the part of Cendant or NRT or any of their respective directors, officers, employees, affiliates, controlling persons, agents or representatives, except that Cendant or NRT, as the case may be, may have liability to the other party if the basis of termination is a breach by Cendant or NRT, as the case may be, of one or more of the provisions of this Agreement, and except that the obligations provided for in this Section 6.2 shall survive any such termination.

ARTICLE VII

MISCELLANEOUS

Section 7.1 ENTIRE AGREEMENT. This Agreement constitutes the entire agreement of the parties relating to the subject matter hereof and supersedes other prior agreements and understandings between the parties both oral and written regarding such subject matter.

Section 7.2 SEVERABILITY. Any provision of this Agreement that is held by a court of competent jurisdiction to violate applicable law shall be limited or nullified only to the extent necessary to bring the Agreement within the requirements of such law.

Section 7.3 NOTICES. Any notice required or permitted by this Agreement must be in writing and must be sent by facsimile, by nationally recognized commercial overnight courier, or mailed by United States registered or certified mail, addressed to the other party at the address below or to such other address for notice (or facsimile number, in the case of a notice by facsimile) as a party gives the other party written notice of in accordance with this Section 7.3. Any such notice will be effective as of the date of receipt:

(a) if to Cendant, to

Cendant Corporation
9 West 57th Street
37th Floor
New York, New York 10019
Fax: (212) 413-1922/23
Attention: Eric J. Bock
Senior Vice President, Legal

(b) if to NRT, to

NRT Incorporated
339 Jefferson Road
Parsippany, NJ 07054
Fax: (973) 240-5069
Attention: Steven L. Barnett
Senior Vice President &
General Counsel

Section 7.4 GOVERNING LAW; JURISDICTION. This Agreement shall be governed by, enforced under and construed in accordance with the laws of the State of New York, without giving effect to any choice or conflict of law provision or rule thereof. Each of the parties hereto hereby irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of the State of New York and of the United States of America in each case located in the County of New York for any litigation arising out of or relating to this Agreement and the transactions contemplated hereby (and agrees not to commence any litigation relating thereto except in such courts) and further agrees that service of any process, summons, notice or document by U.S. registered mail to its respective address set forth in Section 7.3 (or to such other address for notice that such party has given the other party written notice of in accordance with Section 7.3) shall be effective service of process for any litigation brought against it in any such court. Each of the parties hereto hereby irrevocably and unconditionally waives any objection to the laying of venue of any litigation arising out of this Agreement or the transactions contemplated hereby in the courts of the State of New York or of the United States of America in each case located in the County of New York and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such litigation brought in any such court has been brought in an inconvenient forum.

Section 7.5 DESCRIPTIVE HEADINGS. The descriptive headings herein are inserted for convenience of reference only and shall in no way be construed to define, limit, describe, explain, modify, amplify, or add to the interpretation, construction or meaning of any provision of, or scope or intent of, this Agreement nor in any way affect this Agreement.

Section 7.6 COUNTERPARTS. This Agreement may be signed in counterparts and all signed copies of this Agreement will together constitute one original of this Agreement. This Agreement shall become effective when each party hereto shall have received counterparts thereof signed by all the other parties hereto.

Section 7.7 ASSIGNMENT. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other party, except that NRT may cause the Shares to be sold to, and registered in the name of, a wholly owned direct or indirect subsidiary of NRT. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Section 7.8 DEFINITION OF "SHARES". As used in this Agreement, the term "Shares" includes (a) all dividends (other than ordinary cash dividends with a record date prior to the Closing) and distributions declared by Cendant on the Shares subsequent to the date hereof and prior to the Closing and (b) shall be appropriately adjusted to give effect to any subdivision, combination or reclassification of the Shares effected prior to the Closing.

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly signed as of the date first above written.

CENDANT CORPORATION

By: /s/ James Buckman

Name:
Title:

NRT INCORPORATED

By: /s/ Steven L. Barnett

Name:
Title:

Exhibit 10.10

EXHIBIT A

REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT, dated as of March 28, 2000 by and between Cendant Corporation, a Delaware corporation ("Cendant"), and NRT Incorporated, a Delaware corporation ("NRT").

1. INTRODUCTION. Cendant is a party to a Purchase Agreement (the "Purchase Agreement") with NRT, pursuant to which Cendant has agreed, among other things, to issue to NRT shares of a new series of Cendant common stock, par value $.01 per share (the "Move.com Stock"). This Agreement shall become effective upon the issuance of such shares to NRT pursuant to the Purchase Agreement. Certain capitalized terms used in this Agreement are defined in Section 3 hereof; references to Sections shall be to sections of this Agreement.

2. REGISTRATION UNDER SECURITIES ACT, ETC.

2.1 INCIDENTAL REGISTRATION. If Cendant at any time after the Offering Closing Date proposes to register any shares of Move.com Stock under the Securities Act (other than on Form S-4 or S-8 or any successor or similar forms), whether or not for sale for its own account, it will each such time give prompt written notice to NRT of its intention to do so and of NRT's rights under this Section 2.1. Upon the written request of NRT made within 10 business days after the receipt of any such notice (which request shall specify the Registrable

Securities intended to be disposed of by NRT and the intended method of disposition thereof, provided that if the shares to be registered by Cendant are to be distributed through one or more underwriters as provided in Section 2.3 NRT must agree to distribute such Registrable Securities by or through such underwriter or underwriters), Cendant will, subject to the terms of this Agreement, use its reasonable efforts to effect the registration under the Securities Act of all Registrable Securities which Cendant has been so requested to register by NRT, to the extent requisite to permit the disposition (in accordance with the intended methods thereof as aforesaid) of the Registrable Securities so to be registered, by inclusion of such Registrable Securities in the registration statement which covers the shares of Move.com Stock which Cendant proposes to register (whether or not for sale for its own account); PROVIDED that, prior to the first anniversary of the Offering Closing Date, and together with all other Registrable Securities disposed of by NRT prior to such first anniversary, NRT shall have the right to dispose of only up to one half (1/2) of the Registrable Securities owned by NRT on the Offering Closing Date; PROVIDED, FURTHER, that if, at any time after giving written notice of its intention to register any securities and prior to the effective date of the registration statement filed in connection with such registration, Cendant shall determine for any reason either not to register or to delay registration of all such securities, Cendant may, at its election, give written notice of such determination to NRT and, thereupon, (i) in the case of a determination not to register, shall be relieved of its obligation to register any Registrable Securities in connection with such registration (but not from its obligation to pay the Registration Expenses in connection therewith), and (ii) in the case of a determination to delay registering, shall be permitted to delay registering any Registrable Securities, for the same period as the delay in registering all such other securities. Cendant will pay all Registration Expenses in connection with each registration of Registrable Securities requested pursuant to this Section 2.1.

2.2 REGISTRATION PROCEDURES. If and whenever Cendant is required to use its reasonable efforts to effect the registration of any Registrable Securities under the Securities Act as provided in Section 2.1, Cendant shall:

(i) prepare and file with the Commission the requisite registration statement to effect such registration and thereafter use its reasonable efforts to cause such registration statement to become and remain effective, PROVIDED, HOWEVER, that Cendant may postpone the filing or effectiveness of any registration statement otherwise required to be filed by Cendant pursuant to this Agreement or suspend the use of any registration statement for a period of time, not to exceed 180 days in any 12-month period, if Cendant determines that the filing or continued use of such registration statement would require Cendant to disclose a material financing, acquisition or other corporate development and Cendant shall have determined that such disclosure is not in the best interests of Cendant; PROVIDED, FURTHER, that Cendant may discontinue any registration of its securities which are not Registrable Securities (and, under the circumstances specified in Section 2.1, its securities which are Registrable Securities) at any time prior to the effective date of the registration statement relating thereto;

(ii) prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement until the earlier of (A) such time as all of such securities have been disposed of

in accordance with the intended methods of disposition by NRT set forth in such registration statement or (B) the expiration of 90 days after such registration statement becomes effective;

(iii) furnish to NRT such number of conformed copies of such registration statement and of each such amendment and supplement thereto (in each case including all exhibits), such number of copies of the prospectus contained in such registration statement (including each preliminary prospectus and any summary prospectus) and any other prospectus filed under Rule 424 under the Securities Act, in conformity with the requirements of the Securities Act, and such other documents, as NRT may reasonably request in order to facilitate the public sale or other disposition of the Registrable Securities owned by NRT;

(iv) use its reasonable efforts to register or qualify all Registrable Securities and other securities covered by such registration statement under such other securities laws or blue sky laws of such jurisdictions as NRT shall reasonably request, to keep such registrations or qualifications in effect for so long as such registration statement remains in effect, and take any other action which may be reasonably necessary or advisable to enable NRT to consummate the disposition in such jurisdictions of the Registrable Securities, except that Cendant shall not for any such purpose be required to qualify generally to do business as a foreign corporation or dealer in any jurisdiction wherein it would not but for the requirements of this subdivision (iv) be obligated to be so qualified, to subject itself to taxation in any such jurisdiction, to conform its capitalization or the composition of its assets at the time to the securities or blue sky laws of such jurisdiction or to consent to general service of process in any such jurisdiction;

(v) furnish to each underwriter, if an underwritten offering, customary "cold comfort" letters from its independent auditors, legal opinions from counsel to Cendant on customary matters, and such other certificates or other instruments reasonably requested by such underwriters;

(vi) notify NRT and the managing underwriter or underwriters, if any, promptly and confirm such advice in writing promptly thereafter:

(A) when the registration statement, the prospectus or any prospectus supplement related thereto or post-effective

amendment to the registration statement has been filed, and, with respect to the registration statement or any post-effective amendment thereto, when the same has become effective;

(B) of any request by the Commission for amendments or supplements to the registration statement or the prospectus or for additional information;

(C) of the issuance by the Commission of any stop order suspending the effectiveness of the registration statement or the initiation of any proceedings by any Person for that purpose;

(D) if at any time the representations and warranties of Cendant made as contemplated by Section 2.3 below cease to be true and correct; and

(E) of the receipt by Cendant of any notification with respect to the suspension of the qualification of any Registrable Securities for sale under the securities or blue sky laws of any jurisdiction or the initiation or threat of any proceeding for such purpose;

(vii) notify NRT, at any time when a prospectus relating to a registration statement is required to be delivered under the Securities Act, upon Cendant's discovery that, or upon the happening of any event as a result of which, the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made, and as soon as practicable prepare and furnish to NRT and each underwriter, if any, a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such securities, such prospectus shall not include 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 the light of the circumstances under which they were made;

(viii) use its reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of the registration statement at the earliest possible moment;

(ix) otherwise use its reasonable efforts to comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve months, but not more than eighteen months, beginning with Cendant's first full calendar quarter after the effective date of such registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder; and

Cendant may require NRT to furnish Cendant such information regarding NRT and the distribution of the Registrable Securities as Cendant may from time to time reasonably request in writing.

At least one day prior to any disposition of Registrable Securities by NRT, NRT will orally advise Cendant of the dates on which such disposition is expected to commence and terminate, the number of Registrable Securities expected to be sold, the method of disposition and such other information as Cendant may reasonably request in order to supplement the prospectus contained in any registration statement in accordance with the rules and regulations of the Commission. Promptly after receiving such advice, Cendant will, if necessary, (i) prepare a supplement to such prospectus based upon such advice and file the same with the Commission pursuant to Rule 424(b) under the Securities Act and (ii) if necessary, qualify the Registrable Securities to be sold under the securities or blue sky laws of such jurisdictions in the United States as NRT shall reasonably request (subject to the proviso of Section 2.3(iv)).

NRT agrees by acquisition of the Registrable Securities that, upon receipt of any notice from Cendant of the occurrence of any event of the kind described in subdivisions (vi) or (vii) of this Section 2.2, NRT will forthwith discontinue its disposition of Registrable Securities pursuant to the registration statement relating to such Registrable Securities until NRT's receipt of the copies of the supplemented or amended prospectus contemplated by subdivisions (vi) or (vii) of this Section 2.2 and, if so directed by Cendant, will deliver to Cendant (at Cendant's reasonable expense) all copies, other than permanent file copies, then in NRT's possession of the prospectus relating to such Registrable Securities current at the time of receipt of such notice.

NRT shall, at any time it is engaged in the distribution of Registrable Securities comply with all applicable laws, including Regulation M promulgated under the Exchange Act and (i) will not engage in any stabilization activity in connection with the securities Cendant in contravention of such rules, (ii) will distribute the Registrable Securities solely in the manner described in any applicable registration statement and (iii) will not bid for or purchase any securities of Cendant or attempt to induce any

person to purchase any securities of Cendant other than as permitted under the Exchange Act.

2.3 UNDERWRITTEN OFFERINGS.

(a) INCIDENTAL UNDERWRITTEN OFFERINGS. If Cendant at any time proposes to register any shares of Move.com Stock under the Securities Act as contemplated by Section 2.1 and such securities are to be distributed by or through one or more underwriters, Cendant will, if requested by NRT as provided in Section 2.1 and subject to the provisions of Section 2.2, use its reasonable efforts to arrange for such underwriters to include all the Registrable Securities to be offered and sold by NRT among the securities to be distributed by such underwriters, PROVIDED that if the managing underwriter of such underwritten offering shall inform NRT and the holders of any other securities which shall have exercised, in respect of such underwritten offering, registration rights comparable to the rights under Section 2.1 by letter of its belief that inclusion in such underwritten distribution of all or a specified number of such Registrable Securities or of such other securities so requested to be included would interfere with the successful marketing of the securities by the underwriters (such letter to state the basis of such belief and the approximate number of such Registrable Securities and shares of other securities so requested to be included which may be included in such underwritten offering without such effect), then Cendant may, upon written notice to NRT and all holders of such other securities so requested to be included, exclude PRO RATA from such underwritten offering (if and to the extent stated by such managing underwriter to be necessary to eliminate such effect) the number of such Registrable Securities and shares of such other securities so requested to be included the registration of which shall have been requested by NRT and by the holders of such other securities so that the resultant aggregate number of such Registrable Securities and of such other shares of securities so requested to be included which are included in such underwritten offering shall be equal to the approximate number of shares stated in such managing underwriter's letter. NRT shall be a party to the underwriting agreement between Cendant and such underwriters.

(b) HOLDBACK AGREEMENT. NRT agrees by acquisition of the Registrable Securities, if so required by the managing underwriter, not to sell, make any short sale of, loan, grant any option for the purchase of, effect any public sale or distribution of, make any sale or distribution pursuant to Rule 144 (or any successor provision) under the Securities Act of or otherwise dispose of any securities of Cendant, during the period of not more than180 days after any underwritten registration pursuant to Section 2.1 has become effective, except as part of such underwritten registration, whether or not NRT participates in such registration. NRT agrees that Cendant may in-

struct its transfer agent to place stop transfer notations in its records to enforce this Section 2.3(c).

(c) PARTICIPATION IN UNDERWRITTEN OFFERINGS. NRT may not participate in any underwritten offering hereunder unless NRT completes and executes all questionnaires, indemnities, underwriting agreements and other documents (other than powers of attorney) required under the terms of any underwriting arrangements.

2.4 RESTRICTIONS ON RESALE.

(a) Until the first anniversary of the Offering Closing date, NRT agrees not to sell, transfer or otherwise dispose of Registrable Securities other than pursuant to section 2.1 of this Agreement.

(b) In no event will NRT have any rights under Section 2.1 of this agreement until after the closing of an initial public offering of the Move.com Stock.

2.5 INDEMNIFICATION.

(a) INDEMNIFICATION BY CENDANT. In the event of any registration of any securities of Cendant under the Securities Act, Cendant will, and hereby agrees to, indemnify and hold harmless NRT, its directors and officers, and each other Person, if any, who controls NRT within the meaning of the Securities Act, against any losses, claims, damages or liabilities, joint or several, to which NRT or any such director or officer or controlling Person may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon (x) any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which such securities were registered under the Securities Act, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, or any omission or (y) alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and Cendant will reimburse NRT and each such director, officer, and controlling Person for any legal or any other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, liability, action or proceeding, PROVIDED that Cendant shall not be liable in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such

registration statement, any such preliminary prospectus, final prospectus, summary prospectus, amendment or supplement in reliance upon and in conformity with written information furnished to Cendant through an instrument duly executed by NRT specifically stating that it is for use in the preparation thereof, PROVIDED, FURTHER, that Cendant shall not be liable to NRT in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of NRT's failure to send or give a copy of the final prospectus, as the same may be then supplemented or amended, within the time required by the Securities Act to the Person asserting the existence of an untrue statement or alleged untrue statement or omission or alleged omission at or prior to the written confirmation of the sale of Registrable Securities to such Person if such statement or omission was corrected in such final prospectus; and PROVIDED, FURTHER, that Cendant shall not be liable to NRT in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based (i) upon the use of any preliminary final or summary prospectus by or on behalf of NRT after Cendant has notified NRT, in accordance with Section 2.2(vii), that such prospectus contains an untrue statement of 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, (ii) the use of any final prospectus, as amended or supplemented, by or on behalf of NRT after such time as the obligation of Cendant to keep the related registration statement effective has expired or (iii) any violation of any federal or state securities laws, rules or regulations committed by NRT (other than any violation that arises out of or is based upon the circumstances described in clause (x) or (y) above and as to which NRT would otherwise be entitled to indemnification hereunder). Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of NRT or any such director, officer, or controlling Person and shall survive the transfer of such securities by NRT.

(b) INDEMNIFICATION BY THE NRT. Cendant may require, as a condition to including any Registrable Securities in any registration statement filed pursuant to this Agreement, that Cendant shall have received an undertaking satisfactory to it from NRT, to indemnify and hold harmless (in the same manner and to the same extent as set forth in subdivision (a) of this Section 2.5) Cendant, each director of Cendant, each officer of Cendant and each other Person, if any, who controls Cendant within the meaning of the Securities Act, with respect to (i) any statement or alleged statement in or omission or alleged omission from such registration statement, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, if such statement or alleged statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to Cendant through an instrument duly executed by NRT specifically stating that it is for use in the preparation of such registration statement,

preliminary prospectus, final prospectus, summary prospectus, amendment or supplement, (ii) the use of any prospectus by or on behalf of NRT after Cendant has notified NRT that such prospectus contains an untrue statement of material fact or omits to state 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, (iii) the failure to send or deliver to a Person to whom NRT sells Registrable Securities at or prior to the written confirmation of sale, a copy of the final prospectus or of the final prospectus as then amended or supplemented, whichever is most recent, if Cendant has previously furnished copies thereof to NRT or its representatives, or (iv) any violation by NRT of any federal or state securities law or rule or regulation thereunder (other than any violation that arises out of or is based upon circumstances described in clause (x) or (y) of Section 2.5(a) above and as to which NRT is entitled to indemnification thereunder). Any such indemnity shall remain in full force and effect, regardless of any investigation made by or on behalf of Cendant or any such director, officer or controlling person and shall survive the transfer of such securities by NRT. Notwithstanding the foregoing, the indemnity obligation of NRT pursuant to this Section 2.5(b) shall be limited to an amount equal to the total proceeds (before deducting underwriting discounts and commissions and expenses) received by NRT for the sale of shares by NRT in a registration hereunder.

(c) NOTICES OF CLAIMS, ETC. Promptly after receipt by an indemnified party of notice of the commencement of any action or proceeding involving a claim referred to in the preceding subdivisions of this Section 2.5, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the latter of the commencement of such action, PROVIDED that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under the preceding subdivisions of this Section 2.5, except to the extent that the indemnifying party is actually prejudiced by such failure to give notice. In case any such action is brought against an indemnified party, unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist in respect of such claim, the indemnifying party shall be entitled to participate in and to assume the defense thereof, jointly with any other indemnifying party similarly notified, to the extent that the indemnifying party may wish, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the consent of the indemnified party, consent to entry of any judgment or enter into any settlement of any such action which does not include as an unconditional

term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability, or a covenant not to sue, in respect to such claim or litigation. No indemnified party shall consent to entry of any judgment or enter into any settlement of any such action the defense of which has been assumed by an indemnifying party without the consent of such indemnifying party.

(d) INDEMNIFICATION PAYMENTS. The indemnification required by this Section 2.5 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or expense, loss, damage or liability is incurred.

(e) CONTRIBUTION. If the indemnification provided for in the preceding subdivisions of this Section 2.5 is unavailable to an indemnified party in respect of any expense, loss, claim, damage or liability referred to therein, then each indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such expense, loss, claim, damage or liability (i) in such proportion as is appropriate to reflect the relative benefits received by Cendant on the one hand and NRT on the other from the distribution of the Registrable Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of Cendant on the one hand and of NRT on the other in connection with the statements or omissions which resulted in such expense, loss, damage or liability, as well as any other relevant equitable considerations. The relative benefits received by Cendant on the one hand and NRT on the other in connection with the distribution of the Registrable Securities shall be deemed to be in the same proportion as the total net proceeds received by Cendant from the initial sale of the Registrable Securities by Cendant bear to the gain, if any, realized by NRT. The relative fault of Cendant on the one hand and of NRT on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission to state a material fact relates to information supplied by Cendant or by NRT and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission, PROVIDED that the foregoing contribution agreement shall not inure to the benefit of any indemnified party if indemnification would be unavailable to such indemnified party by reason of the provisions contained in the first sentence of subdivision (a) of this Section 2.5, and in no event shall the obligation of any indemnifying party to contribute under this subdivision (e) exceed the amount that such indemnifying party would have been obligated to pay by way of indemnification if the indemnification provided for under subdivisions (a) or (b) of this Section 2.5 had been available under the circumstances.

Cendant and NRT agree that it would not be just and equitable if contribution pursuant to this subdivision (e) were determined by PRO RATA allocation or by any other method of allocation that does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth in the preceding sentence and subdivision (c) of this Section 2.5, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim.

Notwithstanding the provisions of this subdivision (e), NRT shall not be required to contribute any amount in excess of the amount by which the total proceeds (before deducting underwriting discounts and commissions and expenses) received by NRT from the sale of Registrable Securities exceeds the amount of any damages that NRT has otherwise been required to pay by reason of such untrue or alleged untrue statement or 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.

3. DEFINITIONS. As used herein, unless the context otherwise requires, the following terms have the following respective meanings:

COMMISSION: The Securities and Exchange Commission or any other Federal agency at the time administering the Securities Act.

MOVE.COM STOCK: As defined in Section 1.

CENDANT: As defined in the introductory paragraph of this Agreement.

EXCHANGE ACT: The Securities Exchange Act of 1934, or any similar Federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time. Reference to a particular Section of the Securities Exchange Act of 1934 shall include a reference to the comparable Section, if any, of any such similar Federal statute.

PERSON: A corporation, an association, a partnership, a limited liability company, an organization, business, an individual, a

governmental or political subdivision thereof or a governmental agency or any other entity.

REGISTRABLE SECURITIES: any shares of Move.com Stock issued to NRT pursuant to the Purchase Agreement and any securities issued or issuable with respect to any Move.com Stock referred to above by way of stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization or otherwise. As to any particular Registrable Securities, once issued such securities shall cease to be Registrable Securities when (a) a registration statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with such registration statement, (b) they shall have been distributed to the public pursuant to Rule 144 (or any successor provision) under the Securities Act, (c) they shall have been otherwise transferred, [new certificates for them not bearing a legend restricting further transfer shall have been delivered by Cendant] and subsequent disposition of them shall not require registration or qualification of them under the Securities Act or any similar state law then in force, (d) they become eligible for resale pursuant to Rule 144(k) (or any successor provision) under the Securities Act or (e) they shall have ceased to be outstanding.

REGISTRATION EXPENSES: All expenses incident to Cendant's performance of or compliance with Section 2, including, without limitation, all registration, filing and NASD fees, all stock exchange listing fees, all fees and expenses of complying with securities or blue sky laws, all word processing, duplicating and printing expenses, messenger and delivery expenses, the fees and disbursements of counsel for Cendant and of its independent public accountants, including the expenses of any special audits or "cold comfort" letters required by or incident to such performance and compliance and any fees and disbursements of underwriters customarily paid by issuers or sellers of securities, but excluding (i) brokerage commissions, underwriting discounts and commissions and transfer taxes, if any; (ii) fees and disbursements of counsel or of any experts retained by NRT in connection with the registration of any Registrable Securities or

the distribution of such shares; or (iii) any other out-of-pocket expenses of NRT.

SECURITIES ACT: The Securities Act of 1933, or any similar federal statute, and the rules and regulations of the Commission thereunder, all as of the same shall be in effect at the time. References to a particular Section of the Securities Act of 1933 shall include a reference to the comparable Section, if any, of any such similar federal statute.

4. AMENDMENTS AND WAIVERS. This Agreement may be amended and Cendant may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if Cendant shall have obtained the written consent to such amendment, action or omission to act, of NRT.

5. NOTICES. Except as otherwise provided in this Agreement, all notices, requests and other communications to any party hereto shall be in writing and shall be given and addressed to such party in the manner set forth in the Purchase Agreement or at such other address as such party shall have furnished to the other party in writing. Each such notice, request or other communication shall be effective (i) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid or (ii) if given by any other means (including, without limitation, by air courier), when delivered at the address specified above.

6. ASSIGNMENT. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other party, except that the provisions of this Agreement which are for the benefit of NRT shall also be for the benefit of and enforceable by any wholly owned direct or indirect subsidiary of NRT to which NRT transfers any of its Registrable Securities pursuant to the Purchase Agreement. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

7. DESCRIPTIVE HEADINGS. The descriptive headings of the several Sections and paragraphs of this Agreement are inserted for reference only and shall not limit or otherwise affect the meaning hereof.

8. GOVERNING LAW. This agreement shall be governed by, enforced under and construed in accordance with the laws of the State of New York, without giving effect to any choice of law provision or rule thereof.

9. COUNTERPARTS. This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

10. ENTIRE AGREEMENT. This Agreement embodies the entire agreement and understanding between Cendant and NRT relating to the subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter.

11. SUBMISSION TO JURISDICTION. Each of the parties hereto hereby irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of the State of New York and of the United States of America in each case located in the County of New York for any litigation arising out of or relating to this Agreement and the transactions contemplated hereby (and agrees not to commence any litigation relating thereto except in such courts) and further agrees that service of any process, summons, notice or document by U.S. registered mail to its respective address set forth in Section 5 (or to such other address for notice that such party has given the other party written notice of in accordance with Section 5) shall be effective service of process for any litigation brought against it in any such court. Each of the parties hereto hereby irrevocably and unconditionally waives any objection to the laying of venue of any litigation arising out of this Agreement or the transactions contemplated hereby in the courts of the State of New York or of the United States of America in each case located in the County of New York and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such litigation brought in any such court has been brought in an inconvenient forum.

