
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q/A
QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2000
Commission File No. 1-10308

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

DELAWARE
(State or other jurisdiction
of incorporation or
organization)

06-0918165
(I.R.S. Employer
Identification
Number)

9 WEST 57TH STREET
NEW YORK, NY
(Address of principal
executive office)

10019
(Zip Code)

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

NOT APPLICABLE
(Former name, former address and former fiscal year, if applicable)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed in Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements, for the past 90 days: Yes [X] No []

APPLICABLE ONLY TO CORPORATE ISSUERS:

The number of shares outstanding of each of the Registrant's classes of common stock was 726,196,308 and 3,644,774 shares of CD and Move.com, respectively, as of July 26, 2000.

CENDANT CORPORATION AND SUBSIDIARIES

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Certain statements in this Quarterly Report on Form 10-Q constitute "forward looking statements" within the meaning of the Private Litigation Reform Act of 1995. Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressed or implied by such forward looking statements. These forward looking statements were based on various factors and were derived utilizing numerous important assumptions and other important factors that could cause actual results to differ materially from those in the forward looking statements. Important assumptions and other important factors that could cause actual results to differ materially from those in the forward looking statements, include, but are not limited to: the resolution or outcome of the unresolved pending litigation, including the proposed settlement of the class action litigation and government investigation relating to the previously announced accounting irregularities; uncertainty as to the Company's future profitability; the Company's ability to develop and implement operational and financial systems to manage rapidly growing operations; competition in the Company's existing and potential future lines of business; the Company's ability to integrate and operate successfully acquired and merged businesses and the risks associated with such businesses, including the merger that created Cendant and the National Parking Corporation acquisition; the Company's ability to consummate a public offering of Move.com tracking stock; the Company's ability to obtain financing on acceptable terms to finance the Company's growth strategy and for the Company to operate within the limitations imposed by financing arrangements; and the effect of changes in current interest rates, particularly in our mortgage and real estate segments. Other factors and assumptions not identified above were also involved in the derivation of these forward looking statements, and the failure of such other assumptions to be realized as well as other factors may also cause actual results to differ materially from those projected. The Company assumes 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 the Company later becomes aware that they are not likely to be achieved.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CENDANT CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF INCOME
(IN MILLIONS, EXCEPT PER SHARE DATA)

	THREE MONTHS ENDED MARCH 31,	
	2000	1999
REVENUES		
Membership and service fees, net	\$ 1,065	\$ 1,253
Fleet leasing (net of depreciation and interest costs of \$0 and \$326)	-	18
Other	63	46
Net revenues	1,128	1,317
EXPENSES		
Operating	368	457
Marketing and reservation	215	262
General and administrative	133	165
Depreciation and amortization	85	93
Other charges (credits):		
Restructuring costs and other unusual charges (credits)	106	(1)
Litigation settlement and related costs (credits)	(41)	-
Investigation-related costs	3	2
Termination of proposed acquisition	-	7
Interest, net	26	48
Total expenses	895	1,033
Loss on dispositions of businesses	(13)	-
INCOME BEFORE INCOME TAXES AND MINORITY INTEREST	220	284
Provision for income taxes	77	100
Minority interest, net of tax	16	15
INCOME FROM CONTINUING OPERATIONS	127	169
Gain on sale of discontinued operations, net of tax	-	193
INCOME BEFORE EXTRAORDINARY LOSS AND CUMULATIVE EFFECT OF ACCOUNTING CHANGE	127	362
Extraordinary loss, net of tax	(2)	-
INCOME BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE	125	362
Cumulative effect of accounting change, net of tax	(56)	-
NET INCOME	\$ 69	\$ 362
INCOME PER SHARE		
BASIC		
Income from continuing operations	\$ 0.18	\$ 0.21
Gain on sale of discontinued operations	-	0.24
Extraordinary loss	-	-
Cumulative effect of accounting change	(0.08)	-
NET INCOME	\$ 0.10	\$ 0.45
DILUTED		
Income from continuing operations	\$ 0.17	\$ 0.20
Gain on sale of discontinued operations	-	0.23
Extraordinary loss	-	-
Cumulative effect of accounting change	(0.08)	-
NET INCOME	\$ 0.09	\$ 0.43

See Notes to Consolidated Condensed Financial Statements.

CENDANT CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
(IN MILLIONS, EXCEPT SHARE DATA)

	MARCH 31, 2000	DECEMBER 31, 1999
	-----	-----
ASSETS		
Current assets		
Cash and cash equivalents	\$ 948	\$ 1,164
Receivables, net	1,054	1,026
Deferred income taxes	1,405	1,427
Other current assets	887	975
	-----	-----
Total current assets	4,294	4,592
Property and equipment, net	1,332	1,347
Goodwill, net	3,233	3,271
Franchise agreements, net	1,425	1,410
Other intangibles, net	653	662
Other assets	1,161	1,141
	-----	-----
Total assets exclusive of assets under programs	12,098	12,423
	-----	-----
Assets under management and mortgage programs		
Mortgage loans held for sale	1,226	1,112
Mortgage servicing rights	1,196	1,084
Relocation receivables	522	530
	-----	-----
	2,944	2,726
	-----	-----
TOTAL ASSETS	\$ 15,042	\$ 15,149
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and other current liabilities	\$ 1,106	\$ 1,279
Stockholder litigation settlement and related costs	2,879	2,892
Deferred income	1,063	1,039
Current portion of debt	-	400
	-----	-----
Total current liabilities	5,048	5,610
Long-term debt	2,071	2,445
Deferred income	465	413
Other noncurrent liabilities	368	373
	-----	-----
Total liabilities exclusive of liabilities under programs	7,952	8,841
	-----	-----
Liabilities under management and mortgage programs		
Debt	2,341	2,314
Deferred income taxes	312	310
	-----	-----
	2,653	2,624
	-----	-----
Mandatorily redeemable preferred securities issued by subsidiary holding solely senior debentures issued by the Company	1,479	1,478
Mandatorily redeemable preferred interest in a subsidiary	375	-
Commitments and contingencies (Note 10)		
Stockholders' equity		
Preferred stock, \$.01 per value - authorized 10 million shares; none issued and outstanding	-	-
CD common stock, \$.01 par value - authorized 2 billion shares; issued 896,515,498 and 870,399,635 shares	9	9
Move.com common stock, \$.01 par value - authorized 500 million shares; issued and outstanding 3,159,030 shares and none; 22,500,000 notional shares with respect to CD's retained interest	-	-
Additional paid-in capital	4,623	4,102
Retained earnings	1,494	1,425
Accumulated other comprehensive loss	(75)	(42)
CD treasury stock, at cost, 172,426,898 and 163,818,148 shares	(3,468)	(3,288)
	-----	-----
Total stockholders' equity	2,583	2,206
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 15,042	\$ 15,149
	=====	=====

See Notes to Consolidated Condensed Financial Statements.

CENDANT CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(IN MILLIONS)

	THREE MONTHS ENDED MARCH 31,	
	2000	1999
OPERATING ACTIVITIES		
Net income	\$ 69	\$ 362
Adjustments to reconcile net income to net cash provided by operating activities:		
Gain on sale of discontinued operations, net of tax	-	(193)
Extraordinary loss	4	-
Cumulative effect of accounting change	89	-
Restructuring and other unusual charges (credits)	106	(1)
Payments of restructuring, merger-related and other unusual charges	(24)	(5)
Litigation settlement and related costs (credits)	(41)	-
Loss on dispositions of businesses	13	-
Depreciation and amortization	85	93
Other, net	(205)	(93)
NET CASH PROVIDED BY OPERATING ACTIVITIES EXCLUSIVE OF MANAGEMENT AND MORTGAGE PROGRAMS	96	163
Management and mortgage programs:		
Depreciation and amortization	27	312
Origination of mortgage loans	(3,916)	(6,819)
Proceeds on sale and payments from mortgage loans held for sale	3,802	7,280
	(87)	773
NET CASH PROVIDED BY OPERATING ACTIVITIES	9	936
INVESTING ACTIVITIES		
Property and equipment additions	(49)	(63)
Net assets acquired (net of cash acquired) and acquisition-related payments	(8)	(64)
Net proceeds from dispositions of businesses	-	800
Other, net	(25)	42
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES EXCLUSIVE OF MANAGEMENT AND MORTGAGE PROGRAMS	(82)	715
Management and mortgage programs:		
Equity advances on homes under management	(1,619)	(1,462)
Repayment on advances on homes under management	1,655	1,501
Additions to mortgage servicing rights	(139)	(183)
Proceeds from sales of mortgage servicing rights	35	57
Investment in leases and leased vehicles, net	-	(384)
	(68)	(471)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(150)	244
FINANCING ACTIVITIES		
Principal payments on borrowings	(776)	(9)
Issuances of CD common stock	464	30
Issuances of Move.com common stock	35	-
Repurchases of CD common stock	(198)	(1,142)
Proceeds from mandatorily redeemable preferred securities issued by subsidiaries	375	-
Other, net	(4)	-
NET CASH USED IN FINANCING ACTIVITIES EXCLUSIVE OF MANAGEMENT AND MORTGAGE PROGRAMS	(104)	(1,121)
Management and mortgage programs:		
Principal payments on borrowings	(1,421)	(2,102)
Proceeds from debt issuance or borrowings	777	1,831
Net change in short-term borrowings	672	(299)
	28	(570)
NET CASH USED IN FINANCING ACTIVITIES	(76)	(1,691)
Effect of changes in exchange rates on cash and cash equivalents	1	23

Net decrease in cash and cash equivalents	(216)	(488)
Cash and cash equivalents, beginning of period	1,164	1,009
Cash and cash equivalents, end of period	\$ 948	\$ 521

See Notes to Consolidated Condensed Financial Statements.

CENDANT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(UNLESS OTHERWISE NOTED, ALL AMOUNTS ARE IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

1. BASIS OF PRESENTATION

The accompanying unaudited Consolidated Condensed Financial Statements include the accounts and transactions of Cendant Corporation and its wholly owned subsidiaries (collectively, the "Company"). In management's opinion, the Consolidated Condensed Financial Statements contain all normal recurring adjustments necessary for a fair presentation of interim results reported. In addition, management is required to make estimates and assumptions that affect the amounts reported and related disclosures. Estimates, by their nature, are based on judgment and available information. Accordingly, actual results could differ from those estimates. These Consolidated Condensed Financial Statements should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 1999.

Certain reclassifications have been made to prior period amounts to conform to the current period presentation.

The results of operations reported for interim periods are not necessarily indicative of the results of operations for the entire year or any subsequent interim periods.

2. CHANGE IN ACCOUNTING POLICY

On January 1, 2000, the Company revised certain revenue recognition policies regarding the recognition of non-refundable one-time fees and the recognition of pro rata refundable subscription revenue as a result of the adoption of Staff Accounting Bulletin ("SAB") No. 101 "Revenue Recognition in Financial Statements." The Company previously recognized non-refundable one-time fees at the time of contract execution and cash receipt. This policy was changed to recognition of non-refundable one-time fees on a straight line basis over the life of the underlying contract. The Company previously recognized pro rata refundable subscription revenue equal to procurement costs upon initiation of a subscription. Additionally, the amount in excess of procurement costs was recognized over the subscription period. This policy was changed to recognition of pro rata refundable subscription revenue on a straight line basis over the subscription period. Procurement costs will continue to be expensed as incurred. The adoption of SAB No. 101 also resulted in a non-cash charge of approximately \$89 million (\$56 million, after tax) on January 1, 2000 to account for the cumulative effect of the accounting change. The percentage of annual revenues earned from non-refundable one-time fees and from pro rata refundable subscription revenue is not material to consolidated net revenues and consolidated income from continuing operations.

3. 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. Completion of the Company's implementation plan and determination of the impact of adopting SFAS No. 133 is expected by the fourth quarter of 2000. The Company will adopt SFAS No. 133 on January 1, 2001, as required.

4. EARNINGS PER SHARE

Earnings per share ("EPS") is calculated using both the basic and diluted methods. Basic EPS is computed based solely on the weighted average number of common shares outstanding during the period. Diluted EPS further reflects all potentially dilutive securities, including the assumed exercise of stock options and warrants using the treasury method, convertible debt and other common stock equivalents, if the impact is dilutive. At March 31, 2000, 79 million stock options (with a weighted average exercise price of \$24.53 per option) and 31 million stock warrants (with a weighted average exercise price of \$22.91 per warrant) were outstanding and antidilutive. At March 31, 1999, 62 million stock options (with a weighted average exercise price of \$25.36 per option) were outstanding and antidilutive. Therefore, such options and warrants were excluded from the computation of diluted EPS. In addition, the Company's FELINE PRIDES, which provide for the distribution of shares of CD common stock in February 2001, were antidilutive at March 31, 2000 and 1999 and therefore excluded from the computation of diluted EPS.