12. SEVERABILITY. If any provision of this Agreement, or the application of such provisions to any Person or circumstance, shall be held invalid, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered by their respective officers hereunto duly authorized as of the date first above written.

CENDANT CORPORATION

BY: /s/ James Buckman

Name:
Title:

NRT INCORPORATED

By: /s/ Steven L. Barnett

Name:
Title:

Exhibit 10.11

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ASSET PURCHASE AGREEMENT

by and among

CENDANT CORPORATION,

COMPLETEHOME.COM, INC.,

RENT NET, INC.,

JOHN P. McWEENY,

JOSEPH A. PREIS,

and

METRO-RENT, INC.

Dated as of October 29, 1999

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ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT, dated as of October 29, 1999 (this "Agreement"), by and among Cendant Corporation, a Delaware corporation ("Cendant"), CompleteHome.com, Inc., a Delaware corporation and an indirect wholly owned subsidiary of Cendant (the "Buyer"), Rent Net, Inc., a Delaware corporation and a wholly owned subsidiary of the Buyer (the "Sub"), John P. McWeeny ("McWeeny"), Joseph A. Preis ("Preis"), and together with McWeeny, the "Seller Shareholders") and Metro-Rent, Inc., a California corporation (the "Seller").

WHEREAS, the Seller is engaged in an Internet-based real estate and ancillary services business (the "Business");

WHEREAS, the Buyer (or the Sub if designated by the Buyer) desires to purchase and assume from the Seller, and the Seller desires to sell, convey, assign, and transfer to the Buyer (or the Sub if designated by the Buyer), all the assets and properties relating to the Business, together with certain obligations and liabilities relating thereto, all in the manner and subject to the terms and conditions set forth herein;

WHEREAS, the only assets of the Seller immediately after the Closing (as hereinafter defined) will consist exclusively of the consideration provided by the Buyer (or the Sub if designated by the Buyer) as set forth in Section 1.4 of this Agreement and the Retained Assets (as hereinafter defined);

WHEREAS, it is contemplated that the Business will form part of an Internet real estate portal business being developed by the Buyer (the "Cendant Internet Business") which will include among other business operations the Sub and certain other Cendant real estate assets; and

WHEREAS, Cendant is currently planning an initial public offering ("IPO") of a new series of tracking stock designed to reflect the performance of the Cendant Internet Business (the "CIB Stock") although the plans for the Cendant Internet Business are not finalized and are not likely to be finalized before the closing of the transactions contemplated herein.

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, warranties, covenants and agreements contained herein, and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I

SALE OF ASSETS

Section 1.1. SELLER'S ASSETS.

a) ACQUIRED ASSETS. Subject to the terms of this Agreement, the Seller agrees to sell, assign, transfer, convey and deliver to the Buyer (or the Sub if designated by the Buyer), and the Buyer (or the Sub if designated by the Buyer) agrees to purchase and acquire from the Seller, free and clear of all Liens (as hereinafter defined), all of the Seller's right, title and interest in and to the assets held for use or used in, arising from or related to the Business of every kind and nature, tangible and intangible, wherever located and whether or not on the books of the Seller (collectively, the "Acquired Assets"), including without the limitation the following:

(i) all goodwill related to the Business;

(ii) all of the Seller's contracts, agreements, Intellectual Property (as hereinafter defined) agreements, license agreements and leases, including amendments and supplements, modifications, side letters or agreements relating to the foregoing, or entered into after the date hereof in accordance with the terms of Section 4.1 (collectively, the "Contracts");

(iii) all marketing, sales and promotional literature, books, records, files, documents, financial records, bills, accounting, internal and audit records, operating manuals, personnel records, customer and supplier lists and files, preprinted materials, art work, and other similar items related to the Business in the possession or under the control of the Seller or related primarily to the Business and in the possession or under the control of affiliates of the Seller, or its representatives (the "Books and Records");

(iv) all copies of computer programs, including any and all software implementations of algorithms, models and methodologies whether in source code or object code form, databases and compilations, including any and all data and collections of data, all documentation, including user manuals and training materials, related to any of the foregoing and the content and information

contained on any Web site (collectively, "Software") held for use or used in the Business as conducted as of the Closing Date (as hereinafter defined) or as presently contemplated to be conducted;

(v) all accounts receivable related to the Business set forth in Section 1.1(a)(v) of the Seller Disclosure Schedule as well as those accounts receivable related to the Business arising after the date set forth in Section 1.1(a)(v) of the Seller Disclosure Schedule and all rights to insurance proceeds in respect of any of the Acquired Assets;

(vi) all rights to all telephone numbers related to the Business;

(vii) all intangible assets held for use or used in the Busi ness as conducted as of the Closing Date or as presently contemplated to be conducted, including without limitation the following:

(A) the confidential information, technology, know-how, inventions, processes, formulae, algorithms, models and methodologies (such confidential items collectively, "Trade Secrets") held for use or used in the Business as conducted as of the Closing Date or as presently contemplated to be conducted (including all documentation relating thereto);

(B) the copyrights, copyright registrations and copyright applications (collectively, "Copyrights") set forth in Section 1.1(a)(vii) of the Seller Disclosure Schedule;

(C) the patents, patent applications, disclosures of inventions and the patents issued upon patent applications or based upon such invention disclosures (collectively, "Patents") set forth in Section 1.1(a)(vii) of the Seller Disclosure Schedule;

(D) the trade names, trademarks, service marks,

product designations, trade dress, logos, slogans, and designs and general intangibles of a like nature together with goodwill, all registrations and applications related to the foregoing (collectively, "Trademarks") set forth in Section 1.1(a)(vii) of the Seller Disclosure Schedule;

(E) the Internet domain names set forth in Section 1.1(a)(vii) of the Seller Disclosure Schedule;

(F) subject to the consent requirements for the agreements set forth in Section 2.3 of the Seller Disclosure Schedule, license agreements held for use or used in, or related to the Business as conducted as of the Closing Date or as presently contemplated to be conducted and relating to any of the foregoing types of intangible assets whether Seller is a party as licensor or licensee thereunder, including the licenses set forth in Section 1.1(a)(vii) of the Seller Disclosure Schedule;

(viii) all payments, deposits (including security deposits) and prepaid expenses of the Seller related to the Business;

(ix) all furnishings, furniture, office supplies, hardware, fixtures and other tangible personal property related to the Business;

(x) all rights under warranties, representations and guaran tees made by suppliers, manufacturers or contractors in connection with the operation of the Business or affecting any of the Acquired Assets;

(xi) to the extent assignable, all Permits (as hereinafter defined); and

(xii) all other assets of the Seller other than the Retained Assets (as hereinafter defined).

For purposes of this Agreement, "Liens" shall mean all liens, pledges, charges, claims (excluding claims of vendors of supplies or services used in the ordinary course for payment of invoices issued in the ordinary course, and claims of customers for refunds in the ordinary course), security interests or other encumbrances except for statutory liens relating to taxes not yet due and payable.

(b) RETAINED ASSETS. Notwithstanding anything contained herein to the contrary, the Seller shall not sell, transfer, convey or deliver, or cause to be sold, transferred, conveyed or delivered, to the Buyer (or the Sub if designated by the Buyer),

and the Buyer (or the Sub if designated by the Buyer) shall not purchase from the Seller the following assets, properties, interests and rights of the Seller (the "Retained Assets"):

(i) all books and records solely related to the Retained Liabilities (as hereinafter defined);

(ii) any cash or bank account balances of the Seller in excess of (x) an amount reasonably anticipated to be necessary to fund the Business from the Closing Date through December 31, 1999 to be calculated as of the Closing Date by the Seller and reasonably agreed to by the Buyer (or the Sub if designated by the Buyer) and (y) cash to fund the outstanding but unpaid checks as of the Closing Date; such amount to be calculated at least three business days prior to the Closing by the Seller on a certificate detailing the Seller's calculation of excess cash and certified by the Seller as complete and correct along with copies of all documents used in calculating said amounts;

(iii) the shareholders' agreement among the Seller and the Seller Shareholders listed in Section 2.17 of the Seller Disclosure Schedule (the "Shareholders' Agreement");

(iv) any Employment Agreement (as hereinafter defined) for which the employee of the Seller who is a party to such Employment Agreement does not receive an offer of employment from the Buyer (or the Sub if designated by the Buyer) following the Closing pursuant to Section 4.9(a) (the "Retained Employment Contracts"); and

(v) the Seller's workers compensation insurance policy (policy number 97-NK-0608-9) with State Farm Fire and Casualty Company and business insurance policy (policy number 97-EK-5805-2) with State Farm General Insurance Company (the "Retained Insurance Policies")

Section 1.2. ASSUMPTION OF LIABILITIES. Subject to the terms of this Agreement and excluding the Retained Liabilities, the Buyer (or the Sub if designated by the Buyer) hereby agrees to assume, pay, perform and discharge when due all the liabilities and obligations of the Business, whether fixed, absolute, contingent, material or immaterial, matured or unmatured other than the Retained Liabilities (collectively, the "Assumed Liabilities"), including without limitation:

(a) all liabilities and obligations reflected on the Balance Sheet (as hereinafter defined) and any liabilities or obligations arising in the ordinary course of the Business and consistent with past practice since the date of the Balance Sheet (excluding all costs and expenses (including legal fees and expenses) incurred in connection with, or in anticipation of, this Agreement and the transactions contemplated hereby) including, without limitation, any amounts payable or reserved for payments of refunds to customers of the Seller in the ordinary course;

(b) all liabilities and obligations of the Seller under the Contracts; and

(c) all liabilities and obligations that the Buyer (or the Sub if designated by the Buyer) has agreed to assume pursuant to Section 4.9.

Section 1.3. RETAINED LIABILITIES. Subject to the terms of this Agreement, the Buyer (or the Sub if designated by the Buyer) shall not assume and the Seller or the Seller Shareholders, as applicable, shall retain all the liabilities and obligations of the Seller or the Seller Shareholders, as applicable not specifically assumed by the Buyer (or the Sub if designated by the Buyer) in Section 1.2, including without limitation, the following (the "Retained Liabilities"):

(a) all Taxes (as hereinafter defined) attributable to or related to the Business or the Acquired Assets for all taxable periods (or portions thereof) ending on or prior to the Closing Date including, without limitation, Taxes incurred as a result of the transactions contemplated by this Agreement and the Preclosing Transactions (as hereinafter defined) and all Taxes imposed upon the Seller or the Seller Shareholders for any taxable period;

(b) all costs and expenses (including legal fees and expenses) incurred in connection with, or in anticipation of, this Agreement and the transactions contemplated hereby including, without limitation, the fees and expenses of Booth Capital Corporation and Scott Miller (collectively, the "Seller Financial Advisor") and the Preclosing Transaction Expenses (as hereinafter defined);

(c) all liabilities and obligations of the Seller in connection with the Shareholders' Agreement and the promissory note payable to Preis by the Seller in the amount of $390,000 listed in Section 2.17 of the Seller Disclosure Schedule;

(d) the Retained Employment Contracts; and

(e) the Retained Insurance Policies.

Section 1.4. PURCHASE PRICE. Subject to the terms of this Agreement, in consideration of the aforesaid sale, assignment, transfer and conveyance of the Acquired Assets, the Buyer (or the Sub if designated by the Buyer) agrees to (i) assume the Assumed Liabilities and (ii) pay to the Seller a purchase price of up to $9.0 million (the "Purchase Price") to be paid as follows: (a) at the Closing, $2.0 million in cash by wire transfer in immediately available funds to an account designated in writing by the Seller (the "Closing Cash Payment") and a payment of $1.0 million in Share Equivalents (as hereinafter defined) (the "Closing Stock Payment" and together with the Closing Cash Payment, the "Closing Payments"); (b) up to $6.0 million in Deferred Payments as set forth in Section 1.5 below. "Share Equivalents" for a given payment amount shall mean (i) that number of shares of Buyer Common Stock (as hereinafter defined) determined by dividing such payment amount by the Share Value (as hereinafter defined), or (ii) if the CIB Stock has been issued, that number of shares of CIB Stock determined by calculating the number of shares of Buyer Common Stock that would have been issued pursuant to (i) above and converting such shares into CIB Stock at the same conversion ratio at which the Buyer Common Stock converted into CIB Stock at the time of the IPO. "Buyer Common Stock" means the Non-Voting Common Stock, par value $.01 per share of the Buyer. The key provisions of the Buyer Common Stock are attached as Exhibit A hereto. "Share Value" shall mean $20.51 per share, as the same may be adjusted to reflect stock dividends, stock-splits, combinations or other reclassifications of stock or any other similar transactions.

Section 1.5. DEFERRED PAYMENTS.

(a) DEFINITIONS. The following terms shall be defined as follows:

(i) "Accepted Addition" means any expansion of the activities of the Business to a new location other than those contemplated by Budgeted Capital or any expansion to a location or activity not previously contemplated by Budgeted Capital or Budgeted Expenses, and which is accepted in writing as an "Accepted Addition" by the Buyer (or the Sub if designated by the Buyer) and Preis. An "Accepted Addition" may be proposed by any party hereto. Accepted

Additions are intended only to affect the calculation of the Deferred Payments hereunder and shall not be construed as giving any other party veto power or control over investment decisions of Cendant, the Buyer or the Sub, which power and control shall remain in the sole discretion of Cendant, the Buyer and the Sub. Any location or business activity which is not an Accepted Addition shall be excluded from the calculation of Actual Capital Expenditures, Excess Capital Expenditures, Actual Revenues and Actual Expenses (including, if such activities or locations are not Accepted Additions and the Seller Shareholders or the Expanded Business devote a material amount of time to such locations or activities, an adjustment to allocate overhead to the excluded location or activity to be determined in good faith by the Buyer (or the Sub if designated by the Buyer)) in calculating the Calculated Deferred Payment. If an expansion is an Accepted Addition the actual results of the Accepted Addition (determined according to Section 1.5(c) hereof) shall be included in determining Actual Capital Expenditures, Actual Revenues and Actual Expenses for purposes of determining the Calculated Deferred Payment.

(ii) "Actual Capital Expenditures" means the cumulative amount of capital expenditures of the Expanded Business (as hereinafter defined) actually made from the Closing Date until the end of the Deferred Payment Period (as hereinafter defined).

(iii) "Actual Expenses" means the expenses of the Expanded Business (as determined under Section 1.5 (c)) for a particular Year (as hereinafter defined) during the Deferred Payment Period (including any expenses associated with moving, closing or opening an office for the Expanded Business except for expenses associated with any relocation of the Fillmore Street office within six months of the Closing Date which is directed by the Buyer (and not agreed to by Preis) without a legal requirement for such relocation to have occurred) and referred to by reference to the particular Year, e.g., "Year 2 Actual Expenses."

(iv) "Actual Revenues" means the revenues of the Expanded Business (as determined under Section 1.5 (c)) for a particular Year during the Deferred Payment Period and referred to by reference to a particular Year, e.g., "Year 3 Actual Revenues" (including Ancillary Revenues as described in Section 4.16).

(v) (1) "Budgeted Capital" means $1,900,000 for the entire Deferred Payment Period, measured on a cumulative basis from the Closing Date until the end of the Deferred Payment Period.

(2) Section 1.5(a)(v)(2) of the Seller Disclosure Schedule sets forth a description of all targeted acquisitions by region, including the targeted capital expenditures, revenues and expenses allocated to each such acquisition in the Budgeted Capital, Budgeted Expenses and Budgeted Revenues and including, where known, the name and the aforementioned information with respect to each individual target within such region.

(vi) "Budgeted Revenues" and "Budgeted Expenses" mean, for Year 1, Year 2, and Year 3 of the Expanded Business, the following gross dollar amounts:

	Budgeted Revenues	Budgeted Expenses
Year 1	$ 5,930,000	$ 7,229,000
Year 2	$10,215,000	$ 8,883,000
Year 3	$12,593,000	$10,062,000

Budgeted Revenues and Budgeted Expenses are referred to in this Section 1.5 by reference to a specific year (e.g., "Year 2 Budgeted Revenues and Year 2 Budgeted Expenses").

(vii) "Calculated Deferred Payment" means, for each Year, the portion of the Deferred Payment Target (as hereinafter defined) actually calculated to be due and payable to the Seller pursuant to this Section 1.5. The Calculated Deferred Payment is referred to by reference to the particular Year with respect to which the calculation is made, e.g., the Year 3 Calculated Deferred Payment.

(viii) "Capital Adjustment" means, for each Year during the Deferred Payment Period, an adjustment determined as follows:

(1) If there are no Excess Capital Expenditures (as herein after defined) for the Year, or for any period Year, the Capital Adjustment is zero ($0).

(2) If there are Excess Capital Expenditures in Year 1, the Year 1 Capital Adjustment shall be equal to twenty five percent (25%) of the Year 1 Excess Capital Expenditures.

(3) If there are Excess Capital Expenditures in either Year 1 or Year 2, the Year 2 Capital Adjustment shall be (A) fifty percent (50%) of the Year 2 Excess Capital Expenditures, plus (B) fifty percent (50%) of the Year 1 Excess Capital Expenditures.

(4) If there are Excess Capital Expenditures in any of Year 1, Year 2 or Year 3, the Year 3 Capital Adjustment shall be (A) one hundred percent (100%) of the Year 3 Excess Capital Expenditures, plus (B) fifty percent (50%) of the Year 2 Excess Capital Expenditures, plus (C) twenty five percent (25%) of the Year 1 Excess Capital Expenditures.

In all cases where the Capital Adjustment is a number other than zero ($0), it will be expressed as a negative number.

(ix) "Capital Savings" means, for each Year during the Deferred Payment Period, the amount, if any, by which Actual Expenses for the Year are less than Budgeted Expenses for the Year, PROVIDED, HOWEVER that such Capital Savings cannot exceed the positive difference between (A) Actual Revenues for the Year multiplied by the Expense Percentage at Budget (as hereinafter defined) for the Year minus (B) Actual Expenses for the Year.

(x) "Deferred Payment" means any one of the payments determined hereunder for Year 1, Year 2 and Year 3.

(xi) "Deferred Payment Period" means the period from the Closing Date until the end of Year 3.

(xii) "Deferred Payment Target" means, with respect to each Year the following dollar amounts:

Year	Deferred Payment Target
Year 1	$2,000,000
Year 2	$3,000,000
Year 3	$1,000,000

The Deferred Payment Target for a particular Year is referred to by reference to such Year, e.g., "Year 2 Deferred Payment Target."

(xiii) "Excess Capital Expenditures" means, to the extent that such amount is greater than zero, (A) the amount of Actual Capital Expenditures made in any Year, minus (B) the Budgeted Capital less aggregate Capital Expenditures in all prior Years, minus (C) the Capital Savings for the Year, PROVIDED, HOWEVER, that if there were Excess Capital Expendi tures in any prior Year, then the Excess Capital Expenditures for the Year being calculated shall equal the Actual Capital Expenditures for such Year. The Excess Capital Expenditures are referred to by reference to each particular Year, including only the Actual Capital Expenditures made during that Year. (e.g., If there are no Capital Savings in Year 1 or Year 2, and if $2,000,000 in chargeable capital is spent on the Expanded Business before the end of Year 1, and an additional $200,000 in Year 2, the Year 1 Excess Capital Expenditures would be $100,000, and the Year 2 Excess Capital Expenditures would be $200,000.) Year 1 Excess Capital Expenditures includes all Actual Capital Expenditures made from the Closing Date through the end of Year 1.

(xiv) "Expanded Business" means, for purposes of determin ing the Actual Revenues, Actual Expenses and Actual Capital Expenditures for any Year of the Expanded Business the operations of the Business, expanded by (i) additionaloperations, locations or offices contemplated by the Budgeted Capital or in the existing Budgeted Expenses and included in Section 1.5(a)(v)(2) of the Seller Disclosure Schedule, and (ii) any Accepted Additions.

(xv) "Expense Adjustment" means a dollar amount (which may be positive or negative) determined for each of Year 2 and Year 3 as follows:

(1) If Actual Expenses for the Year are less than Budgeted Expenses for the Year, the Expense Adjustment is zero ($0).

(2) If Actual Expenses for the Year are greater than Budgeted Expenses for the Year, the Expense Adjustment is equal to:

(A) Actual Revenues for the Year multiplied by the Expense Percentage at Budget for the Year,

minus

(B) Actual Expenses for the Year.

A positive difference is a positive Expense Adjustment for the Year; a negative difference is a negative Expense Adjustment for the Year.

(xvi) "Expense Percentage at Budget" means, for each of Year 1, Year 2 and Year 3, Budgeted Expenses for the Year divided by Budgeted Revenues for the same Year, expressed as a percentage. The Expense Percentage at Budget for each of Year 1, Year 2 and Year 3 is as follows:

Year 1	121.91%
Year 2	86.96%
Year 3	79.90%

(xvii) "Revenue Adjusted Target" means the dollar amount determined for each of Year 2 and Year 3 by multiplying the appropriate Revenue Adjustment Percentage in the following chart, by the Deferred Payment Target for the Year:

Actual Revenues for the Year as a Percentage of Budgeted Revenues for the Year	Revenue Adjustment Percentage for the Year
65%	32.5%
70%	45.8%
75%	59.2%
80%	72.5%
Above 80%	Same Percentage Above 80%

If Actual Revenues as a percentage of Budgeted Revenues falls at an intermediate point between 65% and 80%, the Revenue Adjustment Percentage for such intermediate point is determined by linear interpolation from the results indicated for 65%, 70%, 75% and 80%.

(xviii) "Year" means any one of Year 1, Year 2, or Year 3.

(xix) "Year 1, Year 2, and Year 3" mean the following time periods regardless of the scheduled time for payment of a Calculated Deferred Payment with respect to such periods:

	Period Covered (Inclusive)
Year 1	1/1/2000-12/31/2000
Year 2	1/1/2001-12/31/2001
Year 3	1/1/2002-12/31/2002

(b) DETERMINATION OF CALCULATED DEFERRED PAYMENT.

(i) YEAR 1 CALCULATED DEFERRED PAYMENT.

(1) If Year 1 Actual Revenues are less than fifty percent (50%) of Year 1 Budgeted Revenues, the Year 1 Calculated Deferred Payment is zero ($0).

(2) If Year 1 Actual Revenues equal or exceed fifty per cent (50%) of Year 1 Budgeted Revenues, the Year 1 Calculated Deferred

Payment will be the sum of (A) the Year 1 Deferred Payment Target, and (B) the Year 1 Capital Adjustment, if any. No other adjustments will be taken into account or applied in determining the Year 1 Calculated Deferred Payment.

(3) The Year 1 Calculated Deferred Payment shall be payable fifty percent (50%) in cash and fifty percent (50%) in Share Equivalents.

(ii) YEAR 2 CALCULATED DEFERRED PAYMENT.

(1) If Year 2 Actual Revenues are less than sixty five percent (65%) of Year 2 Budgeted Revenues, the Year 2 Calculated Deferred Payment will be zero ($0), and no adjustments will apply to raise the Year 2 Calculated Deferred Payment above zero ($0).

(2) If (A) Year 2 Actual Revenues equal or exceed Year 2 Budgeted Revenues, (B) Year 2 Actual Expenses are less than or equal to Year 2 Budgeted Expenses, and (C) there are no Excess Capital Expenditures for Year 2 or Year 1, then the Year 2 Calculated Deferred Payment will be the Year 2 Deferred Payment Target.

(3) In any circumstances other than those described in Sections 2.15(b)(ii)(1) and (2) above, the Year 2 Calculated Deferred Payment will be the sum of: (A) the Year 2 Revenue Adjusted Target, (B) the Year 2 Expense Adjustment and (C) the Year 2 Capital Adjustment; PROVIDED, HOWEVER, that in no event shall the Year 2 Calculated Deferred Payment exceed the Year 2 Deferred Payment Target.

(4) The Year 2 Calculated Deferred Payment shall be payable in Share Equivalents.

(iii) YEAR 3 CALCULATED DEFERRED PAYMENT AMOUNT.

(1) If Year 3 Actual Revenues are less than sixty five percent (65%) of Year 3 Budgeted Revenues, the Year 3 Calculated Deferred

Payment will be zero ($0), and no adjustments will apply to raise the Year 3 Calculated Deferred Payment above zero ($0).

(2) If (A) Year 3 Actual Revenues equal or exceed Year 3 Budgeted Revenues, (B) Year 3 Actual Expenses are less than or equal to Year 3 Budgeted Expenses, and (C) there are no Excess Capital Expenditures for Year 3, Year 2 or Year 1, then the Year 3 Calculated Deferred Payment will be the Year 3 Deferred Payment Target.

(3) In any circumstances other than those described in Sections 2.15(b)(iii)(1) and (2) above, the Year 3 Calculated Deferred Payment will be the sum of: (A) the Year 3 Revenue Adjusted Target, (B) the Year 3 Expense Adjustment and (C) the Year 3 Capital Adjustment; PROVIDED, HOWEVER, that in no event shall the Year 3 Calculated Deferred Payment Amount exceed the Year 3 Deferred Payment Target.

(4) The Year 3 Calculated Deferred Payment shall be payable in Share Equivalents.

(iv) CAPITAL ADJUSTMENT OPTION. Notwithstanding anything to the contrary contained within this Section 1.5(b), if the Calculated Deferred Payment for a Year includes a number other than zero as the Capital Adjustment for such Year, then the Seller may, by written notice to the Buyer (or the Sub if designated by the Buyer), elect to pay to the entity issuing such Share Equivalents an amount of cash equal to but no more or less than the Capital Adjustment for such Year in lieu of a reduction in the Share Equivalents payable to the Seller for such Year due to the Capital Adjustment for such Year.

(c) DETERMINATION OF ACTUAL REVENUES, ACTUAL EXPENSES AND ACTUAL CAPITAL EXPENDITURES. Promptly after the end of a Year and in any event not later than 90 days following the end of such Year, the Buyer (or the Sub, if designated by the Buyer) shall prepare and deliver to the Seller a calculation of the Actual Revenues, Actual Expenses and Actual Capital Expenditures for the Year (the "Actual Results") and a certificate (the "Calculation Certificate") signed by the Chief Operating Officer of the Buyer (or the Sub, if designated by the Buyer) setting forth the calculation of the Calculated Deferred Payment for such Year. The Actual Results shall be prepared in good faith in a

manner consistent with the Seller's current accounting practices (after consultation and due regard for the suggestions of Preis).

(d) DISPUTES CONCERNING ACTUAL RESULTS. The Seller may dispute (a "Closing Dispute") any aspect of the Actual Results or the Calculation Certificate by notice (a "Dispute Notice") in writing given to Cendant within 30 days (the "Review Period") following the delivery of the Actual Results and the Calculation Certificate to the Seller. The Seller shall be provided with reasonable access during normal business hours under the supervision of the Buyer's (or the Sub's if designated by the Buyer) personnel and upon reasonable prior notice, to all documents, records, facilities and personnel reasonably necessary to conduct its review of the Actual Results and the Calculation Certificate. The Seller shall conduct such review in such a manner as not to disrupt the business operations of the Buyer (or the Sub if designated by the Buyer). The Dispute Notice shall specify the item or items on the Actual Results or the Calculation Certificate which the Seller disputes and shall specify the aggregate amount by which the Seller believes the Calculated Deferred Payment for the year should be increased. In the event that no Dispute Notice is given within 30 days following the delivery of the Actual Results and the Calculation Certificate to the Seller, the Actual Results and the Calculation Certificate shall be deemed to have been accepted by the Seller in the form in which it was delivered to the Seller and shall be final and binding upon the parties hereto. If the Seller has a Closing Dispute and delivers a Dispute Notice, the Buyer (or the Sub if designated by the Buyer) and the Seller shall attempt to resolve the Closing Dispute. In the event that such Closing Dispute is not resolved by agreement of the parties within 60 days of delivery of such notice by the Seller, the Closing Dispute shall be finally settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (the "AAA Rules") then in effect, except as modified herein. The place of arbitration shall be New York, New York. There shall be a single arbitrator (the "Closing Arbitrator") appointed by the Seller and Cendant and who shall be a mutually acceptable certified public accountant from either (w) Deloitte & Touche LLP, (x) PricewaterhouseCoopers LLP, (y)Arthur Andersen LLP or (z) KPMG Peat Marwick LLP (each, individually, a "Big Five Accounting Firm") (PROVIDED, HOWEVER, that in no event shall a certified public accountant from the accounting firm of Ernst & Young LLP be chosen, and Ernst & Young LLP shall not, for the purposes of this agreement, be defined as a Big Five Accounting Firm). If Cendant and the Seller are unable to agree as to the identity of the Closing Arbitrator within 30 days of receipt by respondent of the notice of the demand for arbitration sent by the American Arbitration Association (the "AAA"), such appointment shall be made by the AAA in accordance with the AAA Rules and this Section 1.5. Any Closing Arbitrator

appointed by the AAA shall be a certified public accountant who is a partner from a Big Five Accounting Firm (excluding Ernst & Young LLP) who is experienced in large business transactions of this type. In connection with the resolution of any Closing Dispute, the Closing Arbitrator shall have access to all documents, records, facilities and personnel necessary to perform his function. The Closing Arbitrator shall resolve all Closing Disputes in accordance with the terms of this Agreement. Any arbitration proceedings, decision or award rendered hereunder and the validity, effect and interpretation of this arbitration agreement shall be governed by the United States Federal Arbitration Act, 9 U.S.C. Section 1 ET SEq. The decision of the Closing Arbitrator shall be final and binding on all the parties hereto and judgment upon any award may be entered in any court having competent jurisdiction. Upon agreement by the parties with respect to all matters in dispute, or upon an award or decision of the Closing Arbitrator with respect to all matters in dispute, such amendments shall be made to the Actual Results and the Calculation Certificate as may be necessary to reflect such agreement or such decision, as the case may be. In such event, references in this Agreement to the Actual Results and the Calculation Certificate shall refer to the Actual Results or the Calculation Certificate, as the case may be, as amended in accordance with the foregoing sentence, and the final determination of the Calculated Deferred Payment for the Year and any resulting payment pursuant to this Section 1.5 shall be made in accordance therewith. The fees payable to the Closing Arbitrator shall be paid equally by the Seller and Cendant and each party shall bear their own costs and attorneys fees.

(e) TIMING OF DEFERRED PAYMENTS.

(i) The Year 1 Calculated Deferred Payment shall be effected through the payments and transfers to the Escrow Agent as provided in Section 4.17 of this Agreement, and the timing and terms of the release of the Year 1 Calculated Deferred Payment will be governed by the Escrow Agreement.

(ii) The Year 2 Calculated Deferred Payment, if any, shall be paid on or after January 1, 2002, as follows: (A) the amount of the Year 2 Calculated Deferred Payment based upon the calculation of the Actual Results included in the Calculation Certificate under Section 1.5(c) of this Agreement shall accompany the Buyer's delivery of the Calculation Certificate to the Seller with respect to the Year 2 Actual Results, and (B) any additional Year 2 Calculated Deferred Payment payable as the result of resolution of any dispute concerning the Actual Results under Section 1.5(d) of this Agreement shall be paid to the Seller

within ten (10) business days after such dispute is resolved pursuant to Section 1.5(d).

(iii) The Year 3 Calculated Deferred Payment, if any, shall be paid on or after January 1, 2003, as follows: (A) the amount of the Year 3 Calculated Deferred Payment based upon the calculation of the Actual Results included in the Calculation Certificate under Section 1.5(c) of this Agreement shall accompany the Buyer's delivery of the Calculation Certificate to the Seller with respect to the Year 3 Actual Results, and (B) any additional Year 3 Calculated Deferred Payment payable as the result of resolution of any dispute concerning the Actual Results under Section 1.5(d) of this Agreement shall be paid to the Seller within ten (10) business days after such dispute is resolved pursuant to Section 1.5(d).

Section 1.6. TIME AND PLACE OF CLOSING. Upon the terms and subject to the conditions of this Agreement, the closing of the transactions contemplated by this Agreement (the "Closing") will take place at the offices of Skadden, Arps, Slate, Meagher & Flom LLP, 919 Third Avenue, New York, New York 10022, at 10:00 a.m. (local time) on the third business day following the date on which all the conditions to each party's obligations specified in Article V hereunder that are susceptible to being satisfied prior to the Closing have been satisfied or waived by the party entitled to waive the applicable condition, or at such other date, place or time as the parties may agree in writing; PROVIDED, HOWEVER, that if Cendant's auditors, Deloitte & Touche LLP, notifies Cendant that audited financial statements of the Seller or the Business are required in order to file Cendant's proxy statement for the shareholder vote on the creation of the CIB Stock, then the Closing shall take place on the third business day after the filing of such proxy statement. The date on which the Closing occurs and the transactions contemplated hereby become effective is referred to herein as the "Closing Date".

Section 1.7. DELIVERIES BY THE SELLER. At the Closing, the Seller will deliver the following to the Buyer (or the Sub if designated by the Buyer):

(a) the officer's certificate provided for in Section 5.3(c);

(b) the Secretary's certificate provided for in Section 5.3(d);

(c) a Bill of Sale and Assignment duly executed by the Seller and substantially in the form of Exhibit B hereto;

(d) a certificate of non-foreign status as provided in Treasury Regulation Section 1.1445-2(b);

(e) copies of certificates from the appropriate taxing authorities stating that no Taxes (as hereinafter defined) are due to any state or other taxing authority for which the Buyer (or the Sub if designated by the Buyer) could have liability to withhold or pay Taxes with respect to the transfer of the Acquired Assets;

(f) an Escrow Agreement duly executed by the Seller and substantially in the form of Exhibit C hereto (the "Escrow Agreement");

(g) a Registration Rights Agreement duly executed by the Seller and substantially in the form of Exhibit D hereto (the "Registration Rights Agreement");

(h) all other assignments and other instruments or documents reasonably necessary in the reasonable judgement of the Buyer (or the Sub if designated by the Buyer) to evidence the sale, assignment, transfer and conveyance by the Seller of the Acquired Assets in accordance with the terms of this Agreement; and

(i) all other documents, instruments and writings required to be delivered by the Seller at or prior to the Closing Date pursuant to this Agreement.

Section 1.8. DELIVERIES BY THE BUYER OR THE SUB. Subject to the terms and conditions hereof, at the Closing the Buyer (or the Sub if designated by the Buyer) will deliver to the Seller:

(a) the officer's certificate provided for in Section 5.2(c);

(b) the Closing Payments;

(c) an Instrument of Assumption duly executed by the Buyer (or the Sub if designated by the Buyer) and substantially in the form of Exhibit E hereto;

(d) the Secretary's certificate referenced in Section 5.2(d);

(e) the Escrow Agreement duly executed by the Buyer (or the Sub if designated by the Buyer);

(f) the Employment Agreements between the Buyer (or the Sub if designated by the Buyer) and each of the Seller Shareholders duly executed by the Buyer (or the Sub if designated by the Buyer) and substantially in the form of Exhibit F hereto (each a "Seller Shareholder Employment Agreement"); and

(g) The Registration Rights Agreement duly executed by the Buyer and Cendant;

(h) all other documents, instruments and writings required to be delivered by the Buyer (or the Sub if designated by the Buyer) at or prior to the Closing Date pursuant to this Agreement.

Section 1.9. DELIVERIES BY THE SELLER SHAREHOLDERS. At the Closing, each of the Seller Shareholders shall deliver to the Buyer (or the Sub if designated by the Buyer):

(a) the Seller Shareholder Employments Agreements duly executed by each Seller Shareholder;

(b) all other assignments and other instrument or documents reasonably necessary in the reasonable judgement of the Buyer (or the Sub if designated by the Buyer) to evidence the sale, assignment, transfer and conveyance by the Seller of the Acquired Assets in accordance with the terms of this Agreement; and

(c) The Registration Rights Agreement duly executed by each Seller Shareholder;

(d) all other documents, instruments and writings required to be delivered by the Seller Shareholders at or prior to the Closing Date pursuant to this Agreement.

Section 1.10. PRECLOSING TRANSACTIONS. Prior to the Closing, the Seller Shareholders shall contribute to the Seller the Internet domain names "Move.com" and "For-Rent.com", any and all assets (tangible or intangible) relating to those domain names

and the Websites located at such domain name addresses. The foregoing transactions (the "Preclosing Transactions") shall be consummated pursuant to and in accordance with instruments of conveyance and otherwise on terms and conditions reasonably acceptable to Cendant and its outside counsel. The Seller and the Seller Shareholders shall provide Cendant with copies of the executed documents promptly following the execution thereof. The Seller and the Seller Shareholders shall be responsible for all costs, expenses and Taxes relating to the Preclosing Transactions (the "Preclosing Transaction Expenses").

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE SELLER AND THE SELLER SHAREHOLDERS

Each of the Seller and the Seller Shareholders hereby represents and warrants to the Buyer and the Sub as follows:

Section 2.1 ORGANIZATION; ETC. The Seller (i) is a corporation validly existing and in good standing under the laws of its jurisdiction of incorporation, (ii) has all requisite corporate power and authority to own, lease and operate its properties and assets and to carry on its business as it is now being conducted, and (iii) is duly qualified and in good standing to do business in each jurisdiction in which the nature of its business or the ownership, operation or leasing of its properties makes such qualification necessary. All of the outstanding capital stock of the Seller is owned beneficially and of record by the Seller Shareholders.

Section 2.2. AUTHORITY RELATIVE TO THIS AGREEMENT. Each of the Seller and the Seller Shareholders has the requisite power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite action on the part of the Seller and each of the Seller Shareholders. This Agreement has been duly and validly executed and delivered by the Seller and each of the Seller Shareholders and (assuming this Agreement has been duly authorized, executed and delivered by Cendant, the Buyer and the Sub) constitutes a valid and binding agreement of the Seller and each of the Seller Shareholders, enforceable against the Seller and each of the Seller Shareholders in accordance with its terms, except that (a) such enforcement may be subject to any bankruptcy, insolvency,

reorganization, moratorium, fraudulent transfer or other laws, now or hereafter in effect, relating to or limiting creditors' rights generally and (b) enforcement of this Agreement, including, among other things, the remedy of specific performance and injunctive and other forms of equitable relief, may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

Section 2.3. CONSENTS AND APPROVALS; NO VIOLATIONS. () Except as set forth in Section 2.3 of the Seller Disclosure Schedule, neither the execution and delivery of this Agreement by the Seller and each of the Seller Shareholders, nor the consummation by the Seller and each of the Seller Shareholders of the transactions contemplated hereby will (w) conflict with or result in any breach of any provision of the certificate or articles of incorporation, as the case may be, or by-laws of the Seller, (x) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation or acceleration) under, or require any consent under, any indenture, license, contract, agreement or other instrument or obligation to which the Seller is a party or by which any of them or any of their respective properties or assets are bound, (y) violate any order, writ, injunction, decree or award rendered by any Governmental Entity (as hereinafter defined) or any statute, rule or regulation (collectively, "Laws" and, individually, a "Law") applicable to the Seller or any of their respective properties or assets, or (z) require any filing with, or the obtaining of any permit, authorization, consent or approval of, any governmental or regulatory authority, domestic or foreign (a "Governmental Entity"), except in the case of clauses (x), (y) and (z) of this Section 2.3 for any such violations, breaches, defaults, rights of termination, cancellation or acceleration or requirements that (i), individually or in the aggregate, would not have a Business Material Adverse Effect (as hereinafter defined) or would not adversely affect the ability of the Seller or each of the Seller Shareholders to consummate the transactions contemplated by this Agreement; (ii), individually or in the aggregate become applicable as a result of the business or activities in which the Buyer, the Sub or Cendant is or proposes to be engaged (excluding the Expanded Business) or as a result of any acts or omissions by, or the status of or any facts pertaining to, the Buyer, the Sub or Cendant; or (iii) are listed in Section 3.7 of the Seller Disclosure Schedule. Notwithstanding anything to the contrary in this Agreement, prior to the Closing, the Seller will not seek a consent (which may or may not be required) for the transfer to the Buyer (or the Sub if designated by the Buyer) of that certain agreement between the Seller and SFGate listed in Section 2.3 of the Seller Disclosure Schedule unless previously authorized in writing by the Buyer. The Seller will use its commercially reasonable efforts to obtain such consent as soon as practicable following the Closing.

(b) As used in this Agreement, the term "Business Material Adverse Effect" shall mean a material adverse change in, or effect on, the Acquired Assets or the business, prospects, financial condition or results of operations of the Business.

Section 2.4. FINANCIAL STATEMENTS. () The Seller previously has delivered to Cendant the unaudited consolidated balance sheet of the Business as of August 31, 1999 (the "Balance Sheet") and the related unaudited consolidated statement of income of the Business for the nine months then ended (collectively the "Financial Statements"). The Financial Statements have not been prepared according to GAAP. The Seller has identified the changes which, to its knowledge, should conform its current method of accounting to GAAP. The effects of these changes are listed in Section 2.4 of the Seller Disclosure Schedule, and the changes in treatment of customer receipts and refunds are set forth in detail in Section 2.4 of the Seller Disclosure Schedule (the "Accounting Changes"). The Financial Statements together with the Accounting Changes present fairly and accurately the consolidated financial condition of the Business as of such date and the results of its operations for the nine months then ended.

(b) The Financial Statements together with the Accounting Changes, including the related schedules and notes thereto, have all been prepared from the books and records of the Seller consistently throughout the periods involved. Except for the Accounting Changes, the statements of income included in the Financial Statements do not contain any special or nonrecurring items except as expressly specified therein, and the balance sheets included in the Financial Statements do not reflect any write-up or revaluation increasing the book value of any assets. The books and accounts of the Seller are, to the knowledge of the Seller and the Seller Shareholders, complete and correct and fully and fairly reflect all of the transactions of the Seller.

(c) Notwithstanding paragraphs (a) and (b) of this Section 2.4, the Buyer, the Sub and Cendant acknowledge that the Seller's accounting for refund obligations owed to its clients and reflected on the Financial Statements is not in accordance with GAAP, and may therefore constitute a special or nonrecurring item.

Section 2.5. ABSENCE OF UNDISCLOSED LIABILITIES. Except for (a) liabilities or obligations incurred in the ordinary course of business and consistent with past practice since August 31, 1999, (b) liabilities or obligations accrued or reserved against in the Financial Statements or (c) liabilities or obligations disclosed herein or since August 31,

1999, the Business has not incurred any material liabilities or obligations (whether direct, indirect, known, unknown accrued, unaccrued, contingent or otherwise relating to the Acquired Assets or the Business).

Section 2.6. ABSENCE OF CERTAIN CHANGES. Except as set forth in Section 2.6 of the Seller Disclosure Schedule oras otherwise contemplated by this Agreement, since August 31, 1999, (a) there has not been any development or event that has had or could reasonably be expected to have, individually or in the aggregate, a Business Material Adverse Effect and (b) the Business has been conducted in the ordinary course consistent with past practice.

Section 2.7. LITIGATION. Except as set forth in Section 2.7 of the Seller Disclosure Schedule, there is no action, suit, proceeding (each, a "Legal Proceeding") or governmental investigation pending or, to the knowledge of the Seller or either of the Seller Shareholders, threatened against any of the Seller or either of the Seller Shareholders in respect of the Business by or before any court or Governmental Entity. There is no Legal Proceeding pending or, to the knowledge of the Seller or either of the Seller Shareholders, threatened, against any of the Seller or the Seller Shareholders in respect of the Business that questions the validity of this Agreement or any action taken or to be taken by the Seller or either of the Seller Shareholders in connection with the consummation of the transactions contemplated hereby or except as set forth in Section 2.7 of the Seller Disclosure Schedule that, individually or in the aggregate, could have or could reasonably be expected to have a Business Material Adverse Effect. Except as set forth in Section 2.7 of the Seller Disclosure Schedule, there is not outstanding or, to the knowledge of the Seller or either of the Seller Shareholders, threatened, any orders, judgements, decrees or injunctions issued by any Government Entity against, affecting or naming any of the Seller or the Seller Shareholders or affecting any of the Acquired Assets.

Section 2.8. COMPLIANCE WITH LAW. Except as set forth in Section 2.8 of the Seller Disclosure Schedule, to the knowledge of the Seller or either of the Seller Shareholders, the Business is not being and has not been conducted in material violation of any applicable Law or any order, writ, injunction or decree of any court or Governmental Entity. Except as set forth in Section 2.8 of the Seller Disclosure Schedule, the Business has all material permits, licenses, and other governmental authorizations, consents, and approvals necessary to conduct its business as currently conducted (collectively, the "Permits"). All of the Permits are identified in Section 2.8 of the Seller Disclosure

Schedule. Except as set forth in Section 2.8 of the Seller Disclosure Schedule, the Business is not in material violation of the terms of any Permit.

Section 2.9. EMPLOYEE BENEFIT PLANS. (a) Section 2.9(a) of the Seller Disclosure Schedule sets forth, as of the date of this Agreement, a list of all "employee pension benefit plans" (as defined in Section 3(2) of the Employee Retirement Security Act of 1974, as amended ("ERISA")), "employee welfare benefit plans" (as defined in Section 3(1) of ERISA), and deferred compensation, bonus, retention bonus, incentive, severance, stock bonus, stock option, restricted stock, stock appreciation right, stock purchase, holiday pay, and vacation pay plans, and any other employee benefit plan, program, policy or arrangement that is either maintained by orcontributed to by the Seller or any of their subsidiaries or any of their ERISA Affiliates (as hereinafter defined) or to which the Seller or any of their subsidiaries or any of their ERISA Affiliates is obligated to make payments or otherwise have any liability, (collectively, the "Plans"), and each employment, severance, consulting or similar agreement currently in effect that has been entered into by the Seller or a subsidiary of the Seller, on the one hand, and any employee of the Business, on the other hand (collectively, the "Employment Agreements"). For purposes of this Agreement, "ERISA Affiliate" shall mean any person (as defined in Section 3(9) of ERISA) that, is or has been a member of any group of persons described in Section 414(b), (c), (m) or (o) of the Internal Revenue Code of 1986, as amended (the "Code"), including, without limitation, the Seller and its subsidiaries. Accurate and complete copies of all such Plans and Employment Agreements have been delivered to the Buyer (or the Sub if designated by the Buyer).

(b) No Plan is subject to Title IV of ERISA. The Business is not a participant in any "multiemployer plan" within the meaning of Section 3(37) of ERISA. No liability or contingent liability under Title IV or Section 302 of ERISA has been incurred by the Seller or any ERISA Affiliate that has not been satisfied in full, and no condition exists that presents a material risk to the Seller or any ERISA Affiliate of incurring any such liability or contingent liability. The Internal Revenue Service has issued a favorable determination letter for each Plan that is intended to be a "qualified plan" within the meaning of Section 401(a) of the Code, and each such Plan is qualified.

(c) (i) All payments required to be made by or under any Plan, any related trusts, insurance policies or ancillary agreements, or any collective bargaining agreements have been timely made; (ii) the Seller has performed all obligations required to be performed by it under any Plan; (iii) the Plans have been administered and are in

compliance with their terms, the terms of any collective bargaining agreements, and the requirements of ERISA, the Code and other applicable Laws; and (iv) there are no actions, suits, arbitrations or claims pending or, to the knowledge of the Seller or the Seller Shareholders, threatened against any Plan.

(d) Except as set forth in Section 2.9(d) of the Seller Disclosure Schedule, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will, (i) increase any benefits otherwise payable under any Plan or Employment Agreement, or (ii) result in the acceleration of the time of payment or vesting of any such benefits. Except as set forth in Section 2.9(d) of the Seller Disclosure Schedule, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will result in any payment becoming due, or increase the compensation due, to any current or former employee or director of the Seller or any of its subsidiaries.

(e) Except as set forth in Section 2.9(e) of the Seller Disclosure Schedule, none of the Plans provides for post-employment or post-retirement life or health insurance, benefits or coverage for any participant or any beneficiary of a participant, except as may be required under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

Section 2.10. LABOR RELATIONS. Except as set forth in Section 2.10 of the Seller Disclosure Schedule, (a) the Business is, and has been, in compliance in all material respects with all applicable Laws respecting employment and employment practices, terms and conditions of employment, wages, hours of work and occupational safety and health, and is not engaged in any unfair labor practices as defined in the National Labor Relations Act or other applicable Law; (b) there is no labor strike, slowdown, stoppage or lockout actually pending, or threatened against or affecting the Business; and (c) the Business is not now, and has never been, a party to or bound by any collective bargaining or similar agreement with any labor organization.

Section 2.11. TAXES. Except as set forth on Section 2.11 of the Seller Disclosure Schedule: All Taxes that are dueand payable or required to be withheld, collected and/or paid over by the Seller or the Seller Shareholders for all periods ending on or before the Closing Date have been paid in full, and adequate reserves for all other Taxes of the Seller attributable to the Business or the Acquired Assets, whether or not due and payable, and whether or not disputed, have been set up on the Financial Statements

except for payroll taxes for a period of up to two weeks, and other Taxes accruing after the date of the Financial Statements. The Seller and the Seller Shareholders have duly and timely filed (or there has been filed on their behalf) with the appropriate governmental authorities all Tax Returns required to be filed with respect to the Business and the Acquired Assets, and all such Tax Returns are true, correct and complete in all material respects. No audit is pending or, to the knowledge of the Seller, threatened with respect to any Taxes due from the Seller or the Seller Shareholders or attributable to the Business or the Acquired Assets. There are no outstanding waivers extending the statutory period of limitations relating to the payment of Taxes due from the Seller or the Seller Shareholders for any taxable period ending on or prior to the Closing Date that are expected to be outstanding as of the Closing Date. No deficiency or adjustment for any Taxes has been threatened, proposed, asserted or assessed, in writing, against the Seller or any of the Seller Shareholders. None of the Assumed Liabilities is an obligation to make a payment that will not be deductible by reason of Section 280G of the Code. The Seller is not a party to any Tax allocation or sharing agreement, or similar arrangement. There are no Liens on the Acquired Assets. "Tax" or "Taxes" shall mean taxes of any kind, levies or other like assessments, customs, duties, imposts, charges or fees, including income, gross receipts, ad valorem, value added, excise, real or property, asset, sales, use, license, payroll, transaction, capital, net worth, withholding, estimated, social security, utility, workers' compensation, severance, production, unemployment compensation, occupation, premium, windfall profits, transfer and gains taxes, other governmental taxes imposed or payable to the United States, or any state, county, local or foreign government or subdivision or agency thereof, including any such liabilities that arise by virtue of transferee liability, successor liability, bulk transfer or sales laws, fraudulent conveyance statute, contracts, or otherwise, together with any interest, penalties or additions with respect thereto and any interest in respect of such additions or penalties; and "Tax Returns" shall mean all returns, reports, statements, declarations, estimates and forms or other documents (including any related or supporting information), required to be filed with respect to any Taxes.

Section 2.12. CONTRACTS. (a) The Seller has made available to the Buyer (or the Sub if designated by the Buyer) true, correct and complete copies of all Contracts which individually, or together with related Contracts with the same or related parties, involves the receipt or payment after the date hereof of more than $10,000 on an annual basis or over the remaining term thereof. Except as provided in Section 2.12(a) of the Seller Disclosure Schedule, neither the Seller, the Seller Shareholders nor any of the Acquired Assets, is a party to or is bound by any: (i) employment, personal services,

consulting, non-competition or other similar restriction on the conduct of the Business, severance, golden parachute or director, officer or employee indemnification agreements; (ii) contracts granting a right of first refusal or first negotiation with respect to any assets or line of business of the Business; (iii) partnership or joint venture agreements; (iv) agreements for the acquisition, sale or lease of material properties or assets of the Business (by merger, purchase or sale of assets or stock or otherwise) entered into since January 1, 1997; (v) contracts or agreements with any Governmental Entity; (vi) Real Property Leases (as hereinafter defined); (vii) loan agreements, credit agreements, promissory notes, guarantees, subordination agreements, letters of credit or other similar types of contract; (viii) collective bargaining or other agreements with any labor unions; (ix) other contracts which individually, or together with contracts with the same or related parties, involve the receipt or payment after the date hereof of more than $10,000 on an annual basis or over the remaining term thereof; (x) contracts or agreements restricting the conduct of the Business; and (xi) commitments and agreements to enter into any of the foregoing.