	THREE MONTHS ENDED MARCH 31,	
	2000	1999
Income from continuing operations	\$ 127	\$ 169
Convertible debt interest, net of tax	2	3
Income from continuing operations, as adjusted	\$ 129	\$ 172
Weighted average shares for basic EPS	717	800
Dilutive securities		
Stock options and warrants	34	36
Convertible debt	18	18
Weighted average shares for diluted EPS	769	854

5. COMPREHENSIVE INCOME

The components of comprehensive income are summarized as follows:

	THREE MONTHS ENDED MARCH 31,	
	2000	1999
Net income	\$ 69	\$ 362
Other comprehensive loss		
Currency translation adjustment	(21)	(69)
Unrealized loss on marketable securities, net of tax	(12)	(2)
Total comprehensive income	\$ 36	\$ 291

The after tax components of accumulated other comprehensive loss for the three months ended March 31, 2000 are as follows:

	CURRENCY TRANSLATION ADJUSTMENT	UNREALIZED GAIN/(LOSS) ON MARKETABLE SECURITIES	ACCUMULATED OTHER COMPREHENSIVE LOSS
Balance, January 1, 2000	\$ (58)	\$ 16	\$ (42)
Current period change	(21)	(12)	(33)
Balance, March 31, 2000	\$ (79)	\$ 4	\$ (75)

6. OTHER CHARGES (CREDITS)

RESTRUCTURING COSTS AND OTHER UNUSUAL CHARGES (CREDITS)

2000 Charge. During the three months ended March 31, 2000, the Company incurred restructuring and other unusual charges ("Unusual Charges") of \$106 million. The restructuring initiatives were aimed at improving the overall level of organizational efficiencies, consolidating and rationalizing existing processes, reducing cost structures in the Company's underlying businesses and other related efforts. These initiatives primarily affect the Company's Travel, Individual Membership and Insurance/Wholesale segments and are expected to be substantially completed over the next twelve months. Liabilities associated with Unusual Charges are classified as a component of accounts payable and other current liabilities. The initial recognition of the Unusual Charges and the corresponding utilization from inception is summarized by category of expenditure as follows:

	UNUSUAL CHARGES	CASH PAYMENTS	OTHER REDUCTIONS	BALANCE AT MARCH 31, 2000
	-----	-----	-----	-----
Personnel related	\$ 25	\$ 1	\$ -	\$ 24
Asset impairments and contract terminations	26	1	25	-
Facility related	9	-	-	9
Other unusual charges	46	21	14	11
	-----	-----	-----	-----
Total Unusual Charges	\$ 106	\$ 23	\$ 39	\$ 44
	=====	=====	=====	=====

Personnel related costs include severance resulting from the consolidation and relocation of business operations and certain corporate functions as well as other personnel related costs. The Company formally communicated to 971 employees, representing a wide range of employee groups, that their separation from the Company will occur within the next twelve months. In connection with a change in our strategic focus to an online business model, the Company recognized asset impairments of \$23 million associated with the planned exit of a timeshare software development business and \$3 million of other asset write-offs and various contract termination costs. Facility related costs consist of facility closures and lease obligations as a result of the consolidation and relocation of business operations. Other unusual charges include a \$21 million charge to fund an irrevocable contribution to an independent technology trust responsible for the installation of a Company sponsored property management system, which will provide for integrated Web capabilities enabling franchisees to maximize Internet opportunities. Additionally, the Company incurred other unusual charges associated with executive terminations of \$11 million, an asset write-down of \$7 million principally related to the abandonment of certain computer system applications, stock option contract modifications of \$3 million and other related costs of \$4 million. Liabilities remaining at March 31, 2000 consisted of personnel related costs, charges associated with facility closures and lease obligations and other unusual charges related to \$7 million of executive terminations and \$4 million of other related costs.

1997 Charge. During the three months ended March 31, 2000, cash outlays of \$1 million were applied against the 1997 merger-related costs and other unusual charges reserve for severance payments. As a result, the 1997 merger-related and other unusual charges reserve of \$71 million at March 31, 2000 primarily relates to future severance costs, executive termination benefits and lease termination payments, which will be settled upon the resolution of related contingencies and in accordance with lease installment plans.

LITIGATION SETTLEMENT AND RELATED COSTS (CREDITS)

On March 14, 2000, the Company issued approximately 25 million Rights with a calculated value of \$11.71 per Right pursuant to a court order approving the previously disclosed FELINE PRIDES ("PRIDES") settlement. Right holders may sell or exercise the Rights by delivering 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 was revised and fixed so that, at the time of the issuance of the Rights, the New PRIDES had value equal to \$17.57 more than the original PRIDES.

This settlement also required 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 based upon the valuation model that was utilized to set the conversion rate of the New PRIDES. The additional PRIDES were offered on May 3, 2000.

In connection with the issuance of Rights, the Company recorded a non-cash credit of \$41 million to litigation settlement and related costs (credits), with a corresponding decrease to additional paid-in capital. The credit represented an adjustment related to the number of Rights to be issued, which was decreased by approximately 3 million Rights, as such Rights were unclaimed and uncontested.

7. DEBT REDEMPTION

On January 21, 2000, the Company redeemed its outstanding 7 1/2% senior notes at a redemption price of 100.695% of par plus accrued interest. In connection with the redemption, the Company recorded an extraordinary loss of \$4 million (\$2 million, after tax). The loss consisted of the call premium and the write-off of deferred issuance costs.

8. MANDATORILY REDEEMABLE PREFERRED INTEREST IN A SUBSIDIARY

On March 20, 2000, a Company-formed limited liability corporation ("LLC") issued a mandatorily redeemable preferred interest ("Senior Preferred Interest") in exchange for \$375 million in cash. The Senior Preferred Interest is classified as mandatorily redeemable preferred interest in a subsidiary in the Consolidated Condensed Balance Sheet. The Senior Preferred Interest is mandatorily redeemable 15 years from the date of issuance and may be redeemed by the Company after 5 years, or earlier in certain circumstances. Distributions on the Senior Preferred Interest are based on three-month LIBOR plus an applicable margin (1.77%) and are reflected as minority interest in the Consolidated Condensed Statement of Income. Simultaneously with the issuance of the Senior Preferred Interest, the Company transferred certain assets to the LLC. After the sale of the Senior Preferred Interest, the Company owned 100% of the common interest and 100% of the junior preferred interest in the LLC. In the event of default, holders of the Senior Preferred Interest have certain liquidation preferences.

9. STOCKHOLDERS' EQUITY

SHARE REPURCHASES

During the three months ended March 31, 2000, the Company repurchased \$198 million (approximately 10 million shares) of CD common stock under its repurchase program.

MOVE.COM COMMON STOCK

Authorization of Tracking Stock. On March 21, 2000, the Company's stockholders approved a proposal authorizing a new series of common stock to track the performance of the Move.com Group, a group of businesses which provide 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 Company's existing common stock was reclassified as CD common stock, which reflects the performance of the Company's other businesses and a retained interest in the Move.com Group (collectively referred to as the Cendant Group). In addition, the Company's charter was amended and restated to increase the number of authorized shares of common stock from 2.0 billion to approximately 2.5 billion, comprised of 2.0 billion shares of CD common stock and 500 million shares of Move.com common stock. Although the issuance of Move.com common stock is intended to track the performance of the Move.com Group, holders are subject to all of the risks associated with an investment in the Company and all of its businesses, assets and liabilities. The Company issued shares of Move.com common stock through private financings and filed a registration statement with the SEC in connection with the potential issuance of such tracking stock in a public offering.

Chatham Street Holdings, LLC Investment. On March 31, 2000, Chatham Street Holdings, LLC ("Chatham") exercised a contractual right to purchase 1,561,000 shares of Move.com common stock for \$16.02 per share or approximately \$25 million in cash. In connection with such exercise, for every two shares of Move.com common stock purchased, Chatham received a warrant to purchase one share of Move.com common stock at a price equal to \$64.08 per share and a warrant to purchase one share of Move.com common stock at a price equal to \$128.16 per share. Also during March 2000, the Company invested \$25 million in convertible preferred stock of WMC Finance Co. ("WMC"), an online provider of sub-prime mortgages and an affiliate of Chatham, and was granted an option to purchase approximately 5 million shares of WMC common stock.

Liberty Digital, Inc. Investment. On March 31, 2000, Liberty Digital, Inc. ("Liberty Digital") purchased 1,598,030 shares of Move.com common stock for \$31.29 per share in exchange for consideration consisting of \$10 million in cash and 813,215 shares of Liberty Digital Class A common stock valued at approximately \$40 million. Liberty Digital and the Company also agreed 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.

NRT Incorporated Investment. On April 14, 2000, NRT Incorporated ("NRT") purchased 319,591 shares of Move.com common stock for \$31.29 per share or approximately \$10 million in cash. Cendant owns convertible preferred stock of NRT, which is convertible into no more than 50% of NRT's common stock.

STRATEGIC ALLIANCE

On February 7, 2000, pursuant to a previously announced strategic alliance, Liberty Media Corporation ("Liberty Media") invested \$400 million in cash to purchase 18 million shares of CD common stock and a two-year warrant to purchase approximately 29 million shares of CD common stock at an exercise price of \$23.00 per share. In addition, on March 20, 2000, Liberty Media's Chairman, John C. Malone, Ph.D., purchased one million shares of CD common stock for approximately \$17 million in cash.

10. COMMITMENTS AND CONTINGENCIES

CLASS ACTION LITIGATION AND GOVERNMENT INVESTIGATIONS

Since the April 15, 1998 announcement of the discovery of accounting irregularities in the former business units of CUC International Inc. ("CUC"), 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 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 Securities and Exchange Commission ("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 December 31, 1997, 1996 and 1995 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 the government investigations, the Company does not expect that additional adjustments will be necessary.

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 brought on behalf of purchasers of all Cendant Corporation and CUC publicly traded securities, other than PRIDES, between May 1995 and August 1998. Under the agreement, the Company would pay the class members approximately \$2.85 billion in cash. The settlement remains subject to approval by the court. If the settlement is not approved by the court, the Company can make no assurances that the final outcome or other settlement of this litigation will not be for an amount greater than that set forth in the preliminary agreement.

The proposed settlement does 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.

FLEET DISPOSITION

The Company's Fleet segment disposition was structured as a tax-free reorganization and, accordingly, no tax provision was 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.

11. SEGMENT INFORMATION

Management evaluates each segment's performance based upon a modified earnings before interest, income taxes, depreciation, amortization and minority interest calculation. For this purpose, Adjusted EBITDA is defined as earnings before non-operating interest, income taxes, depreciation, amortization and minority interest, adjusted to exclude certain items which are of a non-recurring or unusual nature and not measured in assessing segment performance or are not segment specific. Prior to the formation of the Move.com Group in the third quarter of 1999, the historical results of RentNet, Inc. ("RentNet"), a subsidiary of Cendant which was attributed to the Move.com Group, were included in the Company's Individual Membership segment. The Company reclassified the financial results of RentNet for the three months ended March 31, 1999 into the Move.com Group operating segment.

SEGMENT INFORMATION

THREE MONTHS ENDED MARCH 31,

	2000(1)		1999		1999 PRO FORMA (2)
	REVENUES	ADJUSTED EBITDA	REVENUES	ADJUSTED EBITDA	ADJUSTED EBITDA
Travel	\$ 272	\$ 126	\$ 272	\$ 145	\$ 141
Real Estate Franchise	121	84	97	71	69
Relocation	91	18	91	18	18
Mortgage	77	12	93	44	44
Move.com Group	11	(26)	3	-	-
Individual Membership	204	52	241	12	12
Insurance/Wholesale	145	48	140	38	39
Diversified Services	207	98	278	65	70
Fleet	-	-	102	40	40
Total	\$ 1,128	\$ 412	\$ 1,317	\$ 433	\$ 433

- (1) As of January 1, 2000, the Company refined its corporate overhead allocation method. As a result, expenses determined to be primarily associated with a specific business segment are recorded by that business segment versus allocating those expenses among the segments based on a percentage of revenue. The Company determined the refinement in corporate allocation method to be appropriate subsequent to the completion of the Company's divestiture plan and based on the composition of the business units comprising the Company in 2000.
- (2) Pro forma 1999 Adjusted EBITDA is presented as if the refined method of allocating corporate overhead in 2000 was applicable to 1999.

Provided below is a reconciliation of total Adjusted EBITDA for reportable operating segments to income before income taxes and minority interest.

	THREE MONTHS ENDED MARCH 31,	
	2000	1999
Adjusted EBITDA for reportable segments	\$ 412	\$ 433
Depreciation and amortization	(85)	(93)
Other charges (credits):		
Restructuring costs and other unusual (charges) credits	(106)	1
Litigation settlement and related credits	41	-
Investigation-related costs	(3)	(2)
Termination of proposed acquisition	-	(7)
Interest, net	(26)	(48)
Loss on dispositions of businesses	(13)	-
Income before income taxes and minority interest	\$ 220	\$ 284

12. SUBSEQUENT EVENT

On April 25, 2000, the Company's relocation subsidiary entered into a financing agreement with Apple Ridge Funding LLC ("Apple Ridge"), a bankruptcy remote, special purpose entity. Under the terms of the agreement, certain relocation receivables will be transferred for cash, on a revolving basis, to Apple Ridge until January 31, 2005. On April 25, 2000, the Company received \$400 million for receivables transferred to Apple Ridge. The Company retains a subordinated residual interest and the related servicing rights in the relocation receivables.

13. CONSOLIDATING CONDENSED FINANCIAL INFORMATION

In connection with the issuance of Move.com common stock, the Company began disclosing separately, for financial reporting purposes, financial information for the operations and investments of the Move.com Group. Cendant Group provides various services to and receives various services from the Move.com Group. Inter-group revenues and expenses have been broken out separately and self-eliminate in consolidation.

ALLOCATION POLICIES

Treasury Activities. Through March 31, 2000 (the date of original issuance of Move.com common stock) Cendant Group 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 the Cendant Group. Accordingly, no interest charges from the Cendant Group have been reflected in the accompanying Consolidating Condensed Statements of Income. Surplus cash, transferred from the Move.com Group to the Cendant Group from time to time, has been accounted for as a return of capital. Subsequent to March 31, 2000, all cash transfers from one group to or for the account of the other group will be accounted for as inter-group revolving credit advances and may bear interest at a rate similar to the Company's prevailing revolving line of credit rate determined by the Company's Board of Directors, in its sole discretion.