(b) Except as set forth in Section 2.12(b) of the Seller Disclosure Schedule: (i) there is no material default under any Contract by the Seller or, to the knowledge of the Seller or the Seller Shareholders, by any other party thereto, and no event has occurred that with the lapse of time or the giving of notice or both would constitute a material default thereunder by the Seller, or to the knowledge of the Seller or the Seller Shareholders, any other party; (ii) no party to any such Contract has given notice to the Seller of, or made a claim against the Business with respect to, any breach or default thereunder; and (iii) all the Contracts, to the extent not fully performed by Seller, are valid, binding and enforceable (except as such enforceability may be subject to any bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or other laws, now or hereafter in effect, relating to or limiting creditors' rights generally, or to equitable defenses or the discretion of the court before which proceedings may be brought) obligations of the Seller. Except as set forth in Section 2.3 of the Seller Disclosure Schedule, each Contract is transferrable to the Buyer (or the Sub if designated by the Buyer) without third party consent.

Section 2.13. REAL PROPERTY. Section 2.13 of the Seller Disclosure Schedule sets forth a list of all real property leased on behalf of the Business (the "Real Property Leases") and includes the expiration dates of such Real Property Leases. The Seller does not own any real property.

Section 2.14. INTELLECTUAL PROPERTY. (a) As used herein, the term "Intellectual Property" means all Trademarks, Internet domain names, Patents, Copyrights, Software, and Trade Secrets, held for use, used in or related to the Business as conducted as of the Closing Date or as presently contemplated by the Seller or the Seller Shareholders to be conducted and any licenses to use any of the foregoing (except for additional "shrink wrap" or other software licenses which may be needed in connection with expanding the Business).

(b) Section 1.1(a)(vii) of the Seller Disclosure Schedule sets forth, for all Intellectual Property owned directly or indirectly by the Seller or a subsidiary of the Seller, a complete and accurate list, of all U.S. and foreign: (i) patents and patent applications; (ii) trademark and service mark registrations (including Internet domain name registrations owned directly or indirectly by the Seller), trademark and service mark applications and material unregistered trademarks and service marks; and (iii) copyright registrations, copyright applications and material unregistered copyrights. Neither of the Seller Shareholders own any Internet domain names held for, used in or related to the Business.

(c) Section 1.1(a)(vii) of the Seller Disclosure Schedule lists all contracts for material Software which is licensed, leased or otherwise used by the Seller or a subsidiary of the Seller, and all Software which is owned by the Seller or a subsidiary of the Seller ("Proprietary Software"), and identifies which Software is owned, licensed, leased, or otherwise used, as the case may be.

(d) Section 1.1(a)(vii) of the Seller Disclosure Schedule sets forth a complete and accurate list of all material agreements granting or obtaining any right to use or practice any rights under any Intellectual Property, to which the Seller or a subsidiary of the Seller is a party or otherwise bound, as licensee or licensor thereunder, including, without limitation, license agreements, settlement agreements and covenants not to sue (collectively, the "License Agreements").

(e) Except as would not individually or in the aggregate have a Business Material Adverse Effect on the Seller or any subsidiary of the Seller:

(i) The Seller and its subsidiaries own or have the right to use all Intellectual Property, free and clear of all Liens, other than any Liens disclosed

on Section 2.11 of the Seller Disclosure Schedule or as otherwise disclosed in Section 2.14(e) of the Seller Disclosure Schedule;

(ii) any Intellectual Property owned or used by the Seller or any subsidiary of the Seller has been duly maintained, is valid and subsisting, in full force and effect and has not been cancelled, expired or abandoned;

(iii) except as may be otherwise disclosed in Section 2.14(e) of the Seller Disclosure Schedule, the Seller has not received written notice from any third party regarding any actual or potential infringement by the Seller or any subsidiary of the Seller of any intellectual property of such third party, and the Seller and either of the Seller Shareholders have no knowledge of any basis for such a claim against the Seller or any subsidiary of the Seller;

(iv) the Seller has not received written notice from any third party regarding any assertion or claim challenging the validity of any Intellectual Property owned or used by the Seller or any subsidiary of the Seller and the Seller has no knowledge of any basis for such a claim;

(v) neither Seller nor any subsidiary of the Seller has licensed or sublicensed its rights in any Intellectual Property, or received or been granted any such rights, other than pursuant to the License Agreements;

(vi) to the knowledge of the Seller and each Seller Share holder, and except as disclosed in Section 2.14(e) of the Seller Disclosure Schedule, no third party is misappropriating, infringing, diluting or violating any Intellectual Property owned by the Seller or any subsidiary of the Seller;

(vii) the License Agreements are valid and binding obligations of the Seller or its subsidiaries, enforceable in accordance with their terms (except as may be limited by bankruptcy or creditors' rights laws, equitable principles or the discretion of the courts), and there exists no event or condition which will result in a violation or breach of, or constitute a default by the Seller or any subsidiary of the Seller or, to the knowledge of the Seller or either of the Seller Shareholders, the other party thereto, under any such License Agreement;

(viii) the Seller and each subsidiary of the Seller take reasonable measures to protect the confidentiality of Trade Secrets including requiring third parties having access thereto to execute written nondisclosure agreements. To the knowledge of the Seller and each Seller Shareholder, no Trade Secret of the Seller or any subsidiary of the Seller has been disclosed or authorized to be disclosed to any third party other than pursuant to a written nondisclosure agreement that adequately protects the Seller's and the applicable Seller subsidiary's proprietary interests in and to such Trade Secrets;

(ix) except as disclosed in Section 2.3 of the Seller Disclo sure Schedule, the consummation of the transactions contemplated hereby will not result in the loss or impairment of the Seller's or any Seller subsidiary's rights to own or use any of the Intellectual Property, nor will such consummation require the consent of any third party in respect of any Intellectual Property; and

(x) all Proprietary Software set forth in Section 1.1(a)(vii) of the Seller Disclosure Schedule, was either developed (a) by employees of the Seller (or its predecessors) or any subsidiary of the Seller within the scope of their employment; or (b) by independent contractors of Seller or the Seller's predecessors, all of whose interests have been assigned to the Seller or any subsidiary of the Seller pursuant to written agreement.

(f) Except as set forth in Section 2.14(f) of the Seller Disclosure Schedule, neither the Seller nor any subsidiary of the Seller:

(i) has granted to any third party any exclusive rights of any kind (including, without limitation, exclusivity with regard to categories of advertisers on any World Wide Web site, territorial exclusivity or exclusivity with respect to particular versions, implementations or translations of any of the Intellectual Property), nor has the Seller or any subsidiary of the Seller granted any third party any right to market any of the Intellectual Property under any private label or "OEM" arrangements;

(ii) has any outstanding sales or advertising contract, commitment or proposal (including, without limitation, insertion orders, slotting agreements or other agreements under which the Seller or any subsidiary of the Seller has allowed third parties to advertise on or otherwise be included in a World

Wide Web site) that the Seller currently expects to result in any loss to the Seller upon completion or performance thereof;

(iii) has any oral contracts or arrangements for the sale of advertising or any other product or service which individually, or together with related oral contracts or arrangements with the same or related parties, involve the receipt or payment of more than $5,000 on an annual basis or over the remaining term thereof; or

(iv) employs any employee, contractor or consultant who, to the knowledge of the Seller or the Seller Shareholders, is, as a result of that employee's, contractor's or consultant's relationship to the Seller or any subsidiary of the Seller or because of the nature of the Business, in violation of any term of any written employment contract, patent disclosure agreement or any other written contract or agreement.

Section 2.15. YEAR 2000 COMPLIANCE. (a) Except as otherwise disclosed in Section 2.15(a) of the Seller Disclosure Schedule, and to the knowledge of the Seller and each Seller Shareholder, all Software listed in Section 1.1(a)(vii) of the Seller Disclosure Schedule and internal systems and equipment of the Seller are Year 2000 Compliant. As used herein, "Year 2000 Compliant" and "Year 2000 Compliance" mean for all dates and times, including, without limitation, dates and times after December 31, 1999 and in the multi-century scenario, when used on a stand-alone system or in combination with other software or systems: (i) the application system functions and receives and processes dates and times correctly without abnormal results; (ii) all date related calculations are correct (including, without limitation, age calculations, duration calculations and scheduling calculations); (iii) all manipulations and comparisons of date-related data produce correct results for all valid date values within the scope of the application; (iv) there is no century ambiguity; (v) all reports and displays are sorted correctly; and (vi) leap years are accounted for and correctly identified (including, without limitation, that 2000 is recognized as a leap year).

(b) Except as disclosed in Section 2.15(b) of the Seller Disclosure Schedule, prior to the Closing, the Seller shall have obtained (and have provided to the Buyer (or the Sub, if designated by the Buyer) copies of) written representations or assurances from each entity that (x) provides data of any type that includes date information or which is otherwise derived from, dependent on or related to date

information ("Date Data") to the Seller or any subsidiary of the Seller, (y) processes in any way Date Data for the Seller or any subsidiary of the Seller or (z) otherwise provides any material product or service to the Seller or any subsidiary of the Seller that is dependent on Year 2000 Compliance, that all of such entity's Date Data and related software and systems that are used for, or on behalf of, the Seller or any subsidiary of the Seller are either (i) Year 2000 Compliant or (ii) reasonably expected to be Year 2000 Compliant prior to the occurrence of any Year 2000 Compli ance related failure, except where the failure of such provision or processing would not, individually or in the aggregate, have a Business Material Adverse Effect.

Section 2.16. ASSETS. () Except as set forth in Section 2.16(a) of the Seller Disclosure Schedule, the Seller has good and marketable title to, or a valid leasehold interest in or right to use by license or otherwise, the Acquired Assets, free and clear of all Liens.

(b) Except as set forth in Section 2.16(b) of the Seller Disclosure Schedule, the Acquired Assets include or will include as of the Closing Date, without limitation, all personal property, both tangible and intangible, rights and agreements necessary to conduct the Business in all material respects as conducted on or immediately prior to the date hereof.

Section 2.17. AFFILIATE TRANSACTIONS. Section 2.17 of the Seller Disclosure Schedule sets forth a complete and correct list as of the date hereof of all contracts and agreements to which both (i) the Business and the Seller or its predecessors, on the one hand, and (ii) the Seller Shareholders or any of their affiliates, on the other hand, are a party that are in effect as of the date hereof or have been in effect during the prior three years.

Section 2.18. BROKERS; FINDERS AND FEES. Except for the fees of Seller Financial Advisor which shall be the sole responsibility of the Seller and the Seller Shareholders, neither the Seller nor either of the Seller Shareholders has employed any investment banker, broker or finder or incurred any liability for any investment banking fees, brokerage fees, commissions or finders' fees in connection with this Agreement or the transactions contemplated hereby.

Section 2.19. RESTRICTED SECURITIES. The Seller and each of the Seller Shareholders understand that the Buyer Common Stock and the CIB Stock to be received

by the Seller and each of the Seller Shareholders hereunder as part of the Purchase Price are characterized as "restricted securities" under the federal securities laws inasmuch as such securities are being acquired from Cendant, the Buyer or the Sub in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (the "Securities Act"), only in certain limited circumstances.

Section 2.20. SUITABILITY STANDARDS.

(a) The Seller and each Seller Shareholder are acquiring the Buyer Common Stock for investment purposes only and solely for their own accounts and not with a view to, or for resale in connection with, the distribution or disposition thereof, except for such distributions or dispositions which are effected in compliance with the Securities Act and in accordance with the terms of the Certificate of Incorporation of the Buyer;

(b) The Seller and each Seller Shareholder understand that there is no established market for the Buyer Common Stock (and it is not anticipated that such a market will develop) and that the Buyer Common Stock has not been registered under the Securities Act or under any state securities or "blue sky" laws;

(c) The Seller and each Seller Shareholder will not directly or indirectly offer, sell, transfer, assign, pledge, hypothecate or otherwise dispose of, or solicit any offers to purchase or otherwise acquire or take a pledge of, any shares of the Buyer Common Stock, except in accordance with the Securities Act and all applicable state securities or "blue sky" laws, and in any event subject to the terms of the Certificate of Incorporation of the Buyer;

(d) The Seller and each Seller Shareholder's financial situations are such that they can afford to bear the economic risk of holding the Buyer Common Stock for an indefinite period of time and suffer complete loss of their investment in the Buyer Common Stock;

(e) The Seller and each Seller Shareholder have such knowledge and experience in financial and business matters that they are capable of evaluating the merits and risks relating to their investment in the Buyer Common Stock;

(f) The Seller and each Seller Shareholder have been given the opportunity to examine documents relating to the Buyer, and to ask questions of and receive answers from the Buyer concerning the terms and conditions of the Buyer Common Stock, and to obtain any additional information necessary to verify the accuracy of the information provided;

(g) The Seller and each Seller Shareholder acknowledge that the Buyer Common Stock must be held indefinitely and the Seller and each Seller Shareholder must continue to bear the economic risk of their investments in the Buyer Common Stock unless the Buyer Common Stock is subsequently registered under the Securities Act or an exemption from such registration is available;

(h) The Seller and each Seller Shareholder understand that the Buyer Common Stock represents a speculative investment which involves a high degree of risk of loss of their investment therein, and for an indefinite period following the Closing there may be no public market for the shares of the Buyer Common Stock;

(i) in making their decisions to receive the Buyer Common Stock under this Agreement, the Seller and each Seller Shareholder have relied upon independent investigations made by them and, to the extent believed by them to be appropriate, their representatives, including their own professional, tax and other advisors; and

(j) all information the Seller and each Seller Shareholder have provided to the Buyer concerning themselves and their financial position and the financial position of each Seller Shareholder and his spouse is true, complete and correct as of the date of this Agreement.

(k) The Buyer, the Sub and Cendant acknowledge and agree that the Share Equivalents received by the Seller under Sections 1.4 and 1.5, as well as the Seller's right to receive any interest in any Share Equivalents under the terms of the Escrow Agreement, may be distributed or otherwise transferred in whole or in part, at any time and from time to time, by the Seller to the Seller Shareholders, or either of them (subject to restrictions, conditions or other limitations imposed upon the Seller or the Seller Shareholders under state or federal securities laws or in conjunction with a Lockup Period (as hereinafter defined)), and that such distribution or transfer is not intended to be

restricted or limited under any term of this Agreement or any other agreement or document executed in connection herewith.

Section 2.21. NO GENERAL SOLICITATION. The offer to invest in the Buyer was made to the Seller and each Seller Shareholder on a personal contact basis and not by means of any general solicitation or general advertising.

Section 2.22. PRIVATE PLACEMENT. The Seller and each Seller Share holder understand that the Buyer Common Stock has not been registered with the Securities and Exchange Commission and has not been qualified with any state securities regulatory authority, but is offered and sold under exemptions under the Securities Act predicated in part upon information and representations provided by the Seller and each Seller Shareholder to the Buyer. The Seller and each Seller Shareholder understand that the Buyer Common Stock must be held by each Seller Shareholder for an indefinite period, and may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of or encumbered except in accordance with the terms of this Agreement and the Certificate of Incorporation of the Buyer.

Section 2.23. FAIR CREDIT REPORTING ACT. The Seller is in material compliance with the Fair Credit Reporting Act, 15 U.S.C. Sections 1681-1681u.

Section 2.24. SALE OF INVENTORY. The principle activities of the Business are not the sale of inventory (as such term is defined in Section 9109 of the California Commercial Code) from stock.

Section 2.25. HOMERENTERS GUIDE. All obligations of and payments due from the Seller and Preis relating to the purchase of the assets of Homerenters Guide (including all amounts due under the promissory note executed by Preis in relation to such purchase) have been fully satisfied and paid by the Seller and Preis.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE BUYER, THE SUB AND CENDANT

The Buyer, the Sub and Cendant hereby represent and warrant to the Seller and the Seller Shareholders as follows:

Section 3.1. ORGANIZATION; ETC. The Buyer, the Sub and Cendant (i) are corporations validly existing and in good standing under the laws of their respective jurisdictions of organization, (ii) have all requisite corporate power and authority to own, lease and operate their respective properties and assets and to carry on their respective businesses as they are now being conducted, and (iii) are duly qualified and in good standing to do business in each jurisdiction in which the nature of their respective business or the ownership, operation or leasing of their respective business properties makes such qualification necessary.

Section 3.2. AUTHORITY RELATIVE TO THIS AGREEMENT. The Buyer, the Sub and Cendant have the corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite corporate action on the part of the Buyer, the Sub and Cendant. This Agreement has been duly and validly executed and delivered by the Buyer, the Sub and Cendant and (assuming this Agreement has been duly authorized, executed and delivered by the Seller and the Seller Shareholders) constitutes a valid and binding agreement of the Buyer, the Sub and Cendant, enforceable against the Buyer, the Sub and Cendant in accordance with its terms, except that (a) such enforcement may be subject to any bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or other laws, now or hereafter in effect, relating to or limiting creditors' rights generally and (b) enforcement of this Agreement, including, among other things, the remedy of specific performance and injunctive and other forms of equitable relief, may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

Section 3.3. CONSENTS AND APPROVALS; NO VIOLATIONS. Neither the execution and delivery of this Agreement by the Buyer, the Sub and Cendant nor the consummation by the Buyer, the Sub and Cendant of the transactions contemplated hereby will (a) conflict with or result in any breach of any provision of the certificate of incorporation or by-laws of the Buyer, the Sub or Cendant, (b) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation or acceleration) under, or require any consent under, any indenture, license, contract, agreement or other instrument or obligation to which the Buyer, the Sub or Cendant is a party or by which any of them or any of their respective properties or assets may be bound, (c) violate any order, writ, injunction, decree or Laws applicable to the Buyer, the Sub or Cendant, any of its subsidiaries or any of their respective properties or assets, or (d) require any filing with, or the obtaining of any permit, authorization, consent or approval of, any Governmental Entity, except in the case of clauses (b), (c) and (d) of this Section 3.3 for any such violations, breaches, defaults, rights of termination, cancellation or acceleration or requirements that, individually or in the aggregate, would not have a Buyer Material Adverse Effect (as hereinafter defined). As used in this Agreement, the term "Buyer Material Adverse Effect" shall mean an event, change or circumstance that would adversely affect the ability of the Buyer, the Sub and Cendant to consummate the transactions contemplated hereby or to perform their obligations hereunder.

Section 3.4. AVAILABILITY OF FUNDS. Cendant, the Buyer and the Sub currently have and will at the Closing have sufficient immediately available funds, in cash, to pay the Closing Payment and to pay any other amounts payable pursuant to this Agreement and to effect the transactions contemplated hereby.

Section 3.5. BROKERS; FINDERS AND FEES. Neither Cendant, the Buyer, the Sub nor any of their affiliates has employed any investment banker, broker or finder or incurred any liability for any investment banking, financial advisory or brokerage fees, commissions or finders' fees in connection with this Agreement or the transactions contemplated hereby.

Section 3.6. STATUS OF SHARE EQUIVALENTS. The Share Equivalents to be issued to the Seller pursuant to Section 1.4, when so issued, shall be duly and validly issued, fully paid and non-assessable.

Section 3.7. LICENSES AND APPROVALS. The Buyer (or the Sub, if designated by the Buyer) will use its commercially reasonable efforts to obtain and have in force at the Closing the licenses and approvals listed in Section 3.7 of the Seller Disclosure Schedule, or provide reasonable assurances to the Seller that the Buyer (or the Sub, if designated by the Buyer) will be permitted to operate the Business after the Closing in substantially the form currently operated by the Seller.

ARTICLE IV

COVENANTS OF THE PARTIES

Section 4.1 CONDUCT OF BUSINESS OF THE SELLER. During the period from the date of this Agreement to the Closing Date, except (x) as otherwise contemplated by this Agreement or the transactions contemplated hereby, (y) for those matters set forth in Section 4.1 of the Seller Disclosure Schedule, or (z) consented to by Cendant in writing, the Seller shall:

(a) use its best efforts to conduct the Business in the ordinary course consistent with past practice, including the payment of salaries in the ordinary course; and

(b) not (i) sell, assign, license, transfer, convey or otherwise dispose of any of its properties or assets, except in the ordinary course of business; (ii) make any loans, advances (other than advances in the ordinary course of business consistent with past practice) or capital contributions to, or investments in, any other Person; (iii) terminate, modify, transfer or amend any of its Contracts, except in the ordinary course of business; (iv) enter into any new material agreement other than renewals of existing agreements or otherwise in the ordinary course of business consistent with past practice; (v) enter into any written employment agreement with any employee providing for annual cash compensation in excess of $50,000 or increase the compensation of any of the officers or other employees of the Business, except for such increases as are granted in the ordinary course of business in accordance with its customary practices (which shall include normal periodic performance reviews and related compensation and benefit increases); (vi) adopt, grant, extend or increase the rate or terms of any bonus, insurance, pension or other employee benefit plan, payment or arrangement made to, for or with any such officers or employees of the Business, except (A) increases required by any applicable Law, (B) increases in the ordinary course of business consistent with past practice, and (C) any

other benefits payable in any form by the Seller or any affiliate of the Seller; (vii) make any change in any of its present accounting methods and practices, except as required by changes in GAAP; (viii) license any intellectual property rights to or from any third party pursuant to an arrangement other than in the ordinary course of business consistent with past practice; (ix) make or authorize any capital expenditures other than in accordance with its annual plan or other than capital expenditures not exceeding $5,000 individually or $15,000 in the aggregate; (x) incur any indebtedness for borrowed money, issue any debt securities or assume, guarantee or endorse the obligations of any other Persons or subject any of their respective properties or assets to any Liens; (xi) amend its certificate of incorporation or by-laws; (xii) issue, sell, pledge or transfer, or propose to issue, sell, pledge or transfer, any shares of its capital stock, or securities convertible into or exchangeable or exercisable for, or options with respect to, or warrants to purchase or rights to subscribe for, any shares of its capital stock; (xiii) cancel or compromise any debt or claim or waive or release any rights of the Seller; (xiv) utilize its working capital except in the ordinary course consistent with past practice; (xv) collect any receivables except in the ordinary course consistent with past practice; or (xvi) take, or agree to take, any of the foregoing actions.

Section 4.2. ACCESS TO INFORMATION FOR CENDANT, THE BUYER AND THE SUB. (a) From the date of this Agreement to the Closing, the Seller shall (i) give Cendant, the Buyer and the Sub and their authorized representatives reasonable access to all books, records, personnel, offices and other facilities and properties of the Business and its accountants, (ii) permit Cendant, the Buyer and the Sub to make such copies and inspections thereof as Cendant, the Buyer or the Sub may reasonably request and (iii) cause the officers of the Seller to furnish Cendant, the Buyer or the Sub with such financial and operating data and other information with respect to the business and properties of the Business as Cendant, the Buyer or the Sub may from time to time reasonably request; PROVIDED, HOWEVER, that any such access shall be conducted at Cendant, the Buyer and the Sub's expense, at a reasonable time, under the supervision of the personnel of the Seller and in such a manner as to maintain the confidentiality of this Agreement and the transactions contemplated hereby and not to interfere unreasonably with the normal operation of the business of the Seller.

(b) All such information and access shall be subject to the terms and conditions of the letter agreements (the "Confidentiality Agreements") between the Seller and Cendant, dated July 16, 1999.

Section 4.3. CONSENTS; COOPERATION. Each of the parties shall cooperate and use its commercially reasonable efforts to make all filings and obtain all licenses, permits, consents, approvals, authorizations, qualifications and orders of Governmental Entities and other third parties necessary to consummate the transactions contemplated by this Agreement. In addition to the foregoing, the Buyer, the Sub and Cendant agree to provide such assurances as to financial capability, resources and creditworthiness as may be reasonably requested by any third party whose consent or approval is sought hereunder. Notwithstanding the foregoing, in no event shall any of the parties be required to offer consideration to any third party to obtain consents or to initiate litigation.

Section 4.4. NO SOLICITATION. Neither the Seller nor any of its officers, directors, employees, shareholders, affiliates, agents or representatives will, directly or indirectly, solicit, initiate or encourage the submission of any proposal or offer from any Person other than Cendant, the Buyer and the Sub or their directors, officers, employees, or other affiliates or representatives, enter into or continue any discussions or negotiations with, or provide any information to, any Person other than Cendant, the Buyer and the Sub or its directors, officers, employees or other affiliates or representatives, relating to any (a) merger, consolidation or other business combination involving the Seller, (b) restructuring, recapitalization or liquidation of the Seller, or (c) acquisition or disposition of any material assets of the Seller or any of their securities (any such proposal or offer being hereinafter referred to as an "Acquisition Proposal"). The Seller will immediately cease and cause to be terminated any activities, discussions or negotiations conducted prior to the date of this Agreement with any parties other than Cendant, the Buyer and the Sub with respect to any of the foregoing. The covenant contained in this Section 4.4 is not intended to preclude the Seller or Preis from engaging in discussions with potential candidates for acquisition by the Seller; PROVIDED, HOWEVER, that such discussions will be conducted only with the prior knowledge of the Buyer or the Sub, and until the Closing no final commitment or use of Cendant's, the Buyer's or the Sub's name with respect to any acquisition may be undertaken without the prior written consent of the Buyer or the Sub.

Section 4.5. BEST EFFORTS. Each of the parties shall cooperate and use its commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable under applicable Laws and regulations to consummate and make effective the transactions contemplated by this Agreement.

Section 4.6. PUBLIC ANNOUNCEMENTS. Prior to the Closing, except as otherwise agreed to by the parties, the parties shall not issue any report, statement or press release or otherwise make any public statements with respect to this Agreement and the transactions contemplated hereby, except as in the reasonable judgment of a party may be required by law or in connection with its obligations as a publicly-held, exchange-listed company, in which case the parties will use their best efforts to reach mutual agreement as to the language of any such report, statement or press release.

Section 4.7. TAX MATTERS.

(a) TRANSFER TAXES. All excise, sales, use, transfer (including real property transfer or gains), stamp, documentary, filing, recordation and other similar taxes, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties, resulting directly from the transactions contemplated by this Agreement, shall be borne by the Seller.