Revenues. Revenue allocations are supported by signed agreements, between the Cendant Group and Move.com Group, and are intended to approximate the fair value of services provided.

Expenses. Cendant Group allocates the cost of its corporate overhead services to the Move.com Group generally based on utilization. Where determinations based on utilization are impracticable, the Cendant Group uses percentages of revenues or other methods and criteria that management believes to be equitable and provide a reasonable estimate of costs attributable to the Move.com Group. The allocations of corporate overhead to the Move.com Group are consistent with the allocations made to subsidiaries within the Cendant Group. Corporate overhead includes charges

for legal, accounting (tax and financial), information and telecommunications services, marketing, intellectual property, public relations, corporate offices and travel.

Expenses, other than corporate overhead allocations, are allocated based upon utilization and usage volume.

Income Taxes. The income tax benefit and balance sheet accounts include allocations from the Cendant Group and are computed as if the Move.com Group filed its federal and state income tax returns on a stand-alone basis.

ALLOCATIONS

The allocations from the Cendant Group to the Move.com Group are comprised as follows: (a) revenues for selling advertising space and links on the Cendant Group real estate franchise systems Web sites, (b) revenues for Web site management associated with the Cendant Group's real estate franchise systems, (c) revenues associated with the Web site development of the Cendant Group's Welcome Wagon subsidiary, (d) expenses for overhead charges, (e) expenses associated with an Internet engineering services agreement and (f) expenses associated with the Web site development of Cendant Group's Welcome Wagon subsidiary. Additionally, portions of the benefit for income taxes and balance sheet accounts of Move.com Group are based on allocations from the Cendant Group.

CONSOLIDATING CONDENSED STATEMENTS OF INCOME

	THREE MONTHS ENDED MARCH 31, 2000			THREE MONTHS ENDED MARCH 31, 1999		
	CENDANT GROUP	MOVE.COM GROUP	CENDANT CONSOLIDATED	CENDANT GROUP	MOVE.COM GROUP	CENDANT CONSOLIDATED
REVENUES						
External revenues	\$ 1,117	\$ 11	\$ 1,128	\$ 1,314	\$ 3	\$ 1,317
Inter-group agreements	(5)	5	-	-	-	-
Net revenues	1,112	16	1,128	1,314	3	1,317
EXPENSES						
Operating:						
External expenses	358	10	368	455	2	457
Inter-group allocated expenses	(5)	5	-	-	-	-
Marketing and reservation	200	15	215	262	-	262
General and administrative	126	7	133	164	1	165
Depreciation and amortization	84	1	85	92	1	93
Other charges, net	67	1	68	8	-	8
Interest, net	26	-	26	48	-	48
Total expenses	856	39	895	1,029	4	1,033
Loss on dispositions of businesses	(13)	-	(13)	-	-	-
INCOME (LOSS) BEFORE INCOME TAXES AND MINORITY INTEREST	243	(23)	220	285	(1)	284
Provision (benefit) for income taxes	88	(11)	77	101	(1)	100
Minority interest, net of tax	16	-	16	15	-	15
INCOME (LOSS) FROM CONTINUING OPERATIONS	139	(12)	127	169	-	169
Gain on sale of discontinued operations, net of tax	-	-	-	193	-	193
INCOME (LOSS) BEFORE EXTRAORDINARY LOSS AND CUMULATIVE EFFECT OF ACCOUNTING CHANGE	139	(12)	127	362	-	362
Extraordinary loss, net of tax	(2)	-	(2)	-	-	-
INCOME (LOSS) BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE	137	(12)	125	362	-	362
Cumulative effect of accounting change, net of tax	(56)	-	(56)	-	-	-
NET INCOME (LOSS)	\$ 81	\$ (12)	\$ 69	\$ 362	\$ -	\$ 362

CONSOLIDATING CONDENSED BALANCE SHEETS

	MARCH 31, 2000			DECEMBER 31, 1999		
	CENDANT GROUP	MOVE.COM GROUP	CENDANT CONSOLIDATED	CENDANT GROUP	MOVE.COM GROUP	CENDANT CONSOLIDATED
ASSETS						
Cash and cash equivalents	\$ 912	\$ 36	\$ 948	\$ 1,163	\$ 1	\$ 1,164
Receivables, net	1,048	6	1,054	1,018	8	1,026
Current deferred income taxes	1,405	-	1,405	1,427	-	1,427
Other current assets	863	24	887	972	3	975
Property and equipment	1,322	10	1,332	1,344	3	1,347
Goodwill	3,228	5	3,233	3,266	5	3,271
Other noncurrent assets	3,219	20	3,239	3,211	2	3,213
Assets under management and mortgage programs	2,944	-	2,944	2,726	-	2,726
TOTAL ASSETS	\$14,941	\$ 101	\$ 15,042	\$15,127	\$ 22	\$ 15,149
LIABILITIES AND STOCKHOLDERS' EQUITY						
Current liabilities	\$ 5,019	\$ 29	\$ 5,048	\$ 5,589	\$ 21	\$ 5,610
Noncurrent liabilities	2,904	-	2,904	3,231	-	3,231
Liabilities under management and mortgage programs	2,653	-	2,653	2,624	-	2,624
Mandatorily redeemable preferred securities issued by subsidiaries	1,854	-	1,854	1,478	-	1,478
Common stock	9	-	9	9	-	9
Additional paid-in capital	4,514	109	4,623	4,083	19	4,102
Retained earnings (accumulated deficit)	1,528	(34)	1,494	1,443	(18)	1,425
Accumulated other comprehensive loss	(72)	(3)	(75)	(42)	-	(42)
Treasury stock, at cost	(3,468)	-	(3,468)	(3,288)	-	(3,288)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$14,941	\$ 101	\$ 15,042	\$15,127	\$ 22	\$ 15,149

CONSOLIDATING CONDENSED STATEMENTS OF CASH FLOWS

	THREE MONTHS ENDED MARCH 31, 2000			THREE MONTHS ENDED MARCH 31, 1999		
	CENDANT GROUP	MOVE.COM GROUP	CENDANT CONSOLIDATED	CENDANT GROUP	MOVE.COM GROUP	CENDANT CONSOLIDATED
OPERATING ACTIVITIES						
Net income (loss)	\$ 81	\$ (12)	\$ 69	\$ 362	\$ -	\$ 362
Adjustments to reconcile net income (loss) to net cash provided by operating activities:						
Gain on sale of discontinued operations, net of tax	-	-	-	(193)	-	(193)
Extraordinary loss	4	-	4	-	-	-
Cumulative effect of accounting change	89	-	89	-	-	-
Restructuring and other unusual charges (credits)	105	1	106	(1)	-	(1)
Payments of restructuring, merger-related and other unusual charges	(24)	-	(24)	(5)	-	(5)
Litigation settlement and related costs (credits)	(41)	-	(41)	-	-	-
Loss on dispositions of businesses	13	-	13	-	-	-
Depreciation and amortization	84	1	85	92	1	93
Other, net	(196)	(9)	(205)	(93)	-	(93)
Management and mortgage programs	(87)	-	(87)	773	-	773
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	28	(19)	9	935	1	936
INVESTING ACTIVITIES						
Property and equipment additions	(41)	(8)	(49)	(63)	-	(63)
Net assets acquired (net of cash acquired) and acquisition-related payments	(8)	-	(8)	(64)	-	(64)
Net proceeds from dispositions of businesses	-	-	-	800	-	800
Management and mortgage programs	(68)	-	(68)	(471)	-	(471)
Other, net	(25)	-	(25)	42	-	42
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(142)	(8)	(150)	244	-	244
FINANCING ACTIVITIES						
Principal payments on borrowings	(776)	-	(776)	(9)	-	(9)
Issuances of Move.com common stock	-	35	35	-	-	-
Issuances of CD common stock	464	-	464	30	-	30
Repurchases of CD common stock	(198)	-	(198)	(1,142)	-	(1,142)
Other, net	371	-	371	-	-	-
Management and mortgage programs	28	-	28	(570)	-	(570)
Inter-group funding	(27)	27	-	-	-	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(138)	62	(76)	(1,691)	-	(1,691)
Effect of changes in exchange rates on cash and cash equivalents	1	-	1	23	-	23
Net increase (decrease) in cash and cash equivalents	(251)	35	(216)	(489)	1	(488)
Cash and cash equivalents, beginning of period	1,163	1	1,164	1,009	-	1,009
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 912	\$ 36	\$ 948	\$ 520	\$ 1	\$ 521

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF CONSOLIDATED OPERATIONS

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

REVENUES

Revenues decreased \$189 million (14%) in first quarter 2000 compared to first quarter 1999 due to the effect of dispositions of non-strategic businesses throughout 1999 and 2000. Excluding the operating results of 1999 and 2000 dispositions, revenues increased \$70 million (7%), which primarily reflected continued growth in our Real Estate Franchise, Individual Membership, Move.com Group and Diversified Services segments, partially offset by a decline in revenues in our Mortgage segment related to a decrease in mortgage loan closings. Significant contributing factors giving rise to such revenue growth included (i) an increase in royalty fees received from our real estate franchised brands; (ii) an increase in the average price of a membership and a favorable mix of products in our Individual Membership segment; (iii) our continued investment in the marketing of the move.com Internet portal and (iv) an increase in tax return volume and average fee per return within our Jackson Hewitt tax franchise subsidiary.

OTHER CHARGES

RESTRUCTURING COSTS AND OTHER UNUSUAL CHARGES (CREDITS)

2000 Charge. During the first quarter, we incurred restructuring and other unusual charges ("Unusual Charges") of \$106 million. The restructuring initiatives were aimed at improving the overall level of organizational efficiency, consolidating and rationalizing existing processes, reducing cost structures in our underlying businesses and other related efforts. These initiatives primarily affect our Travel, Individual Membership and Insurance/Wholesale segments and are expected to be substantially completed over the next twelve months. The initial recognition of the Unusual Charges and the corresponding utilization from inception is summarized by category of expenditure as follows:

(In millions)	UNUSUAL CHARGES	CASH PAYMENTS	OTHER REDUCTIONS	BALANCE AT MARCH 31, 2000
	-----	-----	-----	-----
Personnel related	\$ 25	\$ 1	\$ -	\$ 24
Asset impairments and contract terminations	26	1	25	-
Facility related	9	-	-	9
Other unusual charges	46	21	14	11
	-----	-----	-----	-----
Total Unusual Charges	\$ 106	\$ 23	\$ 39	\$ 44
	=====	=====	=====	=====

Personnel related costs include severance resulting from the consolidation and relocation of business operations and certain corporate functions as well as other personnel related costs. We formally communicated to 971 employees, representing a wide range of employee groups, that their separation will occur within the next twelve months. In connection with a change in our strategic focus to an online business model, we recognized asset impairments of \$23 million associated with the planned exit of a timeshare software development business and \$3 million of other asset write-offs and various contract termination costs. Facility related costs consist of facility closures and related lease obligations as a result of the consolidation and relocation of business operations. Other unusual charges include a \$21 million charge to fund an irrevocable contribution to an independent technology trust responsible for the installation of a company sponsored property management system, which will provide for integrated Web capabilities enabling franchisees to maximize Internet opportunities. Additionally, we incurred other unusual charges associated with executive terminations of \$11 million, an asset write-down of \$7 million principally related to the abandonment of certain computer system applications, stock option contract modifications of \$3 million and other related costs of \$4 million. The total unusual charges will require cash expenditures of approximately \$62 million, expected to be spent primarily in 2000, and are

anticipated to increase pre-tax income by approximately \$25 million to \$30 million, commencing in 2001. All cash requirements are expected to be funded from operations. Liabilities remaining at March 31, 2000 consisted of personnel related costs, charges associated with facility closures and lease obligations and other unusual charges related to \$7 million of executive terminations and \$4 million of other related costs.

1997 Charge. During the three months ended March 31, 2000, cash outlays of \$1 million were applied against the 1997 merger-related costs and other unusual charges reserve for severance payments. As a result, the 1997 merger-related and other unusual charges reserve of \$71 million at March 31, 2000 primarily relates to future severance costs, executive termination benefits and lease termination payments, which will be settled upon the resolution of related contingencies and in accordance with lease installment plans.

LITIGATION SETTLEMENT AND RELATED COSTS (CREDITS)

In connection with the issuance of Rights on March 14, 2000 pursuant to a court order approving the previously disclosed FELINE PRIDES ("PRIDES") settlement, we recorded a non-cash credit of \$41 million, with a corresponding decrease to additional paid-in capital. The credit represented an adjustment related to the number of Rights to be issued, which was decreased by approximately 3 million Rights, as such Rights were unclaimed and uncontested. For a detailed discussion regarding Litigation Settlement and Related Costs (Credits), see Note 6 to our Consolidated Condensed Financial Statements.

DEPRECIATION AND AMORTIZATION EXPENSE

Depreciation and amortization expense decreased \$8 million (9%) in first quarter 2000 compared to first quarter 1999 primarily as a result of the impact of the 1999 dispositions of non-strategic businesses, partially offset by capital spending to support growth and enhance marketing opportunities in our businesses.

INTEREST EXPENSE, NET AND MINORITY INTEREST, NET OF TAX

Interest expense, net decreased \$22 million (46%) primarily as a result of a decrease in the average debt balance outstanding. Minority interest, net of tax increased slightly due to the issuance of a mandatorily redeemable preferred interest in a subsidiary in March 2000. For a detailed discussion regarding the mandatorily redeemable preferred interest, see Note 8 to our Consolidated Condensed Financial Statements.

PROVISION FOR INCOME TAXES

Our effective tax rate was reduced to 35.0% in 2000 from 35.2% in 1999, due to a reduction of nondeductible expenses.

CUMULATIVE EFFECT OF ACCOUNTING CHANGE

On January 1, 2000, we revised certain revenue recognition policies regarding the recognition of non-refundable one-time fees and the recognition of pro rata refundable subscription revenue as a result the adoption of Staff Accounting Bulletin ("SAB") No. 101 "Revenue Recognition in Financial Statements." We previously recognized non-refundable one-time fees at the time of contract execution and cash receipt. This policy was changed to recognition of non-refundable one-time fees on a straight line basis over the life of the underlying contract. We previously recognized pro rata refundable subscription revenue equal to procurement costs upon initiation of a subscription. Additionally, the amount in excess of procurement costs was recognized over the subscription period. This policy was changed to recognition of pro rata refundable subscription revenue on a straight line basis over the subscription period. Procurement costs will continue to be expensed as incurred. The adoption of SAB No. 101 also resulted in a non-cash charge of

approximately \$89 million (\$56 million, after tax) on January 1, 2000 to account for the cumulative effect of the accounting change.

NET INCOME

Net income decreased \$293 million in first quarter 2000 compared to first quarter 1999 primarily as a result of (i) other charges, net (\$46 million and \$4 million in 2000 and 1999, respectively); (ii) loss on dispositions of businesses (\$8 million in 2000); (iii) gain on sale of discontinued operations (\$193 million in 1999); (iv) extraordinary loss (\$2 million in 2000); (v) cumulative effect of accounting change (\$56 million in 2000) and (vi) the operating results of disposed businesses (\$1 million loss in 2000 and \$8 million income in 1999), which was partially offset by continued growth in our on-going businesses.

RESULTS OF REPORTABLE OPERATING SEGMENTS

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 certain items which are of a non-recurring or unusual nature and are not measured 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.

THREE MONTHS ENDED MARCH 31,
(Dollars in millions)

	REVENUES			ADJUSTED EBITDA			ADJUSTED EBITDA MARGIN	
	2000	1999	% CHANGE	2000(1)(2)	1999	% CHANGE	2000	1999
Travel	\$ 272	\$ 272	-%	\$ 126(3)	\$ 145	(13)%	46%	53%
Real Estate								
Franchise	121	97	25%	84	71	18%	69%	73%
Relocation	91	91	-	18	18	*	20%	20%
Mortgage	77	93	(17)%	12	44	(73)%	16%	47%
Move.com Group	11	3	*	(26)	-	*	*	*
Individual								
Membership	204	241	(15)%	52	12	333%	25%	5%
Insurance/								
Wholesale	145	140	4%	48	38	26%	33%	27%
Diversified Services	207	278	(26)%	98(4)	65(5)	51%	47%	23%
Fleet	-	102	*	-	40	*	*	39%
Total	\$ 1,128	\$ 1,317		\$ 412	\$ 433			

* Not meaningful.

(1) As of January 1, 2000, we refined our corporate overhead allocation method. As a result, expenses determined to be primarily associated with a specific business segment are recorded by that business segment versus allocating those expenses among the segments based on a percentage of revenue. We determined the refinement in the corporate allocation method to be appropriate subsequent to the completion of our divestiture plan and based on the composition of our business units. See Note 11 to the Consolidated Condensed Financial Statements for the pro forma effect had the 2000 corporate overhead allocation method been applied in 1999.

(2) Excludes restructuring and other unusual charges of \$106 million in connection with initiatives aimed at improving the overall level of organizational efficiencies, consolidating and rationalizing existing processes, reducing cost structures in our underlying businesses and other related efforts (\$60 million, \$1 million, \$1 million, \$23 million, \$9 million, \$1 million and \$11 million of charges were recorded within the Travel, Relocation, Mortgage, Individual Membership, Insurance/Wholesale, Move.com Group and Diversified Services segments, respectively).

(3) Excludes \$4 million of losses related to the dispositions of businesses.

(4) Excludes charges of \$9 million for losses related to the dispositions of businesses and \$3 million for investigation-related costs. Such charges were partially offset by a non-cash credit of \$41 million in connection with a change to the original estimate of the number of Rights to be issued in connection with the PRIDES settlement resulting from unclaimed and uncontested Rights.

(5) Excludes charges of \$7 million in connection with the termination of a proposed acquisition and \$2 million for investigation-related costs. Such charges were partially offset by a \$1 million credit for the net gain on the sale of a Company subsidiary.

TRAVEL

Revenues remained constant while Adjusted EBITDA decreased \$19 million (13%) in first quarter 2000 compared to first quarter 1999. Royalties from our franchise business increased approximately \$2 million principally due to a 4% increase in available rooms within our lodging business. Timeshare exchange revenues grew \$4 million due to membership and price increases. The implementation of SAB No. 101 resulted in a \$2 million reduction in timeshare subscription revenues.

Contributing to the Adjusted EBITDA reduction in first quarter 2000 was \$3 million related to the timing of cost allocations to the franchise funds and an additional \$4 million of corporate overhead allocations resulting from a refinement of allocation methods. Another contributing factor to the Adjusted EBITDA reduction was the recognition of \$3 million of obligations relating to a prior acquisition. Additionally, contributing to a reduction of quarter over quarter revenue and Adjusted EBITDA growth was a gain, recognized in first quarter 1999, associated with the sale of a portion of our equity investment in Avis Group Holdings, Inc. ("Avis"). Excluding the impact of non-recurring items, including SAB No. 101, the increase in corporate allocations and the gain on sale of Avis stock, revenues increased 3% and Adjusted EBITDA remained unchanged in first quarter 2000 compared to first quarter 1999.

REAL ESTATE FRANCHISE

Revenues and Adjusted EBITDA increased \$24 million (25%) and \$13 million (18%), respectively, in first quarter 2000 compared to first quarter 1999. Royalty fees for the CENTURY 21(Registered Trademark), COLDWELL BANKER(Registered Trademark) and ERA(Registered Trademark) franchise brands collectively increased by \$14 million (17%) primarily as a result of an 11% increase in the average price of homes sold. Beginning in second quarter 1999, the financial results of the national advertising funds for the COLDWELL BANKER and ERA brands (the "Advertising Funds") were consolidated into the segment's financial results. The consolidation of the Advertising Funds contributed \$7 million to the first quarter 2000 increase in revenues and increased expenses by a like amount, with no corresponding impact on Adjusted EBITDA. The Advertising Funds utilize most of their revenues on marketing and advertising expenses for their respective franchise brands. On a comparable basis, had the Advertising Funds been consolidated in first quarter 1999, the Adjusted EBITDA margin would have increased from 68% in first quarter 1999 to 69% in first quarter 2000.

RELOCATION

Revenues, Adjusted EBITDA and the Adjusted EBITDA margin remained unchanged in first quarter 2000 compared to first quarter 1999. An increase in revenues from fee-based services, referral fees and international services offset a reduction in corporate and government home sale revenue, reflecting a continuing trend from asset-based to service-based fees.

MORTGAGE

Revenues and Adjusted EBITDA decreased \$16 million (17%) and \$32 million (73%), respectively, in first quarter 2000 compared to first quarter 1999. Revenues from mortgage loans closed declined \$18 million, partially offset by a \$2 million increase in loan servicing revenues. The average servicing portfolio grew \$6.6 billion (14%). Mortgage loan closings for the quarter were \$3.8 billion, consisting of \$3.5 billion in purchase mortgages and \$0.3 billion in refinancing mortgages. Total loans closed declined by \$2.9 billion (43%), primarily because of a \$2.8 billion reduction in mortgage refinancing volume. Purchase mortgage closings in our teleservices business ("Phone-In, Move-In") amounted to \$2.4 billion in first quarter 2000 (6% above first quarter 1999). We anticipate that enhanced product offerings, particularly variable rate products that contributed 25% of mortgage volume, will increase closing volume in future quarters. Mortgage closings from our Internet business ("Log-In, Move-In") amounted to \$160 million in first quarter 2000 compared with \$28 million in first quarter 1999. The Adjusted EBITDA margin decreased to 16% in first quarter 2000 from 47% in first quarter 1999. The decline in Adjusted EBITDA and the Adjusted EBITDA margin resulted from the reductions in net revenue, increased expenses to service a larger servicing portfolio and the impact of higher technology, infrastructure and teleservices costs incurred to support capacity for volume

anticipated in future periods. As anticipated, Adjusted EBITDA for first quarter 2000 was below the prior year period; however, we continue to expect that market conditions will improve in the second half of the year and will produce more positive comparisons as the year progresses. We expect full year 2000 Adjusted EBITDA to be lower than 1999.

MOVE.COM GROUP

Revenues increased \$8 million to \$11 million in first quarter 2000, while Adjusted EBITDA decreased \$26 million to a loss of \$26 million for the same period. These results reflect our increased investment in marketing and development of the Internet portal. We expect the Move.com Group will continue to report EBITDA losses in the foreseeable future due to our continued investment in growth of the business.

INDIVIDUAL MEMBERSHIP

Revenues decreased \$37 million (15%) in first quarter 2000 compared to first quarter 1999, while Adjusted EBITDA increased \$40 million over the same period. The Adjusted EBITDA margin improved to 25% in first quarter 2000 from 5% in first quarter 1999. Beginning in September 1999, certain of Individual Membership's online businesses were no longer consolidated into our operations as the result of the Netmarket Group, Inc. transaction. The exclusion of the online membership businesses from our first quarter 2000 operations (and inclusion in the operating results for first quarter 1999) resulted in a \$13 million reduction in revenues and a \$7 million increase in Adjusted EBITDA. Additionally, during the second and third quarters of 1999, we completed the disposition of two business units. Disposed business units' operating results during first quarter 1999 accounted for revenues of \$38 million and an Adjusted EBITDA loss of \$1 million for such period. Excluding the first quarter 1999 operating results of our former online businesses and the disposed business units, revenues increased \$14 million (7%) and Adjusted EBITDA increased \$32 million (160%) in first quarter 2000 compared to first quarter 1999. The impact on revenues and Adjusted EBITDA from an increase in the average price of a membership was partially offset by higher cancellation rates. However, revenues and Adjusted EBITDA benefited \$14 million and \$8 million, respectively, as a result of a favorable mix of products. The increase in Adjusted EBITDA and the Adjusted EBITDA margin was also impacted by a \$16 million reduction in solicitation spending, as we continue to refine the targeted audiences for our marketing efforts and experience greater efficiencies in reaching potential new members.

INSURANCE/WHOLESALE

Revenues and Adjusted EBITDA increased \$5 million (4%) and \$10 million (26%), respectively, in first quarter 2000 compared to first quarter 1999. The increase in revenues was principally attributable to international expansion, while the Adjusted EBITDA improvement was due to improved profitability in international markets and a decrease in marketing expense resulting from longer amortization periods for certain customer acquisition costs. International revenues and Adjusted EBITDA increased \$4 million (13%) and \$2 million (42%), respectively, primarily due to a 21% increase in customers. The Adjusted EBITDA margin increased to 33% in first quarter 2000 from 27% in first quarter 1999. The Adjusted EBITDA margin for domestic operations was 38% in first quarter 2000 versus 32% in first quarter 1999. The Adjusted EBITDA margin for international operations was 19% for first quarter 2000 versus 15% in first quarter 1999. Domestic operations, which represented 73% of revenues in first quarter 2000, 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 due to expansion over the last two years.

DIVERSIFIED SERVICES

Revenues decreased \$71 million (26%) and Adjusted EBITDA increased \$33 million (51%) in first quarter 2000 compared to first quarter 1999. Revenues decreased primarily as a result of the dispositions of certain business operations including the Green Flag Group, the Global Refund Group and Entertainment

Publications, Inc. The operating results of disposed businesses (revenues of \$1 million and \$107 million in 2000 and 1999, respectively and Adjusted EBITDA of \$1 million and \$4 million in 2000 and 1999, respectively) were included through their respective disposition dates in 1999 and 2000. The absence of such businesses from first quarter 2000 operations resulted in a reduction in revenues of \$106 million but improved Adjusted EBITDA by \$3 million. Excluding the disposed businesses from the first quarter 1999 operating results, revenues and Adjusted EBITDA increased \$35 million and \$30 million, respectively, in first quarter 2000. Revenues and Adjusted EBITDA increases were strongly supported by a 33% increase in tax return volume and a 9% increase in the average fee per return received by our Jackson Hewitt franchise subsidiary, which contributed an incremental \$13 million and \$10 million to revenues and Adjusted EBITDA, respectively. Also contributing to revenue and Adjusted EBITDA growth was \$10 million of incremental income recognized from financial investments during first quarter 2000. The remaining increases in revenues and Adjusted EBITDA were primarily attributable to growth in the operating results of our National Car Parks subsidiary during first quarter 2000.

FLEET

On June 30, 1999, we completed the disposition of our Fleet segment for aggregate consideration of \$1.8 billion. Revenues and Adjusted EBITDA were \$102 million and \$40 million, respectively, in first quarter 1999.

LIQUIDITY AND CAPITAL RESOURCES

ISSUANCE OF ADDITIONAL PRIDES

On May 3, 2000, we announced the subscription price for our offering of up to 4,000,000 additional PRIDES (the "Additional PRIDES") in connection with the PRIDES settlement. The subscription price has been set at \$23.48 per Additional Income PRIDES and \$20.98 per Additional Growth PRIDES. As a result of the offer, we expect to issue 4,000,000 Additional Income PRIDES, of which 3,619,374 would be immediately convertible into 3,619,374 New Income PRIDES and 380,626 would remain Additional Income PRIDES. No Additional Growth PRIDES are expected to be issued in such offering. A prospectus supplement relating to the Additional PRIDES and the New PRIDES was filed with, and declared effective by, the SEC.