(b) ALLOCATION OF PURCHASE PRICE; TAX FILINGS. Within ninety days following of the Closing and within ninety days following the payment of each Deferred Payment, the Buyer, the Sub and the Seller shall negotiate and draft a schedule (each an "Allocation Schedule") allocating the Closing Payments (which for purposes of this Section 4.7 shall include the Assumed Liabilities) or the Deferred Payments, as applicable, among the Acquired Assets. Each Allocation Schedule shall be prepared in accordance with Section 1060 of the Code and the regulations thereunder, it being agreed among the parties that $100,000 (in cash payments, with no more than $66,667 of payments at the Closing to be so allocated) of the Purchase Price shall be allocated to the non-compete obligations of the Seller and the Seller Shareholders. The Buyer, the Sub and the Seller further agree that the amount of the Purchase Price allocated to tangible personal property shall not exceed the amounts allocated to such Acquired Assets on the Financial Statements. Each of the Buyer, the Sub and the Seller shall (a) timely file all forms and Tax Returns required to be filed in connection with such Allocation Schedules, (b) be bound by such Allocation Schedules for purposes of determining Taxes, (c) prepare and file, and cause its affiliates to prepare and file, all of its Tax Returns including amended Tax Returns and Form 8594 on a basis consistent with such Allocation Schedules and (d) take no position, and cause its affiliates to take no position, inconsistent with such Allocation Schedules on any applicable Tax Return, in any audit or proceeding before any taxing authority, in any report made for Tax, financial accounting or any other purposes or otherwise PROVIDED, HOWEVER, that to the extent permitted under applicable law, the Buyer,

the Sub and the Seller shall be permitted, for purposes of filing Form 8594 and all other purposes, to take into account legal and accounting fees and other buying and selling expenses, respectively, as applicable. In the event that any Allocation Schedule is disputed by any taxing authority, the party receiving notice of such dispute shall promptly notify the other parties hereto concerning the existence and resolution of such dispute.

(c) ASSISTANCE AND COOPERATION. After the Closing Date, the Buyer and the Sub shall, and shall cause their respective affiliates to, provide and make available to the Seller all information relating to taxes of the Seller or the Business that is reasonably required by the Seller in connection with the preparation or filing of any tax return of the Seller or any matter relating to taxes of the Seller.

Section 4.8. KNOWLEDGE OF BREACH; PRIOR KNOWLEDGE; SUPPLEMENTAL DISCLOSURE. If prior to the Closing any party shall have actual knowledge of any breach of a representation and warranty of other party, such party shall promptly notify all other parties of its knowledge, in reasonable detail; PROVIDED, HOWEVER, that the delivery of any notice pursuant to this Section 4.8 shall not limit or otherwise affect any remedies available to the parties hereunder. The Seller shall from time to time prior to the Closing supplement or amend the Seller Disclosure Schedule with respect to any matter hereafter arising or discovered which if existing or known at the date of this Agreement would have been required to be set forth or described in the Seller Disclosure Schedule. No such supplemental or amended disclosure shall be deemed to have cured any breach of any representation, warranty or covenant made in this Agreement or to limit or otherwise affect any remedies available to the parties hereunder.

Section 4.9. EMPLOYEES; EMPLOYEE BENEFITS. (a) As promptly as practicable, but no later than 45 days, following the Closing, the Buyer (or the Sub if designated by the Buyer) shall provide a list to the Seller of each employee of the Seller who has accepted the Buyer's (or the Sub's if designated by the Buyer) offer of employment and who shall become (and shall be deemed to have become) employed by the Buyer (or the Sub if designated by the Buyer) effective as of the Closing (each such employee, an "Affected Employee"); PROVIDED, THAT, prior to the Closing the Buyer and the Sub are given reasonable access to the employment records for all employees (including, but not limited to, a list of all employees of the Seller along with salaries of each employee of the Seller) to the extent permitted under applicable law; and, PROVIDED, FURTHER, that immediately after the Closing, the Buyer and the Sub are given reasonable access to such employees for the purpose of conducting interviews. As soon as practicable after the

Closing, the Buyer (or the Sub if designated by the Buyer) or its affiliates shall provide Affected Employees who accept the Buyer's (or the Sub's if designated by the Buyer) offer of employment with salaries, incentive opportunities and benefit plans, programs and arrangements comparable in the aggregate to those currently provided as of the date hereof by the Seller. Without limiting the generality of the preceding sentence, the foregoing is not intended to require the Buyer or the Sub to modify any of their existing employee benefit plans or establish any new employee benefit plans.

(b) If any Affected Employee becomes a participant in any employee benefit plan,practice or policy of the Buyer, the Sub or any of their affiliates, such Affected Employee shall be given credit under such plan for all service prior to the Closing Date with the Seller (to the extent such credit was given by the Seller) for purposes of determining eligibility and vesting; PROVIDED, HOWEVER, such service need not be credited to the extent it would result in a duplication of benefits. Such service also shall apply for purposes of satisfying any waiting periods, evidence of insurability requirements, or the application of any preexisting condition limitations. Affected Employees shall be given credit for amounts paid under a corresponding benefit plan during the same period for purposes of applying deductibles, copayments and out-of-pocket maximums as though such amounts had been paid in accordance with the terms and conditions of the comparable Buyer or Sub employee benefit plan.

Section 4.10. MAINTENANCE OF BOOKS AND RECORDS. Each of the parties hereto shall preserve, until at least the seventh anniversary of the Closing Date, all pre-Closing Date records possessed or to be possessed by such party relating to the Business. After the Closing Date and up until at least the seventh anniversary of the Closing Date, upon any reasonable request from a party hereto or its representatives, the party holding such records shall, subject to the confidentiality provisions of Section 4.2(b), (x) provide to the requesting party or its representatives reasonable access to such records during normal business hours and (y) permit the requesting party or its representatives to make copies of such records, in each case at no cost to the requesting party or its representatives (other than for reasonable out-of-pocket expenses). Such records may be sought under this Section 4.10 for any reasonable purpose, including, without limitation, to the extent reasonably required in connection with the audit, accounting, tax, litigation, federal securities disclosure or other similar needs of the party seeking such records. Notwithstanding the foregoing, any and all such records may be destroyed by a party if such destroying party sends to the other parties hereto written notice of its intent to destroy such records, specifying in reasonable detail the contents of the records to be destroyed;

such records may then be destroyed after the 60th day following such notice unless another party hereto notifies the destroying party that such other party desires to obtain possession of such records (subject to the confidentiality provisions of Section 4.2(b) above), in which event the destroying party shall transfer the records to such requesting party and such requesting party shall pay all reasonable expenses of the destroying party in connection therewith.

Section 4.11 COVENANT NOT TO COMPETE.

(a) The parties agree that this Agreement and the transactions contemplated hereby constitute a sale of all or substantially all of the operating assets of the Seller for the purposes of Section 16601 of the California Business and Professions Code. In furtherance of the sale to the Buyer (or the Sub if designated by the Buyer) of the Acquired Assets and the Business, the Seller and Preis shall not, directly or indirectly, through equity ownership or otherwise anywhere in the world compete with the Buyer or the Sub in any business in which the Buyer, the Sub or the Expanded Business competes, for a period of five years from the Closing and McWeeny shall not, directly or indirectly, through equity ownership or otherwise, anywhere in the world compete with the Buyer or the Sub in any business in which the Sub or the Expanded Business competes, for a period of three years from the Closing. Notwithstanding the foregoing, the Seller Shareholders shall not be prevented from owning, at any time, as an investment, upto 1% of a class of equity securities issued by any competitor of Cendant, the Buyer or the Sub that is publicly traded and each Seller Shareholder will be released from such obligations if such Seller Shareholder's employment with the Buyer or the Sub is Terminated Without Cause (as such term is defined in the respective Seller Shareholder Employment Agreements);

(b) The parties intend that the covenant contained in the preceding Section 4.11(a) shall be construed as a series of separate covenants, one for each area of business and country, county and city included within each state and, except for business and geographic coverage, each such separate covenant shall be deemed identical. The parties agree that the covenants included in this Section 4.11 are, taken as a whole, reasonable in their business scope, geographic scope and duration and no party shall raise any issue of the reasonableness of the scope or duration of the covenants in any proceeding to enforce any such covenants. The unenforceable covenant shall be deemed eliminated from these provisions for the purpose of those proceedings to the extent necessary to permit the remaining separate covenants to be enforced. Furthermore, because a substantial portion of the Business is conducted on the Internet, geographic

boundaries should not apply and, therefore, the parties further agree that the geographic scope of the convenants contained herein should not be limited to any particular geographic region smaller than the range of places where the Internet is accessible. If, in any judicial proceeding, a court shall refuse to enforce any of the separate covenants deemed included in this Section 4.11, it is expressly agreed that the parties intend that they be bound by the longest time period and the maximum geographic coverage permitted by law.

Section 4.12. POST-CLOSING CONFIDENTIALITY. For a period of seven years after the Closing and without limitation solely in the case of Trade Secrets of the Business included in the Acquired Assets, the Seller and the Seller Shareholders agree to, and to cause each of their affiliates to, maintain the confidentiality of all confidential or proprietary information with respect to the Business and the Acquired Assets (collectively, "Confidential Information") and shall not disclose any Confidential Information except (i) where specifically required by Law or legal process (and in such case only after providing Cendant, where practicable, with sufficient notice to enable it to move for a protective order), (ii) to the extent such information becomes generally available to the public other than as a result of a disclosure by the Seller or either of the Seller Shareholders or any of their affiliates in violation of this Section 4.12, (iii) to the extent such information becomes available to the Seller or the Seller Shareholders or their affiliates on a non-confidential basis from a source other than Cendant, the Buyer or the Sub, provided such source is not prohibited from disclosing such information by a contractual, legal or fiduciary obligation (whether or not in writing) or (iv) independently developed by the Seller, or the Seller Shareholders or any of their respective affiliates, without use of or inclusion of any Confidential Information.

Section 4.13. TRANSFERS NOT EFFECTED AS OF CLOSING. Nothing herein shall be deemed to require the conveyance, assignment or transfer of any Acquired Asset that by its terms or by operation of law cannot be freely conveyed, assigned, transferred or assumed. To the extent the parties hereto have been unable to obtain any governmental or any third party consents or approvals required for the transfer of any Acquired Asset and to the extent not otherwise prohibited by the terms of any Acquired Asset, the Seller shall continue to be bound by the terms of such applicable Acquired Asset and the Buyer (or the Sub if designated by the Buyer) shall pay, perform and discharge fully all of the obligations of the Seller or any of their respective affiliates thereunder from and after the Closing. The Seller shall, without consideration therefor, pay, assign and remit to the Buyer (or the Sub if designated by the Buyer) promptly all monies, rights and other

consideration received in respect of such performance. The Seller shall exercise or exploit their rights in respect of such Acquired Assets only as reasonably directed by the Buyer (or the Sub if designated by the Buyer) and at the Buyer's or the Sub's expense. Subject to and in accordance with Section 4.3, the parties hereto shall continue to use their commercially reasonable efforts to obtain all such unobtained consents or approvals at the earliest practicable date. If and when any such consents or approvals shall be obtained, then the Seller shall promptly assign its rights and obligations thereunder to the Buyer (or the Sub if designated by the Buyer) without payment of consideration and the Buyer (or the Sub if designated by the Buyer) shall, without the payment of any consideration therefor, assume such rights and obligations. The parties shall execute such good and sufficient instruments as may be necessary to evidence such assignment and assumption.

Section 4.14. SELLER SHAREHOLDER LOANS. (a) If Share Equivalents delivered to the Seller with respect to the Year 2 Calculated Deferred Payment or the Year 3 Calculated Deferred Payment are not freely tradeable on a nationally recognized securities market (either (i) due to the lockup set forth in Section 4.18 or similar terms of other agreements to which the Seller or the Seller Shareholders and one or more of the Sub, the Buyer and Cendant are a party, (ii) due to restrictions set forth in Rule 144 promulgated under the Securities Act, or (iii) because the IPO has not occurred) before the day on which an estimated income Tax Return or an annual income Tax Return for the taxable year ending on December 31, 2002 or for the taxable year ending December 31, 2003, as applicable, is required to be filed by the Seller Shareholders, and the Seller has received the Year 2 Calculated Deferred Payment with respect to Year 2, or the Year 3 Calculated Deferred Payment with respect to Year 3, as applicable, then, upon written request of the Seller, but not more than 5 days before the day that the Tax reported on such income Tax Return is required to be paid by a Seller Shareholder in respect of the receipt of the Year 2 Calculated Deferred Payment or the Year 3 Calculated Deferred Payment, as applicable, Cendant, the Buyer or the Sub will loan (each, a "Seller Shareholder Loan" and together the "Seller Shareholder Loans") to the Seller an amount, subject to reduction pursuant to Section 7.2(b)(v) hereof, equal to the lesser of (x) the Actual Tax Payment (as hereinafter defined) made in connection with the filing of such Tax Return or (y) the tax liability of the Seller Shareholders that would be deemed to be payable in connection with the filing of such Tax Return as a result of the receipt by the Seller of the Year 2 Calculated Deferred Payment or the Year 3 Calculated Deferred Payment, as applicable (the "Tax Liability"). For purposes of computing the Tax Liability, it shall be assumed that the tax rate of each Seller Shareholder is 30%, that the value of the Share Equivalents received in Year 2 is the Year 2 Calculated Deferred Payment, and that

the value of the Share Equivalents received in Year 3 is the Year 3 Calculated Deferred Payment. The Seller's written request for a Seller Shareholder Loan shall set forth the last day on which the Seller Shareholders will be required to file such Tax Return, with respect to the Year 2 Calculated Deferred Payment or the Year 3 Calculated Deferred Payment, as applicable (without incurring interest or penalties in respect thereto), and the amount of tax to be paid with such Tax Return, as reflected on such Tax Return, in respect of the Year 2 Calculated Deferred Payment, or the Year 3 Calculated Deferred Payment, as applicable (the "Actual Tax Payment"). Each of such Seller Shareholder Loans, if any, shall: (i) be evidenced by a loan agreement containing commercially reasonable terms in form reasonably satisfactory to Cendant, (ii) have a two-year term, (iii) be interest free until due or callable, (iv) bear interest at a rate of ten percent until paid from the due date or the date the loan is callable pursuant to subsection (vi) of this Section 4.14(a), (v) be collateralized by Share Equivalents with a value (based on Appreciated Value) of not less than 120% of the aggregate amount of all Seller Shareholder Loans, and (vi) be callable as to each Seller Shareholder by Cendant, the Buyer or the Sub (x) in full, if such Seller Shareholder ceases to be employed by Cendant, the Buyer, the Sub or any of their subsidiaries or affiliates (unless such cessation is the result of a Without Cause Termination (as such term is defined in the respective Seller Shareholder Employment Agreements)), or (y) if any Share Equivalents owned by the Seller or the Seller Shareholders become freely tradeable on a nationally recognized securities market, in an amount equal to 70% of the excess of (A) the fair market value of such Share Equivalents on the day that such Seller Shareholder Loan is so called, over (B) the Seller's or the Seller Shareholders' tax basis in such Share Equivalents.

(b) GROSS-UP OF THE SELLER SHAREHOLDERS. If it is determined that a Seller Shareholder is required to include an amount in income as a result of the imputation of compensation to a Seller Shareholder in connection with a Seller Shareholder Loan, Cendant, the Buyer or the Sub shall pay to such Seller Shareholder upon a written request filed by such Seller Shareholder, but not earlier than January 15 of any year following a year in which the Seller Shareholder recognized imputed compensation income, an amount equal to the "Gross-up Amount". For purposes of this section, the Gross-up Amount in respect of any such Tax shall be the product of (i) 0.82 and (ii) the amount of compensation imputed to the Seller Shareholder in the taxable year in which the Seller Shareholder Loan is outstanding; PROVIDED, that neither Cendant, the Buyer nor the Sub shall have an obligation to pay a Gross-up Amount to a Seller Shareholder in respect of any period after such Seller Shareholder Loan ceases to be interest free as provided in subsection (a) or is called pursuant to subsection (a)(v) of this Section 4.14. Cendant, the

Buyer and the Sub shall be entitled to deduct and withhold all applicable amounts and taxes in respect of the Gross-up Amount as required by any law, and such amounts shall be treated as received by the Seller Shareholders.

(c) INTEREST BEARING SELLER SHAREHOLDER LOAN. If at the time that Cendant, the Buyer or the Sub makes a Seller Shareholder Loan to any of the Seller Shareholders pursuant to subsection (a) of this Section 4.14, the fair market value of the Share Equivalents, as reported on the estimated and annual Tax Returns for Year 2 or Year 3, paid as part of the Year 2 Calculated Deferred Payment or the Year 3 Calculated Deferred Payment, as applicable, exceeds the Year 2 Calculated Deferred Payment or the Year 3 Calculated Deferred Payment, as applicable, (such excess shall be referred to as the "Appreciated Value"), then upon written request of the Seller, Cendant, the Buyer or the Sub will make an "Interest Bearing Seller Shareholder Loan" to the Seller at the same time it makes a Shareholder Loan. The amount of each Interest Bearing Seller Shareholder Loan shall be, subject to reduction pursuant to Section 7.2(b)(v) hereof, the lesser of (x) the excess of the Actual Tax Payment (as defined above) in respect of such Tax Return over the Seller Shareholder Loan in respect of such Tax Return; or (y) the product of 30% and the portion of the Appreciated Value with respect to which a Tax has to be paid, as reported on such Tax Return. The Seller's written request for an Interest Bearing Shareholder Loan shall be filed at the time and in the manner described in Subsection (a) of this Section 4.14. Each such Interest Bearing Seller Shareholder Loan, if any, shall: (i) be evidenced by a loan agreement containing commercially reasonable terms in form reasonably satisfactory to Cendant, (ii) have a two-year term, (iii) bear interest at the applicable federal rate for short term loans for the month of such loan as published by the Internal Revenue Service, to be paid annually at the anniversary of such loan, (iv) bear interest at a rate of ten percent until paid from the due date or the date the loan is callable pursuant to subsection (vi) of this Section 4.14(c), (v) be collateralized by Share Equivalents with a value (based on Appreciated Value) of not less than 120% of the aggregate amount of all Interest Bearing Seller Shareholder Loans, and (vi) be callable as to each Seller Shareholder by Cendant, the Buyer or the Sub (x) in full, if such Seller Shareholder ceases to be employed by Cendant, the Buyer, the Sub or any of their subsidiaries or affiliates (unless such cessation is the result of a Without Cause Termination (as such term is defined in the respective Seller Shareholder Employment Agreements)), or (y) if any Share Equivalents owned by the Seller or the Seller Shareholders become freely tradeable on a nationally recognized securities market, in an amount equal to 70% of the excess of (A) the fair market value of such Share Equivalents on the day that such Interest

Bearing Seller Shareholder Loan is so called, over (B) the Seller's or the Seller Shareholders' tax basis in such Share Equivalents.

Section 4.15. POST CLOSING CAPITAL BUDGETS AND ACQUISITIONS. Cendant, the Buyer or the Sub agree to fund acquisitions for the Business identified by Preis and approved by the executive committee of the board of directors of the Buyer (or the Sub if designated by the Buyer) in its sole discretion after the Closing and until December 31, 2002 up to a cumulative maximum value of $1,900,000; PROVIDED that any portion or all of that amount may be funded in CIB Stock or Buyer Common Stock.

Section 4.16. ANCILLARY REVENUES. The Buyer, the Sub and the Seller understand that the acquisition and operation of the Business by the Buyer (or the Sub if designated by the Buyer) will likely generate ancillary revenues for other business units of Cendant, the Buyer, the Sub and/or the Cendant Internet Business. The Buyer, the Sub and the Seller agree that for the purposes of calculating the Deferred Payments, the Sellers will get an allocation toward Actual Revenues for a given year for any such ancillary revenues actually realized in such year, such allocation amount to be finally determined in accordance with Schedule 4.16.

Section 4.17. ESCROW DELIVERY. On January 1, 2000, the Buyer (or the Sub if designated by the Buyer) shall deliver to the escrow agent (the "Escrow Agent") named in the Escrow Agreement (i) $940,000 (the "Escrow Amount") to be paid in cash to a bank account designated by the Escrow Agent upon three days prior written notice to the Buyer (or the Sub if designated by the Buyer), and (ii) that number of shares of Buyer Common Stock calculated by dividing $1.0 million by the Share Value to be released to the Seller or the Seller Shareholders, as the case may be, pursuant to Section 1.5 in connection with the Year 1 Calculated Deferred Payment Amount.

Section 4.18. LOCKUP. In the event of an IPO, the Seller or the Seller Shareholders, as the case may be, shall not directly or indirectly transfer, sell, assign, pledge, hypothecate, encumber or otherwise dispose of ("Transfer") any CIB Stock owned by it for a period (the "Lockup Period") commencing on the date on which such IPO is consummated. The length of the Lockup Period shall be determined by the Buyer, after consultation with the underwriters in connection with the IPO and shall be no longer than the Lockup Period required for similarly situated shareholders of the Buyer. The Seller or the Seller Shareholders, as the case may be, shall, if requested by the Buyer, enter into a

separate agreement in customary form evidencing the restrictions on Transfer during the Lockup Period.

Section 4.19. POST CLOSING OPERATIONS AND EXPENSE BUDGET. Cendant, the Buyer or the Sub agree to fund those amounts needed to fund the Budgeted Expenses and to cooperate reasonably in allowing Preis and McWeeny to execute current plans for maintaining, expanding and improving the Business.

Section 4.20. RELEASE OF PERSONAL LIABILITY. Promptly after the Closing, Cendant, the Buyer or the Sub shall use its reasonable best efforts to obtain releases of the Seller Shareholders from all "Personal Liability Creditors" of the Business. As used herein, the term "Personal Liability Creditors" shall mean the creditors of the Business which at the Closing are owed money or a duty which is an Assumed Liability for which either or both Seller Shareholders have or may have personal liability, including but not limited to the Real Property Leases or equipment lessors and parties extending loans or other credit lines in the name of or otherwise utilized by the Seller and which shall be set forth on Section 4.20 of the Seller Disclosure Schedule. If and to the extent the releases set forth on Section 4.20 of the Seller Disclosure Schedule are not obtained, Cendant, the Buyer or the Sub shall indemnify and hold harmless the Seller Shareholders for any amounts due to such Personal Liability Creditors.

Section 4.21. MONTHLY FINANCIAL INFORMATION. Within 10 business days after the end of each calendar month after the date hereof until the earlier of the Closing Date or the termination of this Agreement, the Seller shall deliver to Cendant (i) an unaudited balance sheet of the Seller and its subsidiaries as of the end of such monthly period and the related unaudited statements of operations for the period then ended (together, the "Monthly Unaudited Financial Information") and (ii) a certificate, duly executed by the chief executive officer of the Seller restating with respect to such Monthly Unaudited Financial Information, the representations and warranties set forth in Section 2.4.

Section 4.22. MAIL RECEIVED AFTER THE CLOSING. Following the Closing, Cendant, the Buyer and the Sub may receive and open all mail addressed to the Seller, any subsidiary of the Seller or the Seller Shareholders and deal with the contents thereof in their sole discretion to the extent that such mail and the contents thereof relate to the Expanded Business, the Acquired Assets or any of the Assumed Liabilities. Cendant, the Buyer or the Sub shall deliver or cause to be delivered to the Seller or the Seller Shareholders all mail received by Cendant, the Buyer or the Sub after the Closing addressed to the Seller, any

subsidiary of the Seller or the Seller Shareholders which does not relate to the Expanded Business, the Acquired Assets or the Assumed Liabilities.

Section 4.23. USE OF TRADEMARKS. The Seller and the Seller Shareholders agree that promptly following the Closing Date, the Seller and the Seller Shareholders shall cease and desist from all further use of the "Metro-Rent" Service Mark and all logos of the Seller (the "Seller's Service Mark and Logos") and will (i) adopt new trade names, trademarks, identifying logos and service marks related thereto which are not confusingly similar to the Sellers's Service Mark and Logos, (ii) file amendments to the Articles of Incorporation of the Seller with the California Secretary of State and shall make appropriate filings with any other applicable registry(ies) changing the Seller's corporate name and any d/b/a to a name that does not include any of the Sellers's Service Mark and Logos or words confusingly similar thereto; and (iii) neither the Seller, the Seller Shareholders nor any of their affiliates shall make any further use of the Sellers's Service Mark and Logos.

ARTICLE V

CONDITIONS TO CONSUMMATION OF THE ASSET PURCHASE

Section 5.1 CONDITIONS TO EACH PARTY'S OBLIGATIONS TO CONSUMMATE THE ASSET PURCHASE. The respective obligations of each party to consummate the transactions contemplated hereby are subject to the satisfaction at or prior to the Closing Date of the following conditions:

(a) No statute, rule, regulation, executive order, decree, or injunction shall have been enacted, entered, promulgated or enforced by any court or Governmental Entity that remains in force and prohibits the consummation of the transactions described herein; and

(b) There shall not be any suit, action, or other proceeding pending by any Governmental Entity or administrative agency or commission that seeks to enjoin or otherwise prevent consummation of the transactions contemplated hereby, other than suits, actions or proceedings that, in the reasonable opinion of counsel to the parties hereto, are unlikely to result in a Business Material Adverse Effect or Buyer Material Adverse Effect;

PROVIDED, HOWEVER, that the provisions of this Section 5.1(b) shall not apply to any party that has directly or indirectly encouragd such suit, action or proceeding.

Section 5.2. FURTHER CONDITIONS TO THE SELLER'S AND THE SELLER SHARE HOLDERS' OBLIGATIONS. The obligations of the Seller and the Seller Shareholders to consummate the transactions contemplated hereby are further subject to satisfaction or waiver by the Seller and the Seller Shareholders of the following conditions:

(a) The representations and warranties of Cendant, the Buyer and the Sub contained in this Agreement (without giving effect to any "materiality" or Buyer Material Adverse Effect qualification or exception contained therein) shall be true and correct at and as of the Closing Date as though such representations and warranties were made at and as of such date (except to the extent expressly made as of an earlier date, in which case, as of such date), except where the failure of such representations and warranties to be so true and correct does not have, in the aggregate, a Buyer Material Adverse Effect;

(b) Cendant, the Buyer and the Sub shall have performed and complied in all material respects with all agreements, obligations and covenants required by this Agreement to be performed or complied with by them on or prior to the Closing;

(c) Cendant, the Buyer and the Sub shall have delivered to the Seller a certificate satisfactory in form and substance to the Seller to the effect that each of the conditions specified above in Sections 5.2(a) and (b) is satisfied in all respects;

(d) The Seller shall have received a certificate of the Secretary of the Buyer (or the Sub if designated by the Buyer) satisfactory in form and substance to the Seller setting forth resolutions of the Board of Directors of the Buyer (or the Sub if designated by the Buyer) authorizing the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby and certifying that such resolutions have been duly made and have not been rescinded or amended as of the Closing Date; and

(e) The Buyer (or the Sub if designated by the Buyer) shall have obtained the licenses, consents and approvals listed in Section 3.7 of the Seller Disclosure Schedule or have provided reasonable assurances to the Seller that the Buyer (or the Sub if designated by the Buyer) will be permitted to operate the Business after the Closing in substantially the form currently operated by the Seller.