MOVE.COM COMMON STOCK

Authorization of Tracking Stock. On March 21, 2000, our stockholders approved a proposal authorizing a new series of common stock to track the performance of the Move.com Group, a group of businesses which provide 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. Our existing common stock was reclassified as CD common stock, which reflects the performance of our other businesses and a retained interest in the Move.com Group (collectively referred to as the Cendant Group). In addition, our charter was amended and restated to increase the number of authorized shares of common stock from 2.0 billion to approximately 2.5 billion, comprised of 2.0 billion shares of CD common stock and 500 million shares of Move.com common stock. Although the issuance of Move.com common stock is intended to track the performance of the Move.com Group, holders are subject to all of the risks associated with an investment in all of our businesses, assets and liabilities. We issued shares of Move.com common stock in private financings and have filed a registration statement with the SEC in connection with the potential issuance of such tracking stock in a public offering.

Chatham Street Holdings, LLC Investment. On March 31, 2000, Chatham Street Holdings, LLC ("Chatham") exercised a contractual right to purchase 1,561,000 shares of Move.com common stock for \$16.02 per share or approximately \$25 million in cash. In connection with such exercise, for every two shares of Move.com common stock purchased, Chatham received a warrant to purchase one share of Move.com common stock at a price equal to \$64.08 per share and a warrant to purchase one share of

Move.com common stock at a price equal to \$128.16 per share. Also during March 2000, we invested \$25 million in convertible preferred stock of WMC Finance Co. ("WMC"), an online provider of sub-prime mortgages and an affiliate of Chatham, and were granted an option to purchase approximately 5 million shares of WMC common stock.

Liberty Digital, Inc. Investment. On March 31, 2000, Liberty Digital, Inc. ("Liberty Digital") purchased 1,598,030 shares of Move.com common stock for \$31.29 per share in exchange for consideration of \$10 million in cash and 813,215 shares of Liberty Digital Class A common stock valued at approximately \$40 million. We also agreed 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.

NRT Incorporated Investment. On April 14, 2000, NRT Incorporated ("NRT") purchased 319,591 shares of Move.com common stock for \$31.29 per share or approximately \$10 million in cash. We own convertible preferred stock of NRT, which is convertible into no more than 50% of NRT's common stock.

STRATEGIC ALLIANCE

On February 7, 2000, pursuant to a previously announced strategic alliance, Liberty Media Corporation ("Liberty Media") invested \$400 million in cash to purchase 18 million shares of CD common stock and a two-year warrant to purchase approximately 29 million shares of CD common stock at an exercise price of \$23.00 per share. In addition, on March 20, 2000, Liberty Media's Chairman, John C. Malone, Ph.D., purchased one million shares of CD common stock for approximately \$17 million in cash.

The strategic alliance with Liberty Media is intended 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 other's businesses. We 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 to leverage our direct marketing resources and capabilities, subject to negotiation of mutually agreeable terms.

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. In addition, we have committed bank facilities totaling \$1.8 billion, which are currently undrawn and available, with the exception of \$5 million of letters of credit. We also have \$2.15 billion of availability under existing shelf registration statements at March 31, 2000. Our long-term debt, including current portion, was \$2.1 billion at March 31, 2000 and consisted of (i) approximately \$1.7 billion of publicly issued fixed rate debt comprised of \$1,149 million of 7 3/4% senior notes and \$547 million of 3% convertible subordinated notes and (ii) \$375 million of borrowings under a term loan facility. On January 21, 2000, we used available cash to redeem our outstanding 7 1/2% senior notes at a redemption price of 100.695% of par, plus accrued interest. Our credit facilities contain certain restrictive covenants, including restrictions on indebtedness of material subsidiaries, consent to mergers and limitations on liens, liquidations, and sale and leaseback transactions, and require the maintenance of certain financial ratios.

MANDATORILY REDEEMABLE PREFERRED INTEREST IN A SUBSIDIARY

On March 20, 2000, through a limited liability corporation ("LLC"), we issued a mandatorily redeemable preferred interest ("Senior Preferred Interest") in exchange for \$375 million in cash. The Senior Preferred Interest is mandatorily redeemable 15 years from the date of issuance and may be redeemed after 5 years, or earlier in certain circumstances. Distributions on the Senior Preferred Interest are based on three-month

LIBOR plus an applicable margin (1.77%). Simultaneously with the issuance of the Senior Preferred Interest we transferred certain assets to the LLC. After the sale of the Senior Preferred Interest, we owned 100% of the common interest and 100% of the junior preferred interest in the LLC. In the event of default, holders of the Senior Preferred Interest have certain liquidation preferences. Proceeds were used to repay a portion of the outstanding borrowings under the term loan facility.

FINANCING RELATED TO MANAGEMENT AND MORTGAGE PROGRAMS

PHH continues to manage outstanding debt with the potential sale or transfer of managed assets to third parties while retaining fee-related servicing responsibility. At March 31, 2000, aggregate borrowings consisted of commercial paper, medium-term notes, secured obligations and other borrowings of \$1,291 million, \$660 million, \$314 million and \$76 million, respectively. PHH's secured obligations of \$314 million consisted of a 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.

In addition, as of March 31, 2000, PHH had approximately \$375 million available for issuing notes under a 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.

FINANCING AGREEMENTS

Mortgage. We maintain a revolving sales agreement, under which an unaffiliated buyer, Bishops Gate Residential Mortgage Trust (the "Buyer"), 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 March 31, 2000, we were servicing approximately \$633 million of mortgage loans owned by the Buyer.

Relocation. On April 25, 2000, we entered into a financing agreement with Apple Ridge Funding LLC ("Apple Ridge"), a bankruptcy remote, special purpose entity. Under the terms of the agreement, certain relocation receivables will be transferred for cash, on a revolving basis, to Apple Ridge until January 31, 2005. On April 25, 2000, the Company received \$400 million for receivables transferred to Apple Ridge. We will retain a subordinated residual interest and the related servicing rights in the relocation receivables.

OTHER CREDIT FACILITIES

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 March 31, 2000, PHH maintains \$1.5 billion of unsecured committed credit facilities, which are provided by domestic and foreign banks. The facilities consist of a \$750 million revolving credit maturing in February 2001 and a \$750 million revolving credit maturing in February 2005. We closely evaluate 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 March 31, 2000 was undrawn and available. We believe 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 secured obligations and its revolving credit facilities.

CREDIT RATING

On May 10, 2000, Thomson Financial Bankwatch initiated coverage of PHH and assigned ratings of A- for senior debt and TBD-1 short-term debt.

COMMON SHARE REPURCHASES

As of March 31, 2000, we repurchased a total of \$2.2 billion (114 million shares) of CD common stock under our common share repurchase program. From April 1, 2000 to May 1, 2000, we repurchased an additional \$74 million (5 million shares) of CD common stock under the program.

In April 2000, in connection with our share repurchase program, we sold to a third party 3.0 million CD common stock put options, with a weighted average exercise price of \$15.51 and exercise dates in May 2000. These put options are exercisable only on the exercise date and can be net share or net cash settled at our option.

CASH FLOWS

We generated \$9 million of cash flows from operations during first quarter 2000, representing a \$927 million decrease from first quarter 1999, which consisted of a \$67 million decrease from cash flows excluding management and mortgage programs ("Programs") and an \$860 million decrease from cash flows from Programs. The decrease in cash flows from operations excluding Programs was attributable to increases in working capital. Cash flows from Programs decreased due to a \$575 million net decrease in cash inflows from the originations of mortgage loans, which reflects larger mortgage loan originations in proportion to mortgage loan sales. Depreciation and amortization attributable to Programs decreased \$285 million due to the 1999 disposition of our Fleet segment.

We used \$150 million of cash flows in investing activities during first quarter 2000 compared to cash provided from investing activities of \$244 million during first quarter 1999. The net change in cash flows was a year over year use of \$394 million and consisted of a \$797 million decrease in cash flows excluding Programs and a \$403 million increase in cash flows from Programs. The change in investing cash flows excluding Programs was primarily attributable to \$800 million of net proceeds in 1999 from the disposition of our software business. The increase in cash flows from Programs was due to the absence of a \$384 million cash use in 1999 related to our former Fleet segment.

We used \$76 million of cash in financing activities in first quarter 2000, representing a \$1.6 billion decrease from first quarter 1999, which consisted of a \$1.0 billion decrease in cash used excluding Programs and a \$598 million increase in cash flow from Programs. The decrease in uses of cash flow excluding Programs was attributable to the following:

- (1) a \$434 million increase in issuances of CD common stock;
- (2) a \$944 million decrease in repurchases of CD common stock;
- (3) proceeds of \$375 million from the first quarter 2000 issuance of a mandatorily redeemable preferred interest, and
- (4) a \$767 million increase in repayments of debt.

Cash flows provided by Programs in first quarter 2000 was \$28 million compared to a \$570 million use in first quarter 1999. The net change of \$598 million was due to changes in net borrowings on fundings of our investments in assets under Programs.

CAPITAL EXPENDITURES

During first quarter 2000, we invested \$49 million in property and equipment to support operational growth and to enhance marketing opportunities. In addition, technological improvements were made to improve operating efficiencies. We anticipate investing approximately \$250 million in capital expenditures in 2000.

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. Completion of our implementation plan and determination of the impact of adopting SFAS No. 133 is expected by the fourth quarter of 2000. We will adopt SFAS No. 133 on January 1, 2001, as required.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

As previously discussed in our 1999 Annual Report filed on Form 10-K, we assess our market risk based on changes in interest and foreign currency exchange rates utilizing a sensitivity analysis. The sensitivity analysis measures the potential loss in earnings, fair values, and cash flows based on a hypothetical 10% change (increase and decrease) in our market risk sensitive positions. We used March 31, 2000 market rates to perform a sensitivity analysis separately for each of our market risk exposures. The estimates assume instantaneous, parallel shifts in interest rate yield curves and exchange rates. We have determined, through such analyses, that the impact of a 10% change in interest and foreign currency exchange rates and prices on our earnings, fair values and cash flows would not be material.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The discussions contained under the headings "Class Action Litigation Settlement and Government Investigations" in Note 10 contained in PART I - FINANCIAL INFORMATION, Item 1 - Financial Statements, are incorporated herein by reference in their entirety.

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

On April 14, 2000, pursuant to a purchase agreement dated March 28, 2000, NRT purchased 319,591 shares of Move.com stock for \$31.29 per share in cash. The securities were issued in reliance on the private placement exemption under Section 4(2) of the Securities Act of 1933, as amended.

On March 31, 2000, pursuant to a purchase agreement dated March 22, 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. The securities were issued in reliance on the private placement exemption under Section 4(2) of the Securities Act of 1933, as amended.

On March 31, 2000, pursuant to a letter agreement dated September 30, 1999, Chatham Street Holdings, LLC exercised a contractual right to purchase 1,561,000 shares of Move.com stock for \$16.02 per share in cash. The securities were issued in reliance on the private placement exemption under Section 4(2) of the Securities Act of 1933, as amended.

On June 4, 1998, in connection with the purchase of National Car Parks, the Company issued warrants to purchase up to 683,304 shares of CD common stock to each of Martin J. Raynes and Adrian Nash and warrants to purchase up to 196,600 shares of CD common stock to Arthur Becker. The warrants may be exercised at any time until 5:00 pm on June 3, 2008 at an exercise price of \$21 5/16 per share. The securities were issued in reliance on the private placement exemption under Section 4(2) of the Securities Act of 1933, as amended. As of May 1, 2000, none of such warrants have been exercised.

ITEM 4. SUBMISSIONS OF MATTERS TO A VOTE OF SECURITY HOLDERS

We held a Special Meeting of Stockholders on March 21, 2000, pursuant to a Notice of Special Meeting of Stockholders and Proxy Statement dated February 10, 2000, a copy of which has been filed previously with the Securities and Exchange Commission, at which our stockholders approved the amendment and restatement of our certificate of incorporation to authorize a new series of common stock called Move.com common stock, the assumption by Cendant of the stock option plan of Move.com, Inc., and an adjournment proposal. Our stockholders did not approve a proposal to amend the certificate of incorporation and by-laws to eliminate the provisions for classification of Cendant's board of directors.

Proposal 1. The amendment and restatement of our certificate of incorporation to authorize a new series of common stock called Move.com common stock

Results:	For	Against	Abstain
	---	-----	-----
	503,294,535	16,378,541	3,800,041

Proposal 2. The assumption by Cendant of the stock option plan of Move.com, Inc.

Results:	For	Against	Abstain
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	379,400,499	140,883,957	3,188,661

Proposal 3. Amendment to our Certificate of Incorporation and Bylaws to Declassify the Board of Directors (80% of outstanding shares required to approve)

Results:	For	Against	Abstain
	---	-----	-----
	511,497,999	8,597,711	3,371,403

Proposal 4. Proposal to Adjourn or Postpone Special Meeting

Results:	For	Against	Abstain
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	365,787,546	152,665,209	5,014,359

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

Exhibits

- 3.1 Amended and Restated Certificate of Incorporation of the Company (electronic transmission only)
- 3.2 Amended and Restated By-Laws of the Company (electronic transmission only)
- 12 Computation of ratio of earnings to fixed charges
- 27 Financial data schedule (electronic transmission only)
- 99 Supplemental Franchising and Marketing/Reservation Activities Information (electronic transmission only)

Reports on Form 8-K

On February 3, 2000, we filed a current report on Form 8-K to report under Item 5 our fourth quarter 1999 financial results.

On April 6, 2000, we filed a current report on Form 8-K to report under Item 5 the reclassification of Cendant Corporation common stock and changes in the composition of our Board of Directors.