Section 5.3. FURTHER CONDITIONS TO CENDANT'S, THE BUYER'S AND THE SUB'S OBLIGATIONS. The obligations of Cendant, the Buyer and the Sub to consummate the transactions contemplated hereby are further subject to the satisfaction or waiver by Cendant, the Buyer and the Sub at or prior to the Closing Date of the following conditions:

(a) The representations and warranties of the Seller and the Seller Shareholders contained in this Agreement (without giving effect to any "materiality" or Business Material Adverse Effect qualification or exception contained therein) shall be true and correct at and as of the Closing Date as though such representations and warranties were made at and as of such date (except to the extent expressly made as of an earlier date, in which case, as of such date), except where the failure of such representations and warranties to be so true and correct does not have, in the aggregate, a Business Material Adverse Effect;

(b) Each of the Seller and the Seller Shareholders shall have performed and complied in all material respects with all agreements, obligations and covenants required by this Agreement to be performed or complied with by it on or prior to the Closing;

(c) Each of the Seller and the Seller Shareholders shall have delivered to Cendant, the Buyer and the Sub a certificate satisfactory in form and substance to Cendant to the effect that each of the conditions specified above in Sections 5.3(a) and (b) is satisfied in all respects;

(d) Cendant, the Buyer and the Sub shall have received a certifi cate of the Secretary of the Seller satisfactory in form and substance to Cendant setting forth resolutions of the Board of Directors of the Seller authorizing the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby and certifying that such resolutions have been duly made and have not been rescinded or amended as of the Closing Date;

(e) Cendant shall have completed a due diligence investigation of the Seller and the Business including, without limitation, meetings with management, office visitations and other informational requests in scope, detail, substance and result reasonably satisfactory to Cendant; PROVIDED, HOWEVER, that if Cendant shall not have exercised its termination right pursuant to Section 6.1(d) hereof within 30 days of the date of this Agreement, this condition shall be deemed to be satisfied;

(f) Notwithstanding anything to the contrary contained herein, if the Seller fails to provide the Buyer (or the Sub if designated by the Buyer) with the certificates described in Section 1.7(d) hereof and the Buyer (or the Sub if designated by the Buyer) elects to proceed with the Closing, the Buyer (or the Sub if designated by the Buyer) shall be entitled to withhold from the amount realized by the Seller the amount required to be withheld pursuant to Section 1445 of the Code. If the Seller fails to provide the Buyer (or the Sub if designated by the Buyer) with any of the certificates described in Section 1.7(e) hereof and the Buyer (or the Sub if designated by the Buyer) elects to proceed with the Closing, the Buyer (or the Sub if designated by the Buyer) shall withhold or, where appropriate, escrow such amount as necessary based upon Buyer's (or the Sub's if designated by the Buyer) reasonable estimate of the amount of such potential liability, or as determined by the appropriate taxing authority, to cover such Taxes until such time as the required certificates are provided;

(g) The Preclosing Transactions shall have been consummated in form and substance reasonably satisfactory to Cendant;

(h) The Buyer (or the Sub if designated by the Buyer) shall have approved the certificate called for in Section 1.1(b)(2);

(i) The Buyer (or the Sub if designated by the Buyer) shall have obtained the licenses, consents and approvals described in Section 3.7 of the Seller Disclosure Schedule; and

(j) The Seller shall have obtained the licenses, consents and approvals described in Section 5.3(j) of the Seller Disclosure Schedule.

ARTICLE VI

TERMINATION AND ABANDONMENT

Section 6.1. TERMINATION. This Agreement may be terminated and the transactions contemplated hereby may be abandoned at any time prior to the Closing Date:

(a) by mutual written consent of the Seller and Cendant;

(b) by the Seller or Cendant at any time after December 31, 1999 if the Closing shall not have occurred by such date; PROVIDED, HOWEVER, that the right to terminate this Agreement under this Section 6.1(b) shall not be available to (i) the Seller, if the Seller has breached any of its representations, warranties or covenants hereunder in any material respect and such breach has been the cause of or resulted in the failure of the Closing to occur on or before such date or (ii) Cendant, if Cendant has breached any of its representations, warranties or covenants hereunder in any material respect and such breach has been the cause of or resulted in the failure of the Closing to occur on or before such date;

(c) by the Seller or the Seller Shareholders, on the one hand, or Cendant, the Buyer or the Sub, on the other hand, if one of the others shall have breached or failed to perform in any material respect any of its respective representations, warranties, covenants or other agreements contained in this Agreement, which breach or failure to perform (i) would give rise to the failure of a condition set forth in Section 5.2(a) or (b) or 5.3(a) or (b), as applicable, and (ii) cannot be or has not been cured within 30 days after the giving of written notice to the Seller or Cendant; and

(d) by Cendant, if it shall not be reasonably satisfied with its due diligence investigation of the Seller contemplated by Section 5.3(e) hereof; PROVIDED, HOWEVER, that if Cendant shall not have exercised its termination right contained in this Section 6.1(d) within 30 days of the date of this Agreement, this termination right shall be deemed to have lapsed.

Section 6.2. PROCEDURE FOR AND EFFECT OF TERMINATION. In the event of termination of this Agreement and abandonment of the transactions contemplated hereby by the parties hereto pursuant to Section 6.1 hereof, written notice thereof shall be given by a party so terminating to the other party and this Agreement shall forthwith terminate and shall become null and void and of no further effect, and the transactions contemplated hereby shall be abandoned without further action by the Seller, the Seller Shareholders, Cendant, the Buyer or the Sub. If this Agreement is terminated pursuant to Section 6.1 hereof:

(a) each party shall redeliver all documents, work papers and other materials of the other parties relating to the transactions contemplated hereby, whether so obtained before or after the execution hereof, to the party furnishing the same, and all

confidential information received by any party hereto with respect to the other party shall be treated in accordance with the Confidentiality Agreements and Section 4.2(b) hereof;

(b) all filings, applications and other submissions made pursuant hereto, if any, shall, to the extent practicable, be withdrawn from the agency or other Person to which made; and

(c) there shall be no liability or obligation hereunder on the part of the Seller, the Seller Shareholders, Cendant, the Buyer or the Sub or any of their respective directors, officers, employees, affiliates, controlling persons, agents or representatives, except that the Seller, the Seller Shareholders, Cendant, the Buyer or the Sub, as the case may be, may have liability to the other parties if the basis of termination is a material breach by the Seller, the Seller Shareholders, Cendant, the Buyer or the Sub, as the case may be, of one or more of the provisions of this Agreement, and except that the obligations provided for in Sections 4.2(b), 6.2 and 8.8 hereof shall survive any such termination.

ARTICLE VII

SURVIVAL AND INDEMNIFICATION

Section 7.1. SURVIVAL PERIODS. Each of the representations and warranties made by the parties in this Agreement shall survive the Closing for a period of three years; PROVIDED, HOWEVER, that (i) the representations and warranties contained in Sections 2.2 and 3.2 shall survive the Closing without limitation (subject to any applicable statutes of limitations), other than the termination of this Agreement, and (ii) the representations and warranties contained in Section 2.11, clause (iv) of Section 2.9(c) and Section 2.14 shall survive for the applicable period of the relevant statute of limitations (taking into account valid extensions thereof). No claims or causes of action may be brought against the Seller, the Seller Shareholders, Cendant, the Buyer or the Sub based upon, directly or indirectly, any of the representations, warranties or agreements contained in Articles II and III hereof after the applicable survival period or, except as provided in Section 6.2(c) hereof, any termination of this Agreement. This Section 7.1 shall not limit any covenant or agreement of the parties that contemplates performance after the Closing, including, without limitation, such covenants and agreements set forth in Sections 1.4, 1.5 and Article IV hereof.

Section 7.2. THE SELLER'S AND THE SELLER SHAREHOLDERS' AGREEMENT TO INDEMNIFY. (a) Subject to the terms and conditions set forth herein, from and after the Closing, the Seller and each of the Seller Shareholders shall jointly and severally indemnify and hold harmless Cendant, the Buyer, the Sub and their respective directors, officers, employees, affiliates, controlling persons, agents and representatives and their successors and assigns (collectively, the "Buyer Indemnitees") from and against all liability, demands, claims, actions or causes of action, assessments, losses, damages, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) (collectively, the "Buyer Damages") asserted against or incurred by any Buyer Indemnitee as a result of or arising out of (i) a breach of any representation or warranty of the Seller or the Seller Shareholders contained in this Agreement (determined without regard to any materiality or Business Material Adverse Effect qualification contained in such representation or warranty), (ii) a breach of any covenant or agreement on the part of the Seller or the Seller Shareholders under this Agreement, (iii) the Retained Liabilities and the Retained Assets, or (iv) any failure to comply with any "bulk sales" laws applicable to the transactions contemplated hereby.

(b) The Seller's and the Seller Shareholders' obligation to indem nify the Buyer Indemnitees pursuant to Section 7.2(a) hereof is subject to the following:

(i) No indemnification on the part of either the Seller or the Seller Shareholders to indemnify the Buyer Indemnitees under clauses (i) and (ii) of Section 7.2(a) shall arise unless the aggregate amount of Buyer Damages exceeds $20,000;

(ii) In the absence of fraud or willful misconduct on the part of the Seller or either of the Seller Shareholders, in no event shall the Seller's and the Seller Shareholders' aggregate obligation to indemnify the Buyer Indemnitees under clauses (i) and (ii) of Section 7.2(a) exceed the aggregate dollar value, as set forth in Section 1.4 of this Agreement, of (a) the Closing Cash Payment, (b) the Closing Stock Payment and (c) the actual Calculated Deferred Payments for Year 1, Year 2 and Year 3; PROVIDED, HOWEVER, that the foregoing limitation shall not apply to Buyer Damages in respect of Taxes;

(iii) The Seller or the Seller Shareholders shall be obligated to indemnify the Buyer Indemnitees pursuant to clause (i) of Section 7.2(a) only for those claims giving rise to Buyer Damages as to which the Buyer Indemnitees have

given the Seller and the Seller Shareholders written notice thereof prior to the end of the applicable survival period (as provided for in Section 7.1). Any written notice delivered by a Buyer Indemnitee to the Seller and the Seller Shareholders with respect to Buyer Damages shall set forth with as much specificity as is reasonably practicable the basis of the claim for Buyer Damages and, to the extent reasonably practicable, a reasonable estimate of the amount thereof;

(iv) Notwithstanding anything to the contrary in this Agreement, the Seller and the Seller Shareholders shall have no obligation to indemnify any Buyer Indemnitee for incidental, consequential, exemplary, special or punitive damages; and

(v) Cendant, the Buyer and the Sub shall be entitled to set-off any Buyer Damages against any Calculated Deferred Payment, if any, payable to the Seller or the Seller Shareholders; PROVIDED, that any such set-off shall be made only against the cash portion of such Calculated Deferred Payment, unless the cash portion is insufficient to satisfy the full amount of the set-off, in which case the balance may be set-off against the Share Equivalent portion of such Calculated Deferred Payment (at the Appreciated Value at the time of set-off); and PROVIDED, FURTHER, that the principal amount of any Seller Shareholder Loans or Interest Bearing Seller Shareholder Loans to which the Seller Shareholders may be entitled pursuant to Section 4.14 of this Agreement will be reduced by the total amount of any set-off made against the cash portion of such Calculated Deferred Payment.

Section 7.3. THE BUYER'S AND THE SUB'S AGREEMENT TO INDEMNIFY. (a) Subject to the terms and conditions set forth herein, from and after the Closing, Cendant, the Buyer and the Sub shall indemnify and hold harmless the Seller and the Seller Shareholders and their respective directors, officers, employees, affiliates, controlling Persons, agents and representatives and their successors and assigns (collectively, the "Seller Indemnitees") from and against all liability, demands, claims, actions or causes of action, assessments, losses, damages, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) (collectively, "Seller Damages") asserted against or incurred by any Seller Indemnitee as a result of or arising out of (i) a breach of any representation or warranty of Cendant, the Buyer and the Sub contained in this Agreement (determined without regard to any materiality or Buyer Material Adverse Effect qualification contained in such representation or warranty) and (ii) a breach of any covenant or agreement on the part of Cendant, the Buyer or the Sub under this Agreement.

(b) Cendant, the Buyer and the Sub's obligation to indemnify the Seller Indemnitees pursuant to Section 7.3(a) hereof is subject to the following limitations:

(i) No indemnification on the part of Cendant, the Buyer or the Sub to indemnify the Seller Indemnitees under clauses (i) and (ii) of Section 7.3(a) shall arise unless the aggregate amount of Seller Damages exceeds $20,000;

(ii) In the absence of fraud or willful misconduct on the part of Cendant, the Buyer or the Sub, in no event shall Cendant, the Buyer and the Sub's aggregate obligation to indemnify the Seller Indemnitees under clauses (i) and (ii) of Section 7.3(a) exceed the Purchase Price;

(iii) Cendant, the Buyer and the Sub shall be obligated to indemnify the Seller Indemnitees pursuant to clause (i) of Section 7.3(a) only for those claims giving rise to Seller Damages as to which the Seller Indemnitees have given Cendant, the Buyer and the Sub written notice thereof prior to the end of the applicable survival period (as provided for in Section 7.1). Any written notice delivered by a Seller Indemnitee to Cendant, the Buyer and the Sub with respect to Seller Damages shall set forth with as much specificity as is reasonably practicable the basis of the claim for Seller Damages and, to the extent reasonably practicable, a reasonable estimate of the amount thereof; and

(iv) Notwithstanding anything to the contrary in this Agreement, Cendant, the Buyer and the Sub shall have no obligation to indemnify any Seller Indemnitee for incidental, consequential, exemplary, special or punitive damages.

Section 7.4. THIRD-PARTY INDEMNIFICATION. The obligations of the Seller and the Seller Shareholders to indemnify the Buyer Indemnitees under Section 7.2 hereof with respect to Buyer Damages and the obligations of Cendant, the Buyer and the Sub to indemnify the Seller Indemnitees under Section 7.3 with respect to Seller Damages, in either case resulting from the assertion of liability by third parties (each, as the case may be, a "Claim"), will be subject to the following terms and conditions:

(a) Any party against whom any Claim is asserted will give the indemnifying party written notice of any such Claim promptly after learning of such Claim, and the indemnifying party may at its option undertake the defense thereof by

representatives of its own choosing. Failure to give prompt notice of a Claim hereunder shall not affect the indemnifying party's obligations under this Article VII, except to the extent the indemnifying party is materially prejudiced by such failure to give prompt notice. If the indemnifying party, within 30 days after notice of any such Claim, or such shorter period as is reasonably required, fails to assume the defense of such Claim, the Buyer Indemnitee or the Seller Indemnitee, as the case may be, against whom such claim has been made will (upon further notice to the indemnifying party) have the right to undertake the defense, compromise or settlement (subject to the terms of Section 7.4(c)) of such claim on behalf of and for the account and risk, and at the expense, of the indemnifying party, subject to the right of the indemnifying party to assume the defense of such Claim at any time prior to settlement, compromise or final determination thereof.

(b) So long as the indemnifying party has assumed the defense of any Claim in the manner set forth above, the indemnifying party shall have the exclusive right to contest, defend and litigate such Claim and, except as expressly provided in Section 7.4(c), shall have the exclusive right, in its sole discretion, to settle any such claim, either before or after the initiation of litigation at such time and on such terms as the indemnifying party deems appropriate. If the indemnifying party elects not to assume the defense of any such Claim (which shall be without prejudice to its right at any time to assume subsequently such defense), the indemnifying party will nonetheless be entitled, at its own expense, to participate in such defense. The indemnified party shall have the right to participate, with separate counsel (which counsel shall act in an advisory capacity only), in any such contest, defense, litigation or settlement conducted by the indemnifying party. After notice from the indemnifying party to such indemnified party of the indemnifying party's election to assume the defense of such Claim, the indemnifying party will not be liable to such indemnified party for any expenses of the indemnified party's counsel that are subsequently incurred in connection with the defense thereof; PROVIDED, HOWEVER, that the expense of such indemnified party's counsel shall be paid by the indemnifying party if (i) the indemnifying party requested such separate counsel to participate or (ii) in the reasonable opinion of counsel to the indemnified party, a significant conflict of interest exists between the indemnifying party, on the one hand, and the indemnified party, on the other hand, that would make such separate representation clearly advisable.

(c) Without the prior written consent of the indemnified party (which consent shall not be unreasonably withheld or delayed), the indemnifying party shall not admit any liability with respect to, or settle, compromise or discharge, any Claim or consent to the entry of any judgment with respect thereto, except in the case of any settlement that

includes as an unconditional term thereof the delivery by the claimant or plaintiff to the indemnified party of a written release from all liability in respect of such Claim. In addition, whether or not the indemnifying party shall have assumed the defense of the Claim, the indemnified party shall not admit any liability with respect to, or settle, compromise or discharge, any Claim or consent to the entry of any judgment with respect thereto, without the prior written consent of the indemnifying party (which consent shall not be unreasonably withheld or delayed), and the indemnifying party will not be subject to any liability for any such admission, settlement, compromise, discharge or consent to judgment made by an indemnified party without such prior written consent of the indemnifying party.

(d) The indemnifying party and the indemnified party shall cooperate fully in all aspects of any investigation, defense, pre-trial activities, trial, compromise, settlement or discharge of any claim in respect of which indemnity is sought pursuant to this Article VII, including, but not limited to, by providing the other party with reasonable access to employees and officers (including as witnesses) and other information.

Section 7.5. NO DUPLICATION; SOLE REMEDY. (a) Any liability for indemnification hereunder shall be determined without duplication of recovery by reason of the state of facts giving rise to such liability constituting a breach of more than one representation, warranty, covenant or agreement.

(b) Cendant's, the Buyer's and the Sub's, on the one hand, and the Seller's and the Seller Shareholders', on the other hand, respective rights to indemnification as provided for in Sections 7.2 and 7.3, as applicable, shall be the exclusive remedy for any Buyer Damages or Seller Damages, respectively, for which indemnification is provided hereunder; PROVIDED, HOWEVER, that nothing contained herein shall prevent an indemnified party from pursuing remedies as may be available to such party under applicable law in the event of (i) fraud or willful misconduct, (ii) only equitable relief being suitable to address the injury or possible injury, or (iii) an indemnifying party's failure to comply with its indemnification obligations hereunder.

Section 7.6. INDEMNIFICATION MATTERS GOVERNED BY THIS ARTICLE VII. The indemnification and other provisions of this Article VII shall govern the procedure for all indemnification matters under this Agreement.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.1. ENTIRE AGREEMENT. This Agreement (including the Seller Disclosure Schedule), the Seller Shareholder Employment Agreements, the Escrow Agreement, the Registration Rights Agreement and the Confidentiality Agreements constitute the entire agreement of the parties relating to the subject matter hereof and supersede other prior agreements and understandings between the parties both oral and written regarding such subject matter.

Section 8.2. SEVERABILITY. Any provision of this Agreement that is held by a court of competent jurisdiction to violate applicable law shall be limited or nullified only to the extent necessary to bring the Agreement within the requirements of such law.

Section 8.3. NOTICES. Any notice required or permitted by this Agreement must be in writing and must be sent by facsimile, by nationally recognized commercial overnight courier, or mailed by United States registered or certified mail, addressed to the other party at the address below or to such other address for notice (or facsimile number, in the case of a notice by facsimile) as a party gives the other party written notice of in accordance with this Section 8.3. Any such notice will be effective as of the date of receipt:

(a) if to Cendant, the Buyer or the Sub, to

Cendant Corporation
6 Sylvan Way
Parsippany, New Jersey 07054
Telecopy: (973) 496-5335
Attention: General Counsel

with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
919 Third Avenue
New York, New York 10022
Telecopy: (212) 735-2000
Attention: David Fox, Esq.

(b) if to the Seller, to

Metro-Rent, Inc.
2021 Fillmore Street
San Francisco, California 94115
Telecopy: (415) 563-0383
Attention: Joseph A. Preis

with a copy to:

Dudnick Detwiler Rivin & Stikker LLP
351 California Street, 15th Floor
San Francisco, California 94104
Telecopy: (415) 982-1401
Attention: Jeffrey B. Detwiler, Esq.

(c) if to the Seller Shareholders, to

Joseph A. Preis
c/o Metro-Rent, Inc.
2021 Fillmore Street
San Francisco, California 94115
Telecopy: (415) 563-0383

and

John P. McWeeny
c/o Metro-Rent, Inc.
2021 Fillmore Street
San Francisco, California 94115
Telecopy: (415) 563-0383

with a copy to:

Dudnick Detwiler Rivin & Stikker LLP
351 California Street, 15th Floor
San Francisco, California 94104
Telecopy: (415) 982-1401
Attention: Jeffrey B. Detwiler, Esq.

Section 8.4. GOVERNING LAW; JURISDICTION. This Agreement shall be governed by, enforced under and construed in accordance with the laws of the State of New York, without giving effect to any choice or conflict of law provision or rule thereof. Each of the parties hereto hereby irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of the State of New York and of the United States of America in each case located in the County of New York for any litigation arising out of or relating to this Agreement and the transactions contemplated hereby (and agrees not to commence any litigation relating thereto except in such courts) and further agrees that service of any process, summons, notice or document by U.S. certified or registered mail to its respective address set forth in Section 8.3 (or to such other address for notice that such party has given the other party written notice of in accordance with Section 8.3) shall be effective service of process for any litigation brought against it in any such court. Each of the parties hereto hereby irrevocably and unconditionally waives any objection to the laying of venue of any litigation arising out of this Agreement or the transactions contemplated hereby in the courts of the State of New York or of the United States of America in each case located in the County of New York and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such litigation brought in any such court has been brought in an inconvenient forum.

Section 8.5. DESCRIPTIVE HEADINGS. The descriptive headings herein are inserted for convenience of reference only and shall in no way be construed to define, limit, describe, explain, modify, amplify, or add to the interpretation, construction or meaning of any provision of, or scope or intent of, this Agreement nor in any way affect this Agreement.

Section 8.6. COUNTERPARTS. This Agreement may be signed by facsimile and in counterparts and all signed copies of this Agreement will together constitute one original of this Agreement. This Agreement shall become effective when each party hereto shall have received counterparts thereof signed by all the other parties hereto.

Section 8.7. ASSIGNMENT. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other parties. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns. Notwithstanding anything in this Agreement to the contrary, Cendant, the Buyer, the Sub or their permitted assigns may assign all or a part of their respective rights and obligations under this Agreement to any Person that directly or indirectly acquires all or a part of the assets and operations of the Expanded Business.

Section 8.8. FEES AND EXPENSES. Whether or not this Agreement and the transactions contemplated hereby are consummated, and except as otherwise expressly set forth herein, all costs and expenses (including legal fees and expenses) incurred in connection with, or in anticipation of, this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expenses. Each of the Seller and the Seller Shareholders, on the one hand, and Cendant, the Buyer and the Sub, on the other hand, shall indemnify and hold harmless the other parties from and against any and all claims or liabilities for financial advisory and finders' fees incurred by reason of any action taken by such party or otherwise arising out of the transactions contemplated by this Agreement by any Person claiming to have been engaged by such party.

Section 8.9. INTERPRETATION. Throughout this Agreement, nouns, pronouns and verbs shall be construed as masculine, feminine, neuter, singular or plural, whichever shall be applicable. Unless otherwise specified, all references herein to "Section" shall refer to corresponding provisions of this Agreement or the Seller Disclosure Schedule, as the case may be, whenever the words "include," "includes" or "including" are used in this Agreement, they are deemed to be followed by the words "without limitation." The phrase "to the knowledge of the Seller" or any similar phrase shall mean such facts and other information that as of the date hereof are actually known to any executive officer of the Seller or the Seller Shareholders after due inquiry. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement. As used in this Agreement, the term "Person" includes an individual, a partnership, a limited partnership, a joint venture, a syndicate, a sole proprietorship, a company or corporation with or without share capital, a limited liability company, an unincorporated association, a trust, a trustee, an executor, an

administrator or other legal personal representative, a regulatory body or agency, any domestic or foreign national, supranational, state, provincial, county, municipal, district or local government or government body, or any public administrative or regulatory agency, political subdivision, commission, court, board or body of or established by any such government or government body which has authority in respect of a particular matter or any quasi-governmental body having the right to exercise any regulatory or taxing authority thereunder, an authority or entity however designated or constituted, and every other legal or business entity whatsoever.

Section 8.10. NO THIRD-PARTY BENEFICIARIES. This Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the parties hereto, the Buyer Indemnitees and the Seller Indemnitees; PROVIDED, HOWEVER, that this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the parties and their respective successors and permitted assigns.

Section 8.11. NO WAIVERS; MODIFICATION. Any waiver of any right or default hereunder will be effective only in the instance given and will not operate as or imply a waiver of any other or similar right or default on any subsequent occasion. No waiver, modification or amendment of this Agreement or of any provision hereof will be effective unless in writing and signed by the party against whom such waiver, modification or amendment is sought to be enforced.

Section 8.12. SPECIFIC PERFORMANCE. The parties hereto agree that if any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached, irreparable damage would occur, no adequate remedy at law would exist and damages would be difficult to determine, and that the parties shall be entitled to specific performance of the terms hereof and immediate injunctive relief, without the necessity of proving the inadequacy of money damages as a remedy, in addition to any other remedy at law or equity.

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly signed as of the date first above written.

CENDANT CORPORATION

By: /s/ James E. Buckman

Name: James E. Buckman
Title: Vice Chairman

COMPLETEHOME.COM, INC.

By: /s/ James E. Buckman

Name: James E. Buckman
Title: Executive Vice President

RENT NET, INC.

By: /s/ Richard Smith

Name: Richard Smith
Title: Chairman

/s/ John P. McWeeny

JOHN P. MCWEENY

/s/ Joseph A. Preis

JOSEPH A. PREIS

METRO-RENT, INC.