On April 20, 2000, we filed a current report on Form 8-K to report under Item 5 our first quarter 2000 financial results.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CENDANT CORPORATION

By: /s/ David M. Johnson

David M. Johnson
Senior Executive Vice President and
Chief Financial Officer

By: /s/ Jon F. Danski

Jon F. Danski
Executive Vice President, Finance
and Chief Accounting Officer

Date: July 28, 2000

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
CENDANT CORPORATION

The undersigned, James E. Buckman, certifies that he is the Vice Chairman and General Counsel of Cendant Corporation, a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), and does hereby further certify as follows:

(1) The name of the Corporation is Cendant Corporation.

(2) The name under which the Corporation was originally incorporated was Comp-U-Card of America, Inc. and the original Certificate of Incorporation of the Corporation was filed with the Secretary of State of the State of Delaware on August 1, 1974.

(3) This Amended and Restated Certificate of Incorporation was duly adopted in accordance with the provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware.

(4) The text of the Amended and Restated Certificate of Incorporation of the Corporation as amended hereby is restated to read in its entirety, as follows:

1. The name of the Corporation is Cendant Corporation (hereinafter, the "Corporation").

2. The address of its registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

3. The nature of the business or purposes to be conducted or promoted is:

To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

4. Capital Stock

The total number of shares of all classes of stock which the Corporation shall have authority to issue is 2,510,000,000, consisting of (i) 2,500,000,000 shares of Common Stock, \$0.01 par value per share ("Common Stock"), and (ii) 10,000,000 shares of Preferred Stock, \$0.01 par value per share ("Preferred Stock"). No stockholder shall have any preemptive right to subscribe to or purchase any additional shares of stock of the Corporation or any securities convertible into any such shares or representing a right or option to purchase any such shares.

A. Common Stock

1. Issuance of Common Stock in Series; Designation; Reclassification.

The Corporation shall have the authority to issue shares of Common Stock in two series. One series of Common Stock shall be designated as Cendant Corporation - CD Common Stock ("CD Stock"). The second series of Common Stock shall be initially designated as Cendant Corporation - Move.com Common Stock or such other name as the board of directors shall determine now or hereafter ("Move.com Stock"). When the filing of this Amended and Restated Certificate of Incorporation becomes effective, each share of Common Stock outstanding immediately prior thereto shall automatically be reclassified as one share of CD Stock (and outstanding certificates that had theretofore represented shares of Common Stock shall thereupon represent an equal number of shares of CD Stock despite the absence of any indication thereon to that effect).

The total number of shares of CD Stock which the Corporation shall have the authority to issue shall

initially be 2,000,000,000, and the total number of shares of Move.com Stock which the Corporation shall have the authority to issue shall initially be 500,000,000. The Board of Directors shall have the authority to increase or decrease from time to time the total number of shares of Common Stock of either series which the Corporation shall have the authority to issue, but not above the number which, when added to the total number of shares of the other series of Common Stock that the Corporation would have the authority to issue, would exceed the total number of shares of Common Stock that the Corporation has the authority to issue, and not below the number of shares of such series then outstanding. The Board of Directors shall have the authority to designate, prior to the time of the first issuance of the Move.com Stock, the number which, immediately prior to such first issuance, will constitute the Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group and any other terms which are consistent with applicable law and the provisions of this Article 4. The voting powers, preferences and relative, participating, optional or other special rights of the CD Stock and Move.com Stock, and the qualifications and restrictions thereon, shall be as set forth in this Section A.

2. Dividends

(1) Dividends. Subject to the preferences and other terms of any outstanding series of Preferred Stock, the holders of either series of Common Stock shall be entitled to receive dividends on their shares of Common Stock if, as and when declared by the Board of Directors, out of legally available funds, but (i) the Corporation will be permitted to pay dividends on CD Stock out of the lesser of (x) the assets of the Corporation legally available for the payment of dividends under Delaware law or (y) the Available Dividend Amount for Cendant Group and (ii) the Corporation will be permitted to pay dividends on Move.com Stock (and corresponding amounts to the Cendant Group with respect to its Retained Interest in Move.com Group) out of the lesser of (x) the assets of the Corporation legally available for the payment of dividends under Delaware law or (y) the Available Dividend Amount for Move.com Group.

(2) Discrimination Between or Among Series of Common Stock. Subject to paragraph (a) of this Section 2 and subject to the preferences and other terms of any outstanding series of Preferred Stock, the Corporation shall have the authority to declare and 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 of Common Stock, the amount of prior dividends paid on either series of Common Stock, the respective voting rights of each series of Common Stock or any other factor.

1. Mandatory Dividend, Redemption or Exchange on Disposition of All or Substantially All of the Assets of a Group; Exchange of One Series of Common Stock for the Other Series or for Stock of a Subsidiary at the Corporation's Option.

(3) Mandatory Dividend, Redemption or Exchange.

(1) In the event of a Disposition of All or Substantially All of the Assets of a Group (other than an Exempt Disposition), the Corporation shall, on or prior to the 85th Trading Day after the consummation of such Disposition, either:

(x) declare and pay a dividend to holders of the series of Common Stock that relates to that Group (in cash, securities (other than Common Stock) or other property, or a combination thereof), subject to the limitations on dividends set forth under Section 2 of this Article 4(A), in an amount having a Fair Value equal to their Proportionate Interest in the Net Proceeds of such Disposition;

(y) redeem from holders of the series of Common Stock that relates to that Group, for cash, securities (other than Common

Stock) or other property (or a combination thereof) 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 (rounded, if necessary, to the nearest whole number) having an aggregate average Market Value, during the 20 consecutive Trading Day period beginning on (and including) the 16th Trading Day immediately following the date on which the Disposition is consummated, equal to such Fair Value); or

(z) issue, in exchange for all of the outstanding shares of the series of Common Stock that relates to that Group, a number of shares of the series of Common Stock that does not relate to that Group (rounded, if necessary, to the nearest whole number) having an aggregate value equal to 110% of the aggregate value of all of the outstanding shares of the series of Common Stock that relates to that Group (with value in each case based on the average Market Value of a share of the relevant series of Common Stock during the 20 consecutive Trading Day period beginning on (and including) the 16th Trading Day immediately following the date on which the Disposition is consummated).

(2) At any time within one year after completing any dividend or partial redemption pursuant to (x) or (y) of the preceding sentence, the Corporation may issue, in exchange for all of the remaining outstanding shares of the series of Common Stock that relates to the Group that consummated the applicable

Disposition, a number of shares of the series of Common Stock that does not relate to that Group (rounded, if necessary, to the nearest whole number) having an aggregate value equal to 110% of the aggregate value of all of the outstanding shares of the series of Common Stock that relates to that Group (with value in each case based on the average Market Value of a share of the relevant 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 the Corporation mails the notice of exchange to holders of the relevant series).

(3) For purposes of this Section 3, if a Group consummates a Disposition in a series of related transactions, such Disposition shall not be deemed to have been completed until consummation of the last of such transactions.

(4) Optional Exchange of One Series of Common Stock for the Other Series.

(1) Prior to the third anniversary of the earlier of (a) the initial issuance of Move.com Stock in a public offering or (b) the first anniversary of a private placement of Move.com Stock, the Corporation will not have the right to cause the exchange of CD Stock for Move.com Stock.

(2) From and after the 18-month anniversary of the earlier of (a) the initial issuance of Move.com Stock in a public offering or (b) the first anniversary of a private placement of Move.com Stock, the Corporation may issue, in exchange for all of the outstanding shares of Move.com Stock, a number of shares of CD Stock (rounded, if necessary, to the nearest whole number) having an aggregate value equal to the percentage of the aggregate value of all of the outstanding shares of Move.com Stock (the "Applicable

Percentage") specified for the applicable date of exchange below. (In each case value is based on the average Market Value of a share of the relevant 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 the Corporation mails the notice of exchange to holders of Move.com Stock).

If the Exchange Date Falls During the Period Indicated Below	The Applicable Percentage Will be the Percentage Specified for Such Period Below
-----	-----
Eighteenth Month.....	120%
Nineteenth Month.....	119.722222%
Twentieth Month.....	119.444444%
Twenty-first Month.....	119.166667%
Twenty-second Month.....	118.888889%
Twenty-third Month.....	118.611111%
Twenty-fourth Month.....	118.333333%
Twenty-fifth Month.....	118.055556%
Twenty-sixth Month.....	117.777778%
Twenty-seventh Month.....	117.5%
Twenty-eighth Month.....	117.222222%
Twenty-ninth Month.....	116.944444%
Thirtieth Month.....	116.666667%
Thirty-first Month.....	116.388889%
Twenty-second Month.....	116.111111%
Thirty-third Month.....	115.833333%
Thirty-fourth Month.....	115.555556%
Thirty-fifth Month.....	115.277778%
Thirty-sixth Month and after.....	115%

For purposes of the foregoing chart, (x) the eighteenth "Month" is the period from and including the date which is the earlier of (1) the first issuance of shares of Move.com Stock in a public offering or (2) the first anniversary of a private placement of Move.com Stock, to but excluding the one month anniversary of such date (provided that, if the date is the 29th, 30th or 31st day of any month, the first "Month" will be the period from and including such date to but excluding the one month anniversary of the first day of the month immediately following the month in which such date falls) and (y) each subsequent "Month" is the period from and including the day after the end of the prior Month to but excluding the one month anniversary of such day.

(3) From and after the third anniversary of the earlier of (a) the initial issuance of Move.com Stock in a public offering or (b) the first anniversary of a private placement of Move.com Stock, the Corporation may, at any time after outstanding Move.com Stock exceeds the 40% of Total Market Capitalization Trigger but has not exceeded 60% of the Total Market Capitalization Threshold, issue, in exchange for all of the outstanding shares of either series of Common Stock (the "Series of Common Stock Being Retired"), a number of shares of the other series of Common Stock (rounded, if necessary, to the nearest whole number) having an aggregate value equal to the aggregate value of all of the outstanding shares of the Series of Common Stock Being Retired (with value in each case based on the average Market Value of a share of the relevant 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 the Corporation mails the notice of exchange to holders of the Series of Common Stock Being Retired). In the event that Move.com Stock exceeds the 60% of Total Market Capitalization Threshold, the Corporation will lose the right to effect an exchange on a value for value basis during such period.

The Corporation will have the right, on or after the third anniversary of the earlier of (a) the initial issuance of Move.com Stock in a public offering or (b) the first anniversary of a private placement of Move.com Stock, if outstanding Move.com Stock exceeds the 60% of Total Market Capitalization Threshold, to issue a number of shares of Move.com Stock, in exchange for all of the outstanding CD Stock, having an aggregate value equal to 115% of the aggregate value of all of the outstanding shares of CD Stock. (In each case value is based on the average Market Value of a share of

relevant 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 the Corporation mails the notice of exchange to holders of CD Stock). In the event that Move.com Stock equals or falls below the 60% of Total Market Capitalization Threshold, the Corporation will lose the right to effect such an exchange during such period.

Move.com Stock will exceed the "40% of Total Market Capitalization Trigger" if the Market Capitalization of the outstanding Move.com Stock exceeds 40% of the Total Market Capitalization of both series of Common Stock for 30 Trading Days during any 60 consecutive Trading Day period. Move.com Stock will be equal to or below the "60% of Total Market Capitalization Threshold" if the Market Capitalization of the outstanding Move.com Stock is equal to or below 60% of the Total Market Capitalization of both series of Common Stock for 30 Trading Days during any 60 consecutive Trading Day period.

If the Corporation has the right, on the date on which it mails a notice of exchange as contemplated above, to issue shares of CD Stock or Move.com Stock in exchange for outstanding shares of the other series of Common Stock as described above, the Corporation will not lose that right if Move.com Stock subsequently falls below the 40% of Total Market Capitalization Trigger or exceeds the 60% of Total Market Capitalization Threshold.

(4) Notwithstanding the preceding paragraphs, if a Tax Event has occurred, the Corporation may issue, in exchange for all of the outstanding shares of Move.com Stock, a number of shares of CD Stock (rounded, if necessary, to the nearest whole number) having an aggregate value equal to 110% of the aggregate value of all of the outstanding

shares of Move.com Stock (with value based on the average Market Value of a share of the relevant 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 the Corporation mails the notice of exchange to holders of Move.com Stock being retired). "Tax Event" means the receipt by the Corporation of an opinion of tax counsel of the Corporation's choice experienced in such matters, who shall not be an officer or employee of the Corporation 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) the Corporation, 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 the Corporation. 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, tax counsel shall render an opinion only in the event of enactment.

(5) Optional Exchange for Stock of a Subsidiary.

(1) At any time at which all of the assets and liabilities of a Group (and no other

assets or liabilities of the Corporation or any subsidiary thereof) are held directly or indirectly by one or more wholly owned subsidiaries of the Corporation (the "Group Subsidiaries"), the Corporation shall have the right to issue to holders of the relevant series of Common Stock (including Cendant Group in the case of Move.com 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.

(2) If the series of Common Stock being exchanged pursuant to Section 3(c)(i) above 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, the Corporation shall 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 the option of the Corporation.

(3) If the series of Common Stock being exchanged pursuant to Section 3(c)(i) above 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 delivered to the holders of Move.com Stock), the Corporation may retain the remaining shares of common stock of the Group Subsidiaries or distribute those shares as a dividend on CD Stock.

(6) General Dividend, Exchange and Redemption Provisions.