By: /s/ Joseph A. Preis

Name: Joseph A. Preis
Title: President

SPOUSAL CONSENT

The undersigned represents that the undersigned is the spouse of

Joseph A. Preis

and that the undersigned is familiar with the terms of the Asset Purchase Agreement attached hereto and all related agreements and instruments executed pursuant to or in connection with the Asset Purchase Agreement (together the "Agreements"). The undersigned hereby agrees that the interest of the undersigned's spouse in all property which is the subject of such Agreements shall be irrevocably bound by the terms of such Agreements and by any amendment, modification, waiver or termination signed by the undersigned's spouse . The undersigned further agrees that the undersigned's community property interest, if any, in all property which is the subject of such Agreements shall be irrevocably bound by the terms of such Agreements, and that such Agreements shall be binding on the executors, administrators, heirs and assigns of the undersigned. The undersigned further authorizes the undersigned's spouse to amend, modify or terminate such Agreements, or waive any rights thereunder, and that each such amendment, modification, waiver or termination signed by the undersigned's spouse shall be binding on the community property interest, if any, of the undersigned in all property which is the subject of such Agreements and on the executors, administrators, heirs and assigns of the undersigned, each as fully as if the undersigned had signed such amendment, modification, waiver or termination.

Dated: October 29, 1999

Name:

Exhibit 10.12

SUBSCRIPTION AGREEMENT

SUBSCRIPTION AGREEMENT, dated as of March 29, 2000 (this "Agreement") between Cendant Corporation, a Delaware corporation (the "Company"), and Chatham Street Holdings, LLC (the "Investor").

WHEREAS, the Investor desires to purchase from the Company, and the Company desires to sell to the Investor an aggregate of 1,561,000 shares of a tracking stock associated with the Company's real estate internet businesses (the "Common Stock").

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements hereinafter set forth, the parties hereto, intending to be legally bound, hereby agree as follows:

1. PURCHASE OF SUBSCRIPTION SHARES. Upon the terms and subject to conditions herein set forth, the Investor hereby subscribes for and agrees to purchase, and the Company agrees to issue and sell, 1,561,000 shares of Common Stock at a purchase price of $16.02 per share (the shares of Common Stock subscribed for pursuant to this Agreement being collectively referred to herein as the "Subscription Shares"). The total purchase price payable by the Investor shall be paid in full in immediately available funds at the Closing (as defined in Section 2 below).

2. CLOSING. (a) The closing (the "Closing") of the purchase provided for in Section 1 shall take place as soon as practicable following the satisfaction of the conditions set forth in Section 7 herein at the offices of Skadden, Arps, Slate, Meagher & Flom LLP, 4 Times Square, New York, New York. The date and time of the Closing is referred to as the "Closing Date".

(b) At the Closing, the Company will deliver to the Investor a certificate or certificates evidencing the number of Subscription Shares purchased by the Investor, registered in the Investor's name and bearing legends substantially in the form set forth in the Registration Rights Agreement attached hereto as Exhibit A (the "Registration Rights Agreement"), against delivery by the Investor to the Company of the purchase price provided for in Section 1.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY. The Company represents and warrants that:

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

(b) The authorized capital stock of Move.com, Inc. consists of (i) 37,000,000 shares of voting common stock, of which 22,500,000 shares were issued and outstanding (all of which were held by Cendant) as of March 6, 2000, (ii) 12,500,000 shares of non-voting common stock, of which 48,750 shares of were issued and outstanding as of March 6, 2000, and (iii) 5,000,000 shares of preferred stock, none of which were outstand ing as of March 6, 2000. Except for options to acquire 4,984,680 shares of Move.com, Inc. common stock and except as provided herein, as of March 6, 2000, there were no outstand ing options, warrants, calls, rights, commitments, agreements of any kind to which the Company is bound relating to the sale, issuance or voting of, or the granting of rights to acquire, any shares of Common Stock. When the certificates evidencing the Subscription Shares have been delivered against payment therefor as provided in this Agreement, the Subscription Shares will be duly authorized, validly issued, fully paid and non-assessable.

(c) The Company has the corporate power and authority to execute, deliver and perform this Agreement and the Registration Rights Agreement (together, the "Company Agreements") and to consummate the transactions contemplated thereby. The execution, delivery and performance of the Company Agreements and the consummation of the transactions contemplated thereby have been duly authorized by all necessary corporate action on the part of the Company. Each of the Company Agreements has been duly authorized, executed and delivered by the Company and is a valid and binding obligation of the Company, assuming the due execution and delivery by the other parties thereto, enforceable against the Company in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors rights generally.

(d) There are no actions, suits, claims or proceedings pending or, to the knowledge of the Company, threatened against the Company which seek to prevent the consummation of the transactions contemplated by the Company Agreements.

(e) Neither the execution and delivery by the Company of the Company Agreements nor the performance by the Company of any of its obligations thereunder, nor the consummation of the transactions contemplated thereby, will conflict with the Certificate of Incorporation or By-laws of the Company, or conflict with or result in a breach or violation of, or constitute default under any material agreement to which the Company or any of its subsidiaries is bound or to which any of their property or assets may be subject, or any applicable law, rule, regulation, judgment, order or decree of any government, governmental instrumentality or agency or arbitrator or court having jurisdic tion over the Company or its subsidiaries or any of their property or assets. No order, license, consent, authorization or approval of, or exemption by, or notice to or registration with any federal, state, municipal or other governmental agency is necessary (except as otherwise set forth in the Company Agreements) to authorize the execution, delivery and performance by the Company of the Company Agreements.

(f) None of the Company or any affiliate of the Company or any person acting on their behalf has (i) engaged, in connection with the issuance of the Subscription Shares, in any form of general solicitation or general advertising (as those terms are used within the meaning of Regulation D under the Securities Act) or (ii) solicited offers for, or offered or sold, the Subscription Shares by means of any form of general solicitation or general advertising (as those terms are used within the meaning of Regulation D under the Securities Act).

(g) The Company acknowledges the Investor is entering into this Agreement in reliance upon the Company's representations and warranties herein.

4. PURCHASE FOR INVESTMENT; OTHER REPRESENTATIONS AND WARRANTIES OF THE INVESTOR. The Investor represents and warrants that:

(a) Each of the Company Agreements has been duly authorized, executed and delivered by the Investor and is a valid and binding obligation of the Investor, assuming the due execution and delivery by the other parties thereto, enforceable against the Investor in accordance with its terms, except as enforceability may be limited by bank ruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors rights generally.

(b) The Investor acknowledges its understanding that the offering and sale of the Subscription Shares to be purchased pursuant hereto by such Investor are intended to be exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"). In furtherance thereof, the Investor represents and warrants to the Company that:

(i) The Investor is an accredited investor within the meaning of Regulation D promulgated under the Securities Act ("Regulation D") and, if there should be any change in such status prior to the Closing Date, the Investor will immediately inform the Company of such change;

(ii) The Investor: (A) has the financial ability to bear the economic risk of its investment in the Subscription Shares to be purchased pursuant hereto, (B) can bear a total loss of its investment therein at this time, (C) has no need for liquidity with respect to its investment therein, (D) has adequate means for providing for its current needs and contingencies; and (E) has such knowledge, experience and skill in evaluat ing and investing in issues of equity securities, including securities of new and speculative issuers, based on actual participation in financial, invest ment and business matters, such that it is capable of evaluating the merits and risks of an investment in the Company and the suitability of the Subscription Shares as an investment for itself; and

(iii) The Investor has been given the opportunity to conduct a due diligence review of the Company concerning the terms and conditions of the offering of the Subscription Shares to be purchased by the Investor and other matters pertaining to an investment in the Subscription Shares, in order for the Investor to evaluate the merits and risks of an investment in the Subscription Shares to be purchased by the Investor to the extent the Company possesses such information or can acquire it without unreasonable effort or expense; it being understood, however, that the Investor's performance of due diligence will not preclude the Investor from asserting claims that the Investor may have against the Company in respect of its reliance upon statements made by the Company in its filings with the Securities and Exchange Commission.

(c) The Investor has been advised that the Subscription Shares have not been registered under the Securities Act, or any state securities or blue sky laws, and therefore cannot be resold unless they are registered under such laws or unless an exemption from registration thereunder is available. The Investor is purchasing the Subscription Shares for its own account for investment, and not with a view to, or for resale in connection with, the distribution thereof, and has no present intention of distributing or reselling any thereof. In making the foregoing representations, the Investor is aware that it must bear, and represents that the Investor is able to bear, the economic risk of such investment for an indefinite period of time.

(d) The Investor is aware of and familiar with the restrictions imposed on the transfer of any Subscription Shares, including, without limitation, the restrictions contained in the Registration Rights Agreement, and the rights of the Company under the Registration Rights Agreement in connection with transfers of shares of Common Stock.

(e) The Investor acknowledges that the Company is entering into this Agreement in reliance upon the Investor's representations and warranties herein.

5. DELIVERY OF LEGAL OPINION. The Company agrees to use reasonable efforts to cause to be delivered to the Investor on the Closing Date an opinion of counsel to the Company covering the matters set forth in Exhibit A hereto.

6. CONDITIONS TO OBLIGATIONS OF THE INVESTORS. The Investor's obligations hereunder are subject to the fulfillment, prior to or at the Closing Date, of the following condition, unless waived in writing by the Investor:

(a) The representations and warranties made by the Company in Section 3 shall be true and correct in all material respects at and as of the Closing Date.

(b) The Company shall have entered into the Registration Rights Agreement.

(c) The Investor shall have received an opinion of counsel to the Company covering the matters set forth in Exhibit A hereto.

7. CONDITIONS TO OBLIGATIONS OF THE COMPANY. The Company's obligations hereunder are subject to the fulfillment, prior to or at the Closing Date, unless waived in writing by the Company, of each of the following conditions:

(a) The representations and warranties made by each of the Investors in Section 4 shall be true and correct in all material respects at and as of the Closing Date.

(b) The Company shall have entered into the Registration Rights Agreement.

8. CONDITIONS TO EACH PARTY'S OBLIGATIONS. The respective obligations of each of the parties hereunder are subject to the fulfillment, prior to or at the Closing Date, unless waived in writing by each of the other parties hereto, of the following conditions:

(a) No temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction preventing consum mation of the transactions contemplated hereby shall be in effect.

(b) Any applicable waiting period (and any extension thereof) under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "Hart-Scott-Rodino Act"), relating to the transactions contemplated by this Agreement shall have been terminated or shall have expired.

(c) The Subscription Shares shall have been approved for listing, subject to notice of issuance, on the principal securities exchange, if any, on which the Common Stock is then listed.

9. TRANSFERS. (a) Except as otherwise permitted by this Section 9, each certificate or other instrument evidencing any Subscription Shares (including each such certificate or other instrument issued upon the transfer of any Subscription Shares) shall be stamped or otherwise imprinted with a legend in substantially the following form:

> "The securities represented by this certificate have not been registered under the Securities Act of 1933, as amended, and may not be transferred in the absence of such registration or an exemption therefrom under such Act."

The shares represented by this certificate may be transferred only in compliance with the conditions specified in the Subscription Agreement, dated as of March 29, 2000, between Cendant Corporation and the investor named therein, a counterpart of which has been placed on file with the issuer at its principal place of business."

(b) Prior to any transfer of any shares of Common Stock which are not registered under an effective registration statement under the Securities Act ("Restricted Securities"), the holder thereof will give written notice to the Company of such holder's intention to effect such transfer and to comply in all other respects with this Section 9(b). Each such notice (i) shall describe the manner and circumstances of the proposed transfer in sufficient detail to enable counsel to render the opinions referred to below, and (ii) shall designate counsel for the holder giving such notice (who may be in house counsel for such holder). The holder giving such notice will submit a copy thereof to the counsel designated in such notice and the Company will promptly submit a copy thereof to its counsel. The following provisions shall then apply:

(x) If (A) in the opinion of such counsel for the holder the proposed transfer may be effected without registration of such Restricted Securities under the Securities Act, and (B) counsel for the Company shall not have rendered an opinion within 15 days after the receipt by the Company of such written notice that such registration is required, such holder shall thereupon be entitled to transfer such Restricted Securities in accordance with the terms of the notice delivered by such holder to the Company. Each certificate, if any, issued upon or in connection with such transfer shall bear the appropriate restrictive legend set forth in Section 9(a), unless in the opinion of counsel to the holder such legend is no longer required to insure compliance with the Securities Act.

(y) If in the opinion of either or both of such counsel the proposed transfer may not legally be effected without registration of such Restricted Securities under the Securities Act (such opinion or opinions to state the basis of the legal conclusions reached therein), the Company will promptly so notify the holder thereof and thereafter such holder shall not be entitled to transfer such Restricted Securities until receipt of a further notice from the Company under clause (x) above or until registration of such Restricted Securities under the Securities Act has become effective.

Notwithstanding anything herein to the contrary, no transfer of shares of Common Stock by the Investor (other than transfers which are registered pursuant to an effective registration statement under the Securities Act or sold in brokers' transactions exempt from registration pursuant to Rule 144 under the Securities Act) shall be made to a person who is, or is an affiliate of, a direct competitor of any of the businesses conducted by Move.com, Inc. For

purposes of this Agreement, the term "affiliate" shall mean any person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with the person specified; provided that the ownership of less than five percent of any class of outstanding equity securities of a company shall not, without more, give rise to affiliate status.

(c) Any purported transfer of shares of Common Stock without compliance with the applicable provisions of this Agreement shall be void and of no effect, and the Company shall not transfer any such shares of Common Stock on its books or recognize the purported transferee as a stockholder of the Company for any purpose, until the applicable provisions of this Agreement have been complied with.

10. EXPENSES. All reasonable costs and reasonable expenses incurred by Apollo, including the reasonable fees and reasonable expenses of one counsel to Apollo, in connection with this Agreement and the transactions contemplated hereby shall be borne by the Company; provided that in no event shall the Company's obligation pursuant to this Section 10 extend to expenses in excess of the amount of any required Hart-Scott-Rodino Act filing fee plus $25,000.

11. SURVIVAL; SUCCESSORS AND ASSIGNS. All agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the execution and delivery of this Agreement, the delivery to the Investor of the Subscription Shares to be purchased pursuant hereto and the payment therefor and, notwithstanding any investigation heretofore and hereafter made by or on behalf of a party hereto, shall continue in full force and effect. The rights and obligations of the Investor under this Agreement shall not be assignable by such Investor without the prior written consent of the Company, provided that any Investor may assign this Agreement to the same extent and in the same manner as such Investor may transfer Subscription Shares in accordance with the Registra tion Rights Agreement. Nothing herein expressed or implied is intended to confer upon any person, other than the parties hereto or their respective permitted assignees, successors, heirs and legal representatives, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

12. AMENDMENT AND MODIFICATION. Subject to applicable law, this Agreement may be amended, modified or supplemented only by written agreement of the Company and the Investor.

13. WAIVER OF COMPLIANCE; CONSENTS. The failure of any of the parties to comply with any obligation, covenant, agreement or condition herein may be waived by the party entitled to the benefits thereof only by a written instrument signed by the party granting such waiver. Any such waiver or failure to insist upon strict compliance with such

obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

14. NOTICES. Any notice, request or other document to be given hereun der to any party shall be effective upon receipt (or refusal of receipt) and shall be in writing and delivered personally or sent by telex, telecopy or certified or registered mail, postage prepaid addressed to:

If to the Company, addressed to:

Cendant Corporation
9 West 57th Street
37th Floor
New York, NY 10019
Attention: Eric J. Bock

If to the Investor, addressed to:

Apollo Advisors II, L.P.
1301 Avenue of the Americas, 38th Floor
New York, NY 10019
Telecopy No.: (212) 261-4071
Attention: Joshua J. Harris

With a copy to:

O'Sullivan, Graev & Karabell
30 Rockefeller Plaza
24th Floor
New York, NY 10112
Telecopy No.: (212) 728-5950
Attention: John Suydam
John Scott

or to such other address as any party shall have specified by written notice given to the other parties in the manner specified above.

15. ENTIRE AGREEMENT. This Agreement, and the other agreements referred to herein or expressly contemplated hereby, embody the entire agreement and understanding between the Investor and the Company with respect to the purchase of Subscription Shares by the Investor and supersede all prior oral or written agreements,

memoranda, understandings and undertakings among the parties hereto relating to the subject matter hereof.

16. CONSTRUCTION. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York without regard to the principles of conflicts of laws thereof other than Sections 5-1401 and 5-1402 of the New York General Obligations Law. The section headings contained in this Agreement are for reference purposes and shall not affect in any way the meaning or interpretation of this Agreement. Each party irrevocably consents to the service of any and all process in any action or proceeding arising out of or relating to this Agreement by the mailing of copies of such process to each party at its address specified herein. The parties hereto irrevocably submit to the non-exclusive jurisdiction of any court of competent jurisdiction in the State of New York or of the United States of America for the Southern District of New York over any dispute arising out of or relating to this Agreement or any agreement or instrument contem plated hereby or entered into in connection herewith or any of the transactions contemplated hereby or thereby. Each party hereby irrevocably agrees that all claims in respect of such dispute or proceeding may be heard and determined in such courts. The parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum in connection therewith.

17. EXECUTION IN COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

IN WITNESS HEREOF, the parties have caused this Agreement to be executed and delivered as of the date first above written.

CENDANT CORPORATION

By: /s/ Eric J. Bock

Name: Eric J. Bock
Title: SVP

INVESTOR:

CHATHAM STREET HOLDINGS, LLC

By: /s/ Michael D. Weinir

Name: Michael D. Weinir
Title: Vice President

Exhibit 10.13

REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT, dated as of March 29, 2000, among Cendant Corporation, a Delaware corporation (the "Company"), and Chatham Street Holdings, LLC (the "Investor").

1. INTRODUCTION. The Company is a party to a Subscription Agreement (the "Subscription Agreement") with the Investor, pursuant to which the Company has agreed, among other things, to issue to the Investor shares of a tracking stock associated with the Company's real estate internet businesses (the "Common Stock"). This Agreement shall become effective upon the issuance of such shares to the Investor pursuant to the Subscription Agreement. Certain capitalized terms used in this Agreement are defined in Section 3 hereof; references to Sections shall be to sections of this Agreement.

2. REGISTRATION UNDER SECURITIES ACT, ETC.

2.1 REGISTRATION ON REQUEST.

(a) REQUEST. At any time or from time to time after the 180th day following the date of the closing (the "Offering Closing Date") of the initial public offering (the "Offering") of the Common Stock until the fourth anniversary of the Offering Closing Date, upon the written request of one or more Initiating Holders requesting that the Company effect the registration under the Securities Act of all or part of such Initiating Holders' Registrable Securities and specifying the intended method of disposition thereof, the Company will promptly give written notice of such requested registration to all registered holders of Registrable Securities, and thereupon the Company will, subject to the terms of this Agreement, use reasonable efforts to effect the registration under the Securities Act of:

(i) the Registrable Securities which the Company has been so requested to register by such Initiating Holders for disposition in accordance with the intended method of disposition stated in such request; and

(ii) all other Registrable Securities the holders of which shall have made a written request to the Company for registration thereof within 30 days after the giving of such written notice by the Company (which request shall specify the intended method of disposition of such Registrable Securities); and

(iii) all securities which the Company may elect to register in connection with the offering of Registrable Securities pursuant to this Section 2.1,

all to the extent necessary to permit the disposition (in accordance with the intended methods thereof as aforesaid) of the Registrable Securities and the additional securities, if any, so to be registered, PROVIDED that the Company shall not be required to effect any registration of Registrable Securities pursuant to this Section 2.1 unless the aggregate value of the Registrable Securities requested to be registered by the Initiating Holders is equal to or greater than $10 million. Once the Company is eligible to register securities on Form S-3 under the Securities Act (or any successor or similar form then in effect), the Company shall, at the request of the Initiating Holders, use its reasonable efforts to file and cause to be effective, if available, a registration statement on Form S-3 (a "Shelf Registration Statement") for an offering of Registrable Securities to be made on a delayed or continuous basis pursuant to Rule 415 under the Securities Act (a "Shelf Registration") and shall use its reasonable efforts to keep the Shelf Registration Statement effective and usable for the resale of Registrable Securities until the earlier of (i) the date on which all Registrable Securities so registered have been sold pursuant to the Shelf Registration Statement or (ii) the 180th day following the date on which the Shelf Registration Statement is initially declared effective by the Commission. Notwithstanding the foregoing, the Company shall not be required to effect (i) more than one registration pursuant to this Section 2.1(a) prior to the first anniversary of the Offering Closing Date, (ii) more than three registrations pursuant to this Section 2.1(a), or (iii) more than one registration pursuant to this Section 2.1(a) in any period of nine consecutive calendar months.

(b) REGISTRATION STATEMENT FORM. Registrations under Section 2.1(a) shall be on such appropriate registration form of the Commission (i) as shall be selected by the Company and (ii) as shall permit the disposition of such Registrable Securities in accor dance with the intended method or methods of disposition specified in their request for such registration.

(c) EXPENSES. The Company shall pay any Registration Expenses (excluding underwriting discounts and commissions and transfer taxes, if any) in connection with each registration requested under Section 2.1(a). Underwriting discounts and commissions and transfer taxes (if any) in connection with each such registration shall be allocated PRO rata among all Persons on whose behalf securities of the Company are included in such registration, on the basis of the respective amounts of the securities then being registered on their behalf.

(d) EFFECTIVE REGISTRATION STATEMENT. A registration requested pursuant to Section 2.1(a) shall not be deemed to have been effected (i) unless a registration statement with respect thereto has become effective, PROVIDED that a registration which does not become effective after the Company has filed a registration statement with respect thereto solely by reason of the refusal to proceed of the Initiating Holders (other than a refusal to proceed based upon the advice of counsel relating to a matter with respect to the Company) shall be deemed to have been effected by the Company at the request of such Initiating Holders, (ii) if, after it has become effective, such registration becomes subject to, for longer than 60 days, any stop order, injunction or other order or requirement of the Commission or other

governmental agency or court for any reason or (iii) the conditions to closing specified in the purchase agreement or underwriting agreement entered into in connection with such registration are not satisfied, other than by reason of an act or omission by such Initiating Holders. If a requested registration pursuant to this Section 2.1 is to be a Shelf Registration, the Company shall not be required to keep the registration statement effective during any period or periods (up to a total of 180 days in any 12-month period) if the continued effectiveness of the registration statement would require the Company to disclose a material financing, acquisition or other corporate development and the Company shall have determined that such disclosure is not in the best interests of the Company; PROVIDED, FURTHER, that the requirement to use reasonable efforts to keep the registration statement effective shall be extended one day for each day that the Company allows the effectiveness of the registration statement to lapse in reliance on the preceding proviso.

(e) SELECTION OF UNDERWRITERS. If a registration pursuant to Section 2.1(a) involves an underwritten offering, the underwriter or underwriters thereof shall be selected by the Company, provided that if the holders of a majority of the Registrable Securities reasonably object to the qualifications of such underwriter or underwriters, the Company shall select one or more underwriters other than the underwriter or underwriters to which objection was so made.

(f) PRIORITY IN REQUESTED REGISTRATIONS. If a registration pursuant to Section 2.1(a) involves an underwritten offering, and the managing underwriter shall advise the Company in writing (with a copy to each holder of Registrable Securities requesting registration) that, in its opinion, the number of securities requested to be included in such registration (including securities of the Company which are not Registrable Securities) exceeds the number which can be sold in such offering, the Company will include in such registration, to the extent of the number which the Company is so advised can be sold in such offering, (i) first, Registrable Securities requested to be included in such registration by the holder or holders of Registrable Securities, PRO RATA among such holders requesting such registration on the basis of the number of such securities requested to be included by such holders and (ii) second, securities the Company proposes to sell and other securities of the Company included in such registration by the holders thereof.

2.2 INCIDENTAL REGISTRATION.

(a) RIGHT TO INCLUDE REGISTRABLE SECURITIES. If the Company at any time proposes to register any of its securities under the Securities Act (other than on Form S-4 or S-8 or any successor or similar forms and other than pursuant to Section 2.1), whether or not for sale for its own account, it will each such time give prompt written notice to all holders of Registrable Securities of its intention to do so and of such holders' rights under this Section 2.2. Upon the written request of any such holder made within 10 business days after the receipt of any such notice (which request shall specify the Registrable Securities intended to be disposed

of by such holder and the intended method of disposition thereof), the Company will, subject to the terms of this Agreement, use its reasonable efforts to effect the registration under the Securities Act of all Registrable Securities which the Company has been so requested to register by the holders thereof, to the extent requisite to permit the disposition (in accordance with the intended methods thereof as aforesaid) of the Registrable Securities so to be registered, by inclusion of such Registrable Securities in the registration statement which covers the securities which the Company proposes to register (whether or not for sale for its own account), PROVIDED that if, at any time after giving written notice of its intention to register any securities and prior to the effective date of the registration statement filed in connection with such registration, the Company shall determine for any reason either not to register or to delay registration of such securities, the Company may, at its election, give written notice of such determination to each holder of Registrable Securities and, thereupon, (i) in the case of a determination not to register, shall be relieved of its obligation to register any Registrable Securities in connection with such registration (but not from its obligation to pay the Registration Expenses in connection therewith), without prejudice, however, to the rights of any holder or holders of Registrable Securities entitled to do so to request that such registration be effected as a registration under Section 2.1, and (ii) in the case of a determination to delay registering, shall be permitted to delay registering any Registrable Securities, for the same period as the delay in registering such other securities. No registration effected under this Section 2.2 shall relieve the Company of its obligation to effect any registration upon request under Section 2.1, nor shall any such registration hereunder be deemed to have been effected pursuant to Section 2.1. The Company will pay all Registration Expenses in connection with each registration of Registrable Securities requested pursuant to this Section 2.2.

(b) PRIORITY IN INCIDENTAL REGISTRATIONS. If (i) a registration pursuant to this Section 2.2 involves an underwritten offering of the securities so being regis tered, whether or not for sale for the account of the Company, to be distributed (on a firm commitment basis) by or through one or more underwriters of recognized standing under underwriting terms appropriate for such a transaction, (ii) the Registrable Securities so requested to be registered for sale for the account of holders of Registrable Securities are not also to be included in such underwritten offering (either because the Company has not been requested so to include such Registrable Securities pursuant to Section 2.4(b) or, if requested to do so, is not obligated to do so under Section 2.4(b)), and (iii) the managing underwriter of such underwritten offering shall inform the Company and holders of the Registrable Securities requesting such registration by letter of its belief that the distribution of all or a specified number of such Registrable Securities concurrently with the securities being distributed by such underwriters would interfere with the successful marketing of the securities being distributed by such underwriters (such writing to state the basis of such belief and the approximate number of such Registrable Securities which may be distributed without such effect), then the Company may, upon written notice to all holders of such Registrable Securities, reduce PRO RATA (if and to the extent stated by such managing underwriter to be necessary to eliminate such effect) the number of such Registrable Securities the registration of which shall have been requested by each holder of Registrable

Securities so that the resultant aggregate number of such Registrable Securities so included in such registration shall be equal to the number of shares stated in such managing underwriter's letter.

2.3 REGISTRATION PROCEDURES. If and whenever the Company is required to use its reasonable efforts to effect the registration of any Registrable Securities under the Securities Act as provided in Sections 2.1 and 2.2, the Company shall, as expeditiously as possible:

(i) prepare and (in the case of a registration pursuant to Section 2.1, such filing to be made within 90 days after the initial request of one or more Initiating Holders of Registrable Securities or in any event as soon thereafter as possible) file with the Commission the requisite registration statement to effect such registration and thereafter use its reasonable efforts to cause such registration statement to become and remain effective, PROVIDED, HOWEVER, that the Company may postpone the filing or effectiveness of any registration statement otherwise required to be filed by the Company pursuant to this Agreement or suspend the use of any registration statement for a period of time, not to exceed 180 days in any 12-month period, if the Company determines that the filing or continued use of such registration statement would require the Company to disclose a material financing, acquisition or other corporate development and the Company shall have determined that such disclosure is not in the best interests of the Company; provided, FURTHER, that the Company may discontinue any registration of its securities which are not Registrable Securities (and, under the circumstances specified in Section 2.2(a), its securities which are Registrable Securities) at any time prior to the effective date of the registration statement relating thereto;

(ii) subject to Section 2.1(d), prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement until the earlier of (A) such time as all of such securities have been disposed of in accordance with the intended methods of disposition by the seller or sellers thereof set forth in such registra tion statement or (B) the expiration of 90 days after such registration statement becomes effective (or, in the case of a Shelf Registration, the expiration of 180 days after such Shelf Registration Statement becomes effective);

(iii) furnish to each seller of Registrable Securities covered by such registration statement such number of conformed copies of such registration statement and of each such amendment and supplement thereto (in each case including all exhibits), such number of copies of the prospectus contained in such registration statement (including each preliminary prospectus and any summary prospectus) and any

other prospectus filed under Rule 424 under the Securities Act, in conformity with the requirements of the Securities Act, and such other documents, as such seller may reasonably request in order to facilitate the public sale or other disposition of the Registrable Securities owned by such seller; () use its reasonable efforts to register or qualify all Registrable Securities and other securities covered by such registration statement under such other securities laws or blue sky laws of such jurisdictions as any seller thereof shall reasonably request, to keep such registrations or qualifications in effect for so long as such registration statement remains in effect, and take any other action which may be reasonably necessary or advisable to enable such seller to consummate the disposi tion in such jurisdictions of the securities owned by such seller, except that the Company shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction wherein it would not but for the require ments of this subdivision (iv) be obligated to be so qualified, to subject itself to taxation in any such jurisdiction or to consent to general service of process in any such jurisdiction;

(iv) use its reasonable efforts to cause all Registrable Secu rities covered by such registration statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the seller or sellers thereof to consummate the disposition of such Registrable Securities;

(v) furnish to each underwriter, if an underwritten offering, customary "cold comfort" letters from its independent auditors, legal opinions from counsel to the Company on customary matters, and such other certificates or other instruments reasonably requested by such underwriters;

(vi) notify the holders of Registrable Securities and the managing underwriter or underwriters, if any, promptly and confirm such advice in writing promptly thereafter:

(A) when the registration statement, the prospectus or any prospectus supplement related thereto or post-effective amendment to the registration statement has been filed, and, with respect to the registration statement or any post-effective amendment thereto, when the same has become effective;

(B) of any request by the Commission for amendments or supplements to the registration statement or the prospectus or for additional information;

(C) of the issuance by the Commission of any stop order suspending the effectiveness of the registration statement or the initiation of any proceedings by any Person for that purpose;

(D) if at any time the representations and warran ties of the Company made as contemplated by Section 2.4 below cease to be true and correct; and

(E) of the receipt by the Company of any notifica tion with respect to the suspension of the qualification of any Registrable Securities for sale under the securities or blue sky laws of any jurisdiction or the initiation or threat of any proceeding for such purpose;

(viii) notify each seller of Registrable Securities covered by such registration statement, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, upon the Company's discovery that, or upon the happening of any event as a result of which, the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made, and at the request of any such seller promptly prepare and furnish to such seller and each underwriter, if any, a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such securities, such prospectus shall not include 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 the light of the circumstances under which they were made;

(ix) use its reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of the registration statement at the earliest possible moment;

(x) otherwise use its reasonable efforts to comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve months, but not more than eighteen months, beginning with the Company's first full calendar quarter after the effective date of such registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder, and will furnish to each such seller prior to the filing thereof a copy of any amendment or supplement to such registration statement or prospectus and shall not file any thereof to which any such seller shall have reasonably objected on the grounds that such amendment or supplement does not comply in all

material respects with the requirements of the Securities Act or of the rules or regulations thereunder; and

(xi) take such other action that may be requested by a seller of Registrable Securities that are customary and reasonably required in connection with the sale of Registrable Securities.

The Company may require each seller of Registrable Securities as to which any registration is being effected to furnish the Company such information regarding such seller and the distribution of such securities as the Company may from time to time reasonably request in writing.

The Company will not file any registration statement or amendment thereto or any prospectus or any supplement thereto (including such documents incorporated by reference and proposed to be filed after the initial filing of the registration statement) to which the holders of at least a majority of the Registrable Securities covered by such registration statement or the underwriter or underwriters, if any, shall reasonably object, PROVIDED that the Company may file such document in a form required by law or upon the advice of its counsel.

Each holder of Registrable Securities agrees by acquisition of such Registrable Securities that, upon receipt of any notice from the Company of the occurrence of any event of the kind de scribed in subdivision (vii) of this Section 2.3, such holder will forthwith discontinue such holder's disposition of Registrable Securities pursuant to the registration statement relating to such Registrable Securities until such holder's receipt of the copies of the supplemented or amended prospectus contemplated by subdivision (vii) of this Section 2.3 and, if so directed by the Company, will deliver to the Company (at the Company's reasonable expense) all copies, other than permanent file copies, then in such holder's possession of the prospectus relating to such Registrable Securities current at the time of receipt of such notice.

2.4 UNDERWRITTEN OFFERINGS.

(a) REQUESTED UNDERWRITTEN OFFERINGS. If requested by the underwriters for any underwritten offering by holders of Registrable Securities pursuant to a registration requested under Section 2.1, the Company will enter into an underwriting agreement with such underwriters for such offering, such agreement to be satisfactory in substance and form to the Company, each such holder and the underwriters, and to contain such representa tions and warranties by the Company and such other terms as are generally prevailing in agreements of such type, including, without limitation, indemnities substantially the same as those provided in Section 2.6. The holders of the Registrable Securities will cooperate with the Company in the negotiation of the underwriting agreement and will give consideration to the reasonable suggestions of the Company regarding the form thereof. The holders of Registrable Securities to be distributed by such underwriters shall be parties to such underwriting agree ment. Any such holder of Registrable Securities shall not be required to make any representations or

warranties to or agreements with the Company or the underwriters other than representations and warranties or agreements regarding such holder, such holder's Registrable Securities and such holder's intended method of distribution and any other representation required by law.

(b) INCIDENTAL UNDERWRITTEN OFFERINGS. If the Company at any time proposes to register any of its securities under the Securities Act as contemplated by Section 2.2 and such securities are to be distributed by or through one or more underwriters, the Company will, if requested by any holder of Registrable Securities as provided in Section 2.2 and subject to the provisions of Section 2.2(b), use its reasonable efforts to arrange for such underwriters to include all the Registrable Securities to be offered and sold by such holder among the securities to be distributed by such underwriters, PROVIDED that if the managing underwriter of such underwritten offering shall inform the holders of the Registrable Securities requesting such registration and the holders of any other securities which shall have exercised, in respect of such underwritten offering, registration rights comparable to the rights under Section 2.2 by letter of its belief that inclusion in such underwritten distribution of all or a specified number of such Registrable Securities or of such other securities so requested to be included would interfere with the successful marketing of the securities by the underwriters (such writing to state the basis of such belief and the approximate number of such Registrable Securities and shares of other securities so requested to be included which may be included in such underwritten offering without such effect), then the Company may, upon written notice to all holders of such Registrable Securities and of such other securities so requested to be included, exclude PRO RATA from such underwritten offering (if and to the extent stated by such managing underwriter to be necessary to eliminate such effect) the number of such Registrable Securities and shares of such other securities so requested to be included the registration of which shall have been requested by each holder of Registrable Securities and by the holders of such other securities so that the resultant aggregate number of such Registrable Securities and of such other shares of securities so requested to be included which are included in such underwritten offering shall be equal to the approximate number of shares stated in such managing underwriter's letter. The holders of Registrable Securities to be distributed by such underwriters shall be parties to the underwriting agreement between the Company. Any such holder of Registrable Securities shall not be required to make any representations or warranties to or agreements with the Company or the underwriters other than representations, warranties or agreements regarding such holder, such holder's Registrable Securities and such holder's intended method of distribution and any other representation required by law.

(c) HOLDBACK AGREEMENT. Each holder of Registrable Securities agrees by acquisition of such Registrable Securities, if so required by the managing underwriter, not to sell, make any short sale of, loan, grant any option for the purchase of, effect any public sale or distribution of or otherwise dispose of any securities of the Company, in violation of Regulation M under the Securities Act or during the 120 days (or such longer time as reasonably requested by the managing underwriter up to 180 days) after any underwritten registration pursuant to Section 2.1 or 2.2 has become effective, except as part of such underwritten

registration, whether or not such holder participates in such registration; provided that the restrictions contained in this sentence shall not apply to the holders of Registrable Securities in any registration following the Offering Closing Date if such holders and their affiliates collectively beneficially own (within the meaning of Rule 13d-3 under the Exchange Act) less than 5% of the outstanding Common Stock and none of such holders nor any of their respective affiliates is participating in such registration. Each holder of Registrable Securities agrees that the Company may instruct its transfer agent to place stop transfer notations in its records to enforce this Section 2.4(c).

(d) PARTICIPATION IN UNDERWRITTEN OFFERINGS. No Person may participate in any underwritten offering hereunder unless such Person (i) agrees to sell such Person's securities on the basis provided in any underwriting arrangements approved, subject to the terms and conditions hereof, by the Company and the holders of a majority of Registrable Securities to be included in such underwritten offering and (ii) completes and executes all questionnaires, indemnities, underwriting agreements and other documents (other than powers of attorney) required under the terms of such underwriting arrangements. Notwithstanding the foregoing, no underwriting agreement (or other agreement in connection with such offering) shall require any holder of Registrable Securities to make any representations or warranties to or agreements with the Company or the underwriters other than representations and warranties or agreements regarding such holder, such holder's Registrable Securities and such holder's intended method of distribution and any other representation required by law.

2.5 REGISTRATION CONCURRENTLY WITH CLOSING OF OFFERING. Without limiting the foregoing, the Company agrees that to the extent that the Investor purchases Registrable Securities concurrently with the closing of the Offering, the Company will use its reasonable best efforts to register such Registrable Securities concurrently with or immediately prior to the closing of the Offering; provided that any sales of such Registrable Securities shall be subject to any restrictions on sale required by the underwriters in connection with such Offering. Notwithstanding the foregoing, if the Company is advised by the managing underwriter in the Offering that registering the Registrable Securities concurrently with the closing of the Offering would be detrimental to the Offering, the Company will not be required to register the Registrable Securities concurrently with the closing of the Offering.

2.6 INDEMNIFICATION.

(a) INDEMNIFICATION BY THE COMPANY. In the event of any registration of any securities of the Company under the Securities Act, the Company will, and hereby agrees to, indemnify and hold harmless the holder of any Registrable Securities covered by such registration statement, its directors and officers, each other Person who participates as an underwriter in the offering or sale of such securities and each other Person, if any, who controls such holder or any such underwriter within the meaning of the Securities Act, against any losses, claims, damages or liabilities, joint or several, to which such holder or any such

director or officer or underwriter or controlling person may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which such securities were registered under the Securities Act, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and the Company will reimburse such holder and each such director, officer, under writer and controlling person for any legal or any other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, liability, action or proceeding, PROVIDED that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, any such preliminary prospectus, final prospectus, summary prospectus, amendment or supplement in reliance upon and in conformity with written information furnished to the Company through an instrument duly executed by such holder specifically stating that it is for use in the preparation thereof, and PROVIDED, FURTHER, that the Company shall not be liable to any Person who participates as an underwriter in the offering or sale of Registrable Securities or to any other Person, if any, who controls such underwriter within the meaning of the Securities Act, in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of such Person's failure to send or give a copy of the final prospectus, as the same may be then supplemented or amended, within the time required by the Securities Act to the Person asserting the existence of an untrue statement or alleged untrue statement or omission or alleged omission at or prior to the written confirmation of the sale of Registrable Securities to such Person if such statement or omission was corrected in such final prospectus. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such holder or any such director, officer, underwriter or controlling person and shall survive the transfer of such securities by such holder.

(b) INDEMNIFICATION BY THE SELLERS. The Company may require, as a condition to including any Registrable Securities in any registration statement filed pursuant to Section 2.3, that the Company shall have received an undertaking satisfactory to it from the prospective seller of such Registrable Securities, to indemnify and hold harmless (in the same manner and to the same extent as set forth in subdivision (a) of this Section 2.6) the Company, each director of the Company, each officer of the Company, each other person, if any, who controls the Company within the meaning of the Securities Act, each other Person who participates as an underwriter in the offering or sale of such securities and each other Person, if any, who controls such holder or any such underwriter within the meaning of the Securities Act, with respect to any statement or alleged statement in or omission or alleged omission from such registration statement, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, if such statement or alleged

statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company through an instrument duly executed by such seller specifically stating that it is for use in the preparation of such registration statement, preliminary prospectus, final prospectus, summary prospectus, amendment or supplement. Any such indemnity shall remain in full force and effect, regardless of any investigation made by or on behalf of the Company or any such director, officer or controlling person and shall survive the transfer of such securities by such seller. Notwithstanding the foregoing, the indemnity obligation of each seller of Registrable Securities pursuant to this Section 2.6(b) shall be limited to an amount equal to the total proceeds (before deducting underwriting discounts and commissions and expenses) received by such seller from the underwriters for the sale of shares by such seller in a registration hereunder.

(c) NOTICES OF CLAIMS, ETC. Promptly after receipt by an indemnified party of notice of the commencement of any action or proceeding involving a claim referred to in the preceding subdivisions of this Section 2.6, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the latter of the commencement of such action, PROVIDED that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under the preceding subdivisions of this Section 2.6, except to the extent that the indemnifying party is actually prejudiced by such failure to give notice. In case any such action is brought against an indemnified party, unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist in respect of such claim, the indemnifying party shall be entitled to participate in and to assume the defense thereof, jointly with any other indemnifying party similarly notified, to the extent that the indemnifying party may wish, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the consent of the indemnified party, consent to entry of any judgment or enter into any settlement of any such action which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability, or a covenant not to sue, in respect to such claim or litigation. No indemnified party shall consent to entry of any judgment or enter into any settlement of any such action the defense of which has been assumed by an indemnifying party without the consent of such indemnifying party.

(d) OTHER INDEMNIFICATION. Indemnification similar to that specified in the preceding subdivisions of this Section 2.6 (with appropriate modifications) shall be given by the Company and each seller of Registrable Securities with respect to any required registration or other qualification of securities under any Federal or state law or regulation of any governmental authority, other than the Securities Act.

(e) INDEMNIFICATION PAYMENTS. The indemnification required by this Section 2.6 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or expense, loss, damage or liability is incurred.

(f) CONTRIBUTION. If the indemnification provided for in the preceding subdivisions of this Section 2.6 is unavailable to an indemnified party in respect of any expense, loss, claim, damage or liability referred to therein, then each indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such expense, loss, claim, damage or liability (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the holder or underwriter, as the case may be, on the other from the distribution of the Registrable Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and of the holder or underwriter, as the case may be, on the other in connection with the statements or omissions which resulted in such expense, loss, damage or liability, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the holder or underwriter, as the case may be, on the other in connection with the distribution of the Registrable Securities shall be deemed to be in the same proportion as the total net proceeds received by the Company from the initial sale of the Registrable Securities by the Company bear to the gain, if any, realized by the selling holder or the underwriting discounts and commissions received by the underwriter, as the case may be. The relative fault of the Company on the one hand and of the holder or underwriter, as the case may be, on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission to state a material fact relates to information supplied by the Company, by the holder or by the underwriter and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission, PROVIDED that the foregoing contribution agreement shall not inure to the benefit of any indemnified party if indemnification would be unavailable to such indemnified party by reason of the provisions contained in the first sentence of subdivision (a) of this Section 2.6, and in no event shall the obligation of any indemnifying party to contribute under this subdivision (f) exceed the amount that such indemnifying party would have been obligated to pay by way of indemnification if the indemnification provided for under subdivisions (a) or (b) of this Section 2.6 had been available under the circumstances.

The Company and the holders of Registrable Securities agree that it would not be just and equitable if contribution pursuant to this subdivision (f) were determined by PRO RATA allocation (even if the holders and any underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in the

immediately preceding paragraph shall be deemed to include, subject to the limitations set forth in the preceding sentence and subdivision (c) of this Section 2.6, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim.

Notwithstanding the provisions of this subdivision (f), no holder of Registrable Securities or underwriter shall be required to contribute any amount in excess of the amount by which (i) in the case of any such holder, the net proceeds received by such holder from the sale of Registrable Securities or (ii) in the case of an underwriter, the total price at which the Registrable Securities purchased by it and distributed to the public were offered to the public exceeds, in any such case, the amount of any damages that such holder or underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or 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.

3. DEFINITIONS. As used herein, unless the context otherwise requires, the following terms have the following respective meanings:

COMMISSION: The Securities and Exchange Commission or any other Federal agency at the time administering the Securities Act.

COMMON STOCK: As defined in Section 1.

COMPANY: As defined in the introductory paragraph of this Agree ment.

EXCHANGE ACT: The Securities Exchange Act of 1934, or any similar Federal statute, and the rules and regulations of the Commission there under, all as the same shall be in effect at the time. Reference to a particular Section of the Securities Exchange Act of 1934 shall include a reference to the comparable Section, if any, of any such similar Federal statute.

INITIATING HOLDERS: Any holder or holders of Registrable Securities holding at least $10 million in value of Registrable Securities (based on the Market Price of such Registrable Securities), and initiating a request pursuant to Section 2.1 for the registration of all or part of such holder's or holders' Registrable Securities.

MARKET PRICE: The market price per share of Common Stock on any date shall be deemed to be the average of the daily closing prices for

the 20 consecutive trading days on the New York Stock Exchange ending on the day prior to such date. The closing price for each day shall be the last sale price regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices regular way, in either case on the New York Stock Exchange, or, if the Common Stock is not listed or admitted to trading on such exchange, on the principal national securities exchange on which the Common Stock is listed or admitted to trading, or if the Common Stock is not listed or admitted to trading on any national securities exchange, the average of the highest reported bid and lowest reported asked prices as furnished by the National Association of Securities Dealers ("NASD") or similar organization if the NASD is no longer reporting such information.

PERSON: A corporation, an association, a partnership, an organization, business, an individual, a governmental or political subdivision thereof or a governmental agency.

REGISTRABLE SECURITIES: any shares of Common Stock issued to the Investor pursuant to the Subscription Agreement or issued upon conversion of any common stock purchase warrants issued to the Investor and any securities issued or issuable with respect to any Common Stock referred to above by way of stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization or otherwise. As to any particular Registrable Securities, once issued such securities shall cease to be Registrable Securities when (a) a registration statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with such registration statement, (b) they shall have been distributed to the public pursuant to Rule 144 (or any successor provision) under the Securities Act, (c) they shall have been otherwise transferred, new certificates for them not bearing a legend restricting further transfer shall have been delivered by the Company and subse quent disposition of them shall not require registration or qualification of them under the Securities Act or any similar state law then in force, or (d) they shall have ceased to be outstanding.

REGISTRATION EXPENSES: All expenses incident to the Company's performance of or compliance with Section 2, including, without limitation, all registration, filing and NASD fees, all stock exchange listing fees, all fees and expenses of complying with securities or blue

sky laws, all word processing, duplicating and printing expenses, messenger and delivery expenses, the fees and disbursements of counsel for the Company and of its independent public accountants, including the expenses of any special audits or "cold comfort" letters required by or incident to such performance and compliance, the reasonable fees and disbursements of counsel retained by the holder or holders of Registrable Securities being registered (up to a maximum of $25,000 and any fees and disbursements of underwriters custom arily paid by issuers or sellers of securities, but excluding underwriting discounts and commissions and transfer taxes, if any.

SECURITIES ACT: The Securities Act of 1933, or any similar federal statute, and the rules and regulations of the Commission thereunder, all as of the same shall be in effect at the time. References to a particular Section of the Securities Act of 1933 shall include a reference to the comparable Section, if any, of any such similar federal statute.

4. AMENDMENTS AND WAIVERS. This Agreement may be amended and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the Company shall have obtained the written consent to such amendment, action or omission to act, of the holder or holders of a majority of the Registrable Securities. Each holder of any Registrable Securities at the time or thereafter outstanding shall be bound by any consent authorized by this Section 4, whether or not such Registrable Securities shall have been marked to indicate such consent.

5. NOTICES. Except as otherwise provided in this Agreement, all notices, requests and other communications to any Person provided for hereunder shall be in writing and shall be given to such Person (a) in the case of a party hereto other than the Company, addressed to such party in the manner set forth in the applicable Subscription Agreement or at such other address as such party shall have furnished to the Company in writing, (b) in the case of any other holder of Registrable Securities, at the address that such holder shall have furnished to the Company in writing, or, until any such other holder so furnishes to the Company an address, then to and at the address of the last holder of such Registrable Securities who has furnished an address to the Company, or (c) in the case of the Company, at 9 West 57th Street, 37th Floor, New York, New York 10019, to the attention of its President, or at such other address, or to the attention of such other officer, as the Company shall have furnished to each holder of Registrable Securities at the time outstanding. Each such notice, request or other communication shall be effective (i) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid or (ii) if given by any other means (including, without limitation, by air courier), when delivered at the address

specified above, PROVIDED that any such notice, request or communication to any holder of Registrable Securities shall not be effective until received.

6. ASSIGNMENT. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns. In addition, and whether or not any express assignment shall have been made, the provisions of this Agreement which are for the benefit of the parties hereto other than the Company shall also be for the benefit of and enforceable by any subsequent holder of any Registrable Securities, subject to the provisions respecting the minimum numbers or percentages of shares of Registrable Securities required in order to be entitled to certain rights, or take certain actions, contained herein.

7. DESCRIPTIVE HEADINGS. The descriptive headings of the several Sections and paragraphs of this Agreement are inserted for reference only and shall not limit or otherwise affect the meaning hereof.

8. GOVERNING LAW. THIS AGREEMENT SHALL BE CON STRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PAR TIES SHALL BE GOVERNED BY, THE LAWS OF THE STATE OF NEW YORK WITHOUT REFERENCE TO THE PRINCIPLES OF CONFLICTS OF LAWS (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

9. COUNTERPARTS. This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

10. ENTIRE AGREEMENT. This Agreement embodies the entire agreement

and understanding between the Company and each other party hereto relating to the subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter.

11. SUBMISSION TO JURISDICTION. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, THE COMPANY HEREBY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF THE AFORESAID COURTS AND APPELLATE COURTS FROM ANY THEREOF. EACH PARTY HERETO HEREBY IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF TO SUCH PARTY BY REGISTERED OR CERTIFIED MAIL, POSTAGE

PREPAID, RETURN RECEIPT REQUESTED, TO SUCH PARTY AT ITS ADDRESS SPECIFIED IN SECTION 5. THE PARTIES HERETO HEREBY IRREVOCABLY WAIVE TRIAL BY JURY, AND EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING, WITHOUT LIMITATION, ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY SUCH ACTION OR PROCEEDING IN SUCH RESPECTIVE JURISDICTIONS.

12. SEVERABILITY. If any provision of this Agreement, or the application of such provisions to any Person or circumstance, shall be held invalid, the remainder of this Agreement, or the application of such provision to Persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered by their respective officers hereunto duly authorized as of the date first above written.

CENDANT CORPORATION

By: /s/ Eric J. Bock

Name: Eric J. Bock
Title: SVP

CHATHAM STREET HOLDINGS, LLC

By: /s/ Michael D. Weinir

Name: Michael D. Weinir
Title: Vice President

EXHIBIT 23.1

INDEPENDENT AUDITORS' CONSENT

We consent to the use in this Amendment No. 1 to Registration Statment No. 333-30314 of Cendant Corporation on Form S-3 of our report on Cendant Corporation and subsidiaries dated February 28, 2000 (which expresses an unqualified opinion and includes an explanatory paragraph relating to the change in the method of recognizing revenue and membership solicitation costs as described in Note 1), appearing in the Prospectus, which is a part of such Registration Statement, and to the reference to us under the heading "Experts" in such Prospectus.

New York, New York
April 4, 2000

EXHIBIT 23.2

INDEPENDENT AUDITORS' CONSENT

We consent to the use in this Amendment No. 1 to Registration Statement No. 333-30314 of Cendant Corporation ("Cendant") on Form S-3 of our report on Move.com Group (wholly owned by Cendant) dated February 1, 2000 (which expresses an unqualified opinion and includes an explanatory paragraph relating to the relationship of Move.com Group to Cendant) appearing in the Prospectus, which is a part of such Registration Statement, and to the reference to us under the heading "Experts" in such Prospectus.

San Francisco, California
April 4, 2000