(1) If the Corporation completes a Disposition of All or Substantially All of the

Assets of a Group (other than an Exempt Disposition), the Corporation shall, not more than the 10 Trading Days after the consummation of such Disposition, issue a press release specifying (w) the Net Proceeds of such Disposition, (x) the number of shares of the series of Common Stock related to such Group then outstanding, (y) 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 (z) if the Group is Move.com Group, the Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group. The Corporation shall, not more than 30 Trading Days after such consummation, announce by press release which of the actions specified in Section 3(a)(i) of this Article 4(A) it has determined to take, and upon making that announcement, that determination will be irrevocable. In addition, the Corporation shall, 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, 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 the transfer books of the Corporation, specifying:

(1) if the Corporation has determined to pay a special dividend, (A) the record date for such dividend, (B) the payment date of such dividend (which cannot be more than 85 Trading Days after such consummation) and (C) the aggregate amount and type of property to be paid in such dividend (and the approximate per share amount thereof);

(2) if the Corporation has determined to undertake a redemption, (A) the date of redemption (which cannot be more than 85 Trading Days

after such consummation), (B) the aggregate amount and type of property to be paid as a redemption price (and the approximate per share amount thereof), (C) if less than all shares of the relevant series of Common Stock are to be redeemed, the number of shares to be redeemed and (D) the place or places where certificates for shares of such series of Common Stock, properly endorsed or assigned for transfer (unless the Corporation waives such requirement), should be surrendered in return for delivery of the cash, securities or other property to be paid by the Corporation in such redemption; and

(3) if the Corporation has determined to undertake an exchange, (A) the date of exchange (which cannot be more than 85 Trading Days after such consummation), (B) 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 (C) the place or places where certificates for shares of such series of Common Stock, properly endorsed or assigned for transfer (unless the Corporation waives such requirement), should be surrendered in return for delivery of the other series of Common Stock to be issued by the Corporation in such exchange.

(2) If the Corporation has determined to complete any exchange described in Section 3(b) or (c) of this Article 4(A), the Corporation shall, not less than 10 Trading Days and not more than 30 Trading Days before the exchange date, 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 the transfer books of the Corporation, specifying (x) the exchange date and the other terms of the exchange and (y) the place or places where certificates for shares of such series of Common Stock, properly endorsed or assigned for transfer (unless the

Corporation waives such requirement), should be surrendered for delivery of the stock to be issued or delivered by the Corporation in such exchange.

(3) Neither the failure to mail any notice required by this Section 3(d) 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 contemplated hereby.

(4) If the Corporation is redeeming less than all of the outstanding shares of a series of Common Stock pursuant to Section 3(a)(i) of this Article 4(A), the Corporation shall redeem such shares pro rata or by lot or by such other method as the Board of Directors determines to be equitable.

(5) No holder of shares of a series of Common Stock being exchanged or redeemed shall 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 the Corporation shall specify (unless the Corporation waives such requirement). As soon as practicable after the Corporation's receipt of certificates for such shares, the Corporation shall 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 shall be 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 is exchanged or redeemed, the Corporation shall also issue and deliver a new

certificate for the shares of such Common Stock not exchanged or redeemed.

(6) The Corporation shall 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 shall be held at the same time by the same holder, the Corporation 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, the Corporation shall, if such fractional shares or securities are 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).

(7) From and after the date set for any exchange or redemption contemplated by this Section 3, all rights of a holder of shares of Common Stock being exchanged or redeemed shall cease except for the right, upon surrender of the certificates theretofore 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 shall not be entitled to receive any dividend or other distribution with respect to shares of the other series of Common Stock until after

certificates theretofore representing the shares being exchanged are surrendered as contemplated above. Upon such surrender, the Corporation shall 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, the Corporation shall, however, be entitled to treat the certificates for shares of a series 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.

(8) The Corporation shall 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 contemplated by this Section 3; provided, however, that the Corporation shall not 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 the Corporation the amount of any such tax, or establishes to the satisfaction of the Corporation that such tax has been paid.

(9) The Corporation may, subject to applicable law, establish such other rules,

requirements and procedures to facilitate any dividend, redemption or exchange contemplated by this Section 3 as the Board of Directors may determine to be appropriate under the circumstances.

3. Voting Rights.

At every meeting of stockholders, the holders of CD Stock and the holders of Move.com Stock shall vote together as a single class on all matters as to which common stockholders generally are entitled to vote, unless a separate vote is required by applicable law. On all such matters for which no separate vote is required, (a) holders of CD Stock shall be entitled to one vote per share of CD Stock held and (b) holders of Move.com Stock shall be entitled to a one vote per share of Move.com Stock held. Each share of CD Stock and each share of Move.com Stock shall continue to have one vote following a stock split, stock dividend or similar reclassification.

4. Liquidation Rights.

In the event of any voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, holders of CD Stock and holders of Move.com Stock shall be entitled to receive in respect of shares of CD Stock and shares of Move.com Stock their proportionate interests in the net assets of the Corporation, if any, remaining for distribution to stockholders (after payment of or provision for all liabilities, including contingent liabilities, of the Corporation and payment of the liquidation preference payable to any holders of Preferred Stock), in proportion to the respective number of liquidation units per share of CD Stock and Move.com Stock. Each share of CD Stock shall have one liquidation unit and each share of Move.com Stock shall have a number of liquidation units (including a fraction of one liquidation unit) equal to the quotient (rounded to the nearest five decimal places) of the average Market Value of one share of Move.com Stock during the 20 consecutive Trading Day period ending on, and including, the 5th Trading Day before the date of the first public announcement of (1) a

voluntary liquidation, dissolution or winding-up of the Corporation or (2) the institution of any proceeding for the involuntary liquidation, dissolution or winding-up of the Corporation divided by the average Market Value of one share of CD Stock during such 20 Trading Day period.

If the Corporation shall in any manner subdivide (by stock split, reclassification or otherwise) or combine (by reverse stock split, reclassification or otherwise) the outstanding shares of CD Stock or Move.com Stock, or declare a dividend in shares of either series to holders of such series, the per share liquidation units of such series of Common Stock specified in the preceding paragraph, as adjusted from time to time, shall be appropriately adjusted as determined by the Board of Directors, so as to avoid dilution in the aggregate, relative liquidation rights of the shares of any series of Common Stock.

Neither the merger nor consolidation of the Corporation into or with any other entity, nor a sale, transfer or lease of all or any part of the assets of the Corporation, shall, alone, be deemed a liquidation or winding up of the Corporation or cause the dissolution of the Corporation, for purposes of this Section 5.

5. Adjustments to Number of Shares Issuable with Respect to 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, as in effect from time to time, shall, automatically without action by the Board of Directors or any other person, be:

(1) adjusted in proportion to any changes in the number of outstanding shares of Move.com Stock caused by subdivisions (by stock split, reclassification or otherwise) or combinations (by reverse stock split, reclassification or otherwise) of shares of Move.com Stock or by dividends or other distributions of shares of Move.com Stock on shares of Move.com Stock

(and, in each such case, rounded, if necessary, to the nearest whole number);

(2) decreased by (i) if the Corporation issues any shares of Move.com Stock and the Board of Directors attributes that issuance (and the proceeds thereof) to Cendant Group, the number of shares of Move.com Stock so issued, and (ii) if the Board of Directors reallocates to Cendant Group any cash or other assets theretofore allocated to Move.com Group in connection with a redemption of shares of Move.com Stock (as required pursuant to clause (ii) of the proviso to the definition of Cendant Group below) or in return for a decrease in the Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group, the number (rounded, if necessary, to the nearest whole number) equal to (x) the aggregate Fair Value of such cash or other assets divided by (y) the Market Value of one share of Move.com Stock as of the date of such reallocation; and

(c) increased by (i) if the Corporation repurchases any shares of Move.com Stock and the Board of Directors attributes that repurchase (and the consideration therefor) to Cendant Group, the number of shares of Move.com Stock so repurchased and (ii) if the Board of Directors re-allocates to Move.com Group any cash or other assets theretofore allocated to Cendant Group in return for an increase in the Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group, the number (rounded, if necessary, to the nearest whole number) equal to (x) the Fair Value of such cash or other assets divided by (y) the Market Value of one share of Move.com Stock as of the date of such re-allocation.

Neither the Corporation nor the Board of Directors shall take any action that would, as a result of any of the foregoing adjustments, reduce the Number of Shares

Issuable with Respect to Cendant Group's Retained Interest in Move.com Group to below zero. Subject to the preceding sentence, the Board of Directors may attribute the issuance of any shares of Move.com Stock (and the proceeds here from) or the repurchase of Move.com Stock (and the consideration therefor) to Cendant Group or to Move.com Group, as the Board of Directors determines in its sole discretion; provided, however, that the Board of Directors must attribute to Cendant Group the issuance of any shares of Move.com Stock that are issued (1) as a dividend or other distribution on, or as consideration for the repurchase of, shares of CD Stock or (2) as consideration to acquire any assets or satisfy any liabilities attributed to Cendant Group.

6. Additional Definitions.

As used in this Article 4, the following terms shall have the following meanings (with terms defined in singular having comparable meaning when used in the plural and vice versa), unless the context otherwise requires:

"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 Cendant Group includes the value of its Retained Interest in Move.com Group.

"Available Dividend Amount" for Cendant Group, on any day on which dividends are paid on shares of CD Stock, is the amount that would, immediately prior to the payment of such dividends, be legally available for the payment of dividends on shares of CD Stock under Delaware law if (a) Cendant Group and Move.com Group were each a separate Delaware corporation, (b) Cendant Group had outstanding (i) a number of shares of common stock, par value \$0.01 per share, equal to the number of shares of CD Stock that are then outstanding and (ii) a number of shares of preferred stock, par value \$0.01 per share, equal to the number of shares of Preferred Stock that have been attributed to Cendant Group and are then outstanding, (c) the assumptions about Move.com Group set forth in the next sentence were true and (d) 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.

"Available Dividend Amount" for Move.com Group, on any day on which dividends are paid on shares of Move.com Stock, is the amount that would, immediately prior to the payment of such dividends, be legally available for the payment of dividends on shares of Move.com Group's common stock under Delaware law if Move.com Group were a separate Delaware corporation having outstanding (a) a number of shares of common stock, par value \$0.01 per share, 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 (b) a number of shares of preferred stock, par value \$0.01 per share, equal to the number of shares of Preferred Stock that have been attributed to Move.com Group and are then outstanding.

"Cendant Group" means (a) all of the businesses, assets and liabilities of the Corporation and its subsidiaries, other than the businesses, assets and liabilities that are part of Move.com Group, (b) the rights and obligations of Cendant Group under any inter-Group debt deemed to be owed to or by Cendant Group (as such rights and obligations are defined in accordance with policies established from time to time by the Board of Directors) and (c) a proportionate interest in Move.com Group (after giving effect to any options, Preferred Stock, other securities or debt issued or incurred by the Corporation and attributed to Move.com Group) equal to the Retained Interest Percentage; provided, however, that:

(1) the Corporation may re-allocate 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

(2) if the Corporation 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 required by Section 3(a) of this Article 4(A), 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 multiplied by 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.

"Disposition" means a sale, transfer, assignment or other disposition (whether by merger, consolidation, sale or otherwise) 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.

"Effective Date" means the date on which this Amended and Restated Certificate of Incorporation becomes effective under Delaware law.

"Exempt Disposition" means any of the following:

(2) a Disposition in connection with the liquidation, dissolution or winding-up of the Corporation and the distribution of assets to stockholders,

(3) a Disposition to any person or entity controlled by the Corporation (as determined by the Board of Directors in its sole discretion),

(4) a Disposition by either Group for which the Corporation 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,

(5) a dividend, out of Move.com Group's assets, to holders of Move.com Stock and a re-allocation of a corresponding amount of Move.com Group's assets to Cendant Group as required pursuant to clause (ii) of the proviso to the definition of Cendant Group above,

(6) a dividend, out of Cendant Group's assets, to holders of CD Stock, and

(7) any other Disposition, if (i) at the time of the Disposition there are no shares of CD Stock outstanding, (ii) at the time of the Disposition there are no shares of Move.com Stock outstanding or (iii) before the 30th Trading Day following the Disposition the Corporation has mailed a notice stating that it is exercising its 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 Section 3(b) of this Article 4.

"Fair Value" means (a) in the case of cash, the amount thereof, (b) in the case of capital stock that has been Publicly Traded for a period of at least 15 months, the Market Value thereof and (c) in the case of other assets or securities, the fair market value thereof as the Board of Directors shall determine in good faith (which determination shall be conclusive and binding on all stockholders).

"Group" means either Cendant Group or Move.com Group.

"Market Capitalization" of either series of Common Stock on any date means the Market Value of a share of such series on such date multiplied by the number of shares of such series outstanding on such date.

"Market Value" of a share of any class or series of capital stock on any Trading Day means the average of the high and low reported sales prices regular way of a share of such class or series on such Trading Day or, in case no such reported sale takes place on such Trading Day, the average of the reported closing bid and asked prices regular way of a share of such class or series on such Trading Day, in either case as reported on the New York Stock Exchange ("NYSE") Composite Tape or, if the shares of such class or series are not listed or admitted to trading on the NYSE on such Trading Day, on the principal national securities exchange on which the shares of such class or series are listed or admitted to trading or, if not listed or admitted to trading on any national securities exchange on such Trading Day, on The Nasdaq National Market of the Nasdaq Stock Market ("Nasdaq NMS") or, if the shares of such class or series are not listed or admitted to trading on any national securities exchange or quoted on the Nasdaq NMS on such Trading Day, the average of the closing bid and asked prices of a share of such class or series in the over-the-counter market on such Trading Day as furnished by any NYSE member firm selected from time to time by the Corporation, or, if such closing bid and asked prices are not made available by any such NYSE member firm on such Trading Day, or if such class or series of stock is not listed on the NYSE, a national securities exchange, or the Nasdaq NMS or quoted in the over-the-counter market, the fair market value of a share of such class or series as the Board of Directors shall determine in good faith (which determination shall be conclusive and binding on all stockholders); provided, that, for purposes of determining the average Market Value of a share of any class or series of capital stock for any period, (a) the "Market Value" of a share of any class or series of capital stock on any day

prior to any "ex-dividend" date or any similar date occurring during such period for any dividend or distribution (other than any dividend or distribution contemplated by clause (b)(ii) of this sentence) paid or to be paid with respect to such capital stock shall be reduced by the Fair Value of the per share amount of such dividend or distribution and (b) the "Market Value" of a share of any class or series of capital stock on any day prior to (i) the effective date of any subdivision (by stock split or otherwise) or combination (by reverse stock split or otherwise) of outstanding shares of such class or series of capital stock occurring during such period or (ii) any "ex-dividend" date or any similar date occurring during such period for any dividend or distribution with respect to such capital stock to be made in shares of such class or series of capital stock, shall be appropriately adjusted, as determined by the Board of Directors, to reflect such subdivision, combination, dividend or distribution; and provided further, if (a) the Corporation repurchases outstanding shares of Move.com Stock and the Board of Directors attributes that repurchase (and the consideration therefor) to Move.com Group and (b) the Board of Directors determines to reallocate to Cendant Group cash or other assets theretofore allocated to Move.com Group in order to avoid a change in the Retained Interest Percentage, the "Market Value" of a share Move.com Stock used to compute the corresponding reduction in the Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group shall equal the Fair Value of the consideration paid per share of Move.com Stock so repurchased; and provided further, if the Corporation redeems a portion of the outstanding shares of Move.com Stock (and the Board of Directors reallocates to Cendant Group cash or other assets theretofore allocated to Move.com Group in the manner required by clause (ii) of the proviso to the definition of Cendant Group below), the "Market Value" of a share Move.com Stock used to compute the corresponding reduction in the Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group shall equal the Fair Value of the consideration paid per share of Move.com Stock so redeemed.

"Move.com Group" means (a) the internet real estate services portal called Move.com, including all of the businesses, assets and liabilities of the Corporation and its subsidiaries that the Board of Directors has, as of the Effective Date, allocated to Move.com Group, (b) any assets or liabilities acquired or incurred by the Corporation or any of its subsidiaries after the Effective Date in the ordinary course of business and attributable to Move.com Group, (c) any businesses, assets or liabilities acquired or incurred by the Corporation or any of its subsidiaries after the Effective Date that the Board of Directors has specifically allocated to Move.com Group or that the Corporation otherwise allocates to Move.com Group in accordance with policies established from time to time by the Board of Directors and (d) 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, however, that:

(1) the Corporation may re-allocate 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

(2) if the Corporation 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 required by Section 3(a) of this Article 4(A), 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 multiplied by 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.

"Net Proceeds" of a Disposition of any of the assets of a Group means the positive amount, if any, remaining from the gross proceeds of such Disposition after any payment of, or reasonable provision (as determined in good faith by the Board of Directors, which determination shall be conclusive and binding on all stockholders) for, (a) any taxes payable by the Corporation in respect of such Disposition, (b) any taxes payable by the Corporation in respect of any resulting dividend or redemption, (c) any transaction costs, including, without limitation, any legal, investment banking and accounting fees and expenses and (d) any liabilities (contingent or otherwise) of, attributed to or related to, such Group, including, without limitation, any liabilities for deferred taxes, any indemnity or guarantee obligations which are outstanding or incurred in connection with the Disposition or otherwise, any liabilities for future purchase price adjustments and any obligations with respect to outstanding securities (other than Move.com Stock) attributed to such Group.

"Number of Shares Issuable with Respect to Cendant Group's Retained Interest in Move.com Group" shall initially be a number the Board of Directors designates prior to the time the Corporation first issues shares of Move.com Stock, or options therefor, as the number of shares of Move.com Stock that could be issued by the Corporation for the account of Cendant Group in respect of its Retained Interest in Move.com Group; provided, however, that such number as in effect from time to time shall automatically be adjusted as required by Section 6 of this Article 4(A).

"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)

ties) means the amount of such Net Proceeds (or the number of such shares) multiplied by the number of shares of Move.com Stock outstanding divided by the Total Number of Notional Move.com Shares Deemed Outstanding. "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) multiplied by 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.

"Publicly Traded" with respect to any security means (a) registered under Section 12 of the Securities Exchange Act of 1934, as amended (or any successor provision of law), and (b) listed for trading on the NYSE (or any other national securities exchange registered under Section 7 of the Securities Exchange Act of 1934, as amended (or any successor provision of law)) or listed on the Nasdaq NMS (or any successor market system).

"Retained Interest" means Cendant Group's interest in Move.com Group, excluding the interest represented by outstanding shares of Move.com Stock.

"Retained Interest Percentage" means 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.

"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.

"Trading Day" means each weekday on which the relevant security (or, if there are two relevant securities, each relevant security) is traded on the principal national securities exchange on which it is listed or admitted to trading or on the Nasdaq NMS or, if such security is not listed or admitted to trading on a

national securities exchange or quoted on the Nasdaq NMS, traded in the principal over-the-counter market in which it trades.

7. Effectiveness of Sections 2 Through 7 of this Article 4(A).

The terms of Sections 2 through 7, inclusive, of this Article 4(A) shall apply only when there are shares of both series of Common Stock outstanding.

8. Determinations by the Board of Directors.

Subject to applicable law, any determinations made by the Board of Directors in good faith under the Certificate of Incorporation, as it may be amended from time to time, including without limitation any such determinations with respect to the businesses, assets and liabilities of either Group, transactions between the Groups or the rights of holders of any series of Common Stock or Preferred Stock made pursuant to or in the furtherance hereof, shall be final and binding on all stockholders of the Corporation. A record of all formal determinations of the Board of Directors made as contemplated hereby shall be filed with the records of the actions of the Board of Directors.

B. Preferred Stock

The Board of Directors is expressly authorized to adopt, from time to time, a resolution or resolutions providing for the issuance of Preferred Stock in one or more series, to fix the number of shares in each such series (subject to the aggregate limitations thereon in this Article) and to fix the designations and the powers, preferences and relative, participating, optional or other special rights, and the qualifications, limitations and restrictions, of each such series. The authority of the Board of Directors with respect to each such series shall include determination of the following (which may vary as between the different series of Preferred Stock):

- (a) The number of shares constituting the shares and the distinctive designation of the series;

(b) The dividend rate on the shares of the series and the extent, if any, to which dividends thereon shall be cumulative;

(c) Whether shares of the series shall be redeemable and, if redeemable, the redemption price payable on redemption thereof, which price may, but need not, vary according to the time or circumstances of such redemption;

(d) The amount or amounts payable upon the shares of the series in the event of voluntary or involuntary liquidation, dissolution or winding up of the Corporation prior to any payment or distribution of the assets of the Corporation to any class or classes of stock of the Corporation ranking junior to the Preferred Stock;

(e) Whether the shares of the series shall be entitled to the benefit of a sinking or retirement fund to be applied to the purchase or redemption of shares of the series and, if so entitled, the amount of such fund and the manner of its application, including the price or prices at which the shares may be redeemed or purchased through the application of such fund;

(f) Whether the shares of the series shall be convertible into, or exchangeable for, shares of any other class or classes or of any other series of the same or any other class or classes of stock of the Corporation, and, if so convertible or exchangeable, the conversion price or prices, or the rates of exchange, and the adjustments thereof, if any, at which such conversion or exchange may be made, and any other terms and conditions of such conversion or exchange;

(g) The extent, if any, to which the holders of shares of the series shall be entitled to vote on any question or in any proceedings or to be represented at or to receive notice of any meeting of stockholders of the Corporation;

(h) Whether, and the extent to which, any of the voting powers, designations, preferences, rights and qualifications, limitations or restrictions of any such series may be made dependent upon facts ascertainable outside of the Amended and Restated Certificate of Incorporation or of any amendment thereto, or outside the resolution or resolutions providing for the issuance of such series adopted by the Board of Directors, provided that the manner in which such facts shall operate upon the voting powers, designations, preferences, rights and qualifications, limitations or restrictions of such series is clearly and expressly set forth in the resolution or resolutions providing for the issuance of such series adopted by the Board of Directors; and

(i) Any other preferences, privileges and powers and relative, participating, optional or other special rights, and qualifications, limitations or restrictions of such series, as the Board of Directors may deem advisable, which shall not affect adversely any other class or series of Preferred Stock at the time outstanding and which shall not be inconsistent with the provisions of this Amended and Restated Certificate of Incorporation.

Shares of Common Stock and of Preferred Stock may be issued from time to time as the Board of Directors shall determine and on such terms and for such consideration, not less than par value, as shall be fixed by the Board of Directors. No consent by any series of Preferred Stock shall be required for the issuance of any other series of Preferred Stock unless the Board of Directors in the resolution providing for the issuance of any series of Preferred Stock expressly provides that such consent shall be required.

Subject to the rights, if any, of holders of shares of Preferred Stock from time to time outstanding, dividends may be paid upon the Common Stock as and when declared by the Board of Directors out of any funds legally available therefor.

Except as otherwise provided by law or as otherwise expressly provided in the resolution or resolutions providing for the issuance of shares of any series of the Preferred Stock, the holders of shares of the Common Stock shall have the exclusive right to vote for the election of directors and for all other purposes. Each holder of shares of Common Stock of the Corporation entitled at any time to vote shall have one vote for each share thereof held. Except as otherwise provided with respect to shares of Preferred Stock authorized from time to time by the Board of Directors, the exclusive voting power for all purposes shall be vested in the holders of shares of Common Stock.

5. The Corporation is to have perpetual existence.

6. In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized:

(a) To make, alter, or repeal the By-Laws of the Corporation.

(b) To authorize and cause to be executed mortgages and liens upon the real and personal property of the Corporation.

(c) To set apart out of any of the funds of the Corporation available for dividends a reserve or reserves for any proper purpose and to abolish any such reserve in the manner in which it was created.

(d) Subject to the provisions of the By-Laws, to designate one or more committees, each committee to consist of one or more of the directors of the Corporation. Subject to the provisions of the By-Laws, the Board of Directors may designate one or more directors as alternate members of any committee, who shall replace any absent or disqualified member at any meeting of the committee in the manner specified in such designation. Any such committee, to the extent provided in the resolution of the Board of Directors adopted in accordance with the

By-Laws of the Corporation, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to amending the Amended and Restated Certificate of Incorporation, adopting an agreement of merger or consolidation, recommending to the stockholders a dissolution of the Corporation or a revocation of a dissolution, or amending the By-Laws of the Corporation; and, unless the resolution or By-Laws expressly so provide, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock.

(e) When and as authorized by the stockholders in accordance with statute, to sell, lease, or exchange all or substantially all of the property and assets of the Corporation, including its goodwill and its corporate franchises, upon such terms and conditions and for such consideration, which may consist in whole or in part of money or property, including shares of stock in, and/or other securities of, any other corporation or corporations, as its Board of Directors shall deem expedient and for the best interests of the Corporation.

7. Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them and/or between this Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this Corporation or of any creditor or stockholder thereof, or on the application of any receiver or receivers appointed for this Corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this Corporation under the provisions of Section 279 of Title 8 of the Delaware Code, order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the

case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, agree to any compromise or arrangement to any reorganization of this Corporation as consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders of this Corporation, as the case may be, and also on this Corporation.

8. Meetings of stockholders may be held within or without the State of Delaware, as the By-Laws may provide. The books of the Corporation may be kept (subject to any provision contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the By-Laws of the Corporation. Elections of directors need not be by written ballot unless the By-Laws of the Corporation shall so provide.

9. For the management of the business and for the conduct of the affairs of the Corporation, and in further creation, definition, limitation and regulation of the power of the Corporation and of its directors and of its stockholders, it is further provided:

(a) Election of Directors. Elections of Directors need not be by written ballot unless the By-Laws of the Corporation shall so provide.

(b) Number, Election and Terms of Directors. The number of Directors of the Corporation shall be fixed from time to time by or pursuant to the By-Laws. The Directors shall be classified, with respect to the time for which they severally hold office, into three classes, as nearly equal in number as possible, as shall be provided in the manner specified in the By-Laws, one class to hold office initially for a term expiring at the annual meeting of stockholders to be held in 1986, another

class to hold office initially for a term expiring at the annual meeting of stockholders to be held in 1987, and another class to hold office initially for a term expiring at the annual meeting of stockholders to be held in 1988, with the members of each class to hold office until their successors are elected and qualified. At each annual meeting of the stockholders of the Corporation, the successors to the class of Directors whose term expires at that meeting shall be elected to the office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election.

(c) Stockholder Nomination of Director Candidates. Advance notice of nominations for the election of Directors, other than by the Board of Directors or a Committee thereof, shall be given in the manner provided in the By-Laws.

(d) Newly Created Directorships and Vacancies. Newly created directorships resulting from any increase in the number of Directors and any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause shall be filled solely by the affirmative vote of a majority of the remaining Directors then in office, even though less than a quorum of the Board of Directors. Any Director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the class of Directors for which the new directorship was created or the vacancy occurred and until such Director's successor shall have become elected and qualified. No decrease in the number of Directors constituting the Board of Directors shall shorten the term of any incumbent Director.

(e) Removal of Directors. Any Director may be removed from office without cause only by the affirmative vote of the holders of 80% of the combined voting power of the then outstanding shares of stock entitled to vote generally in the election of Directors voting together as a single class.

(f) Stockholder Action. Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders. Except as otherwise required by law, special meetings of stockholders of the Corporation may be called only by the Chairman of the Board, the President or the Board of Directors pursuant to a resolution approved by a majority of the entire Board or Directors.

(g) By-Law Amendments. The Board of Directors shall have power to make, alter, amend and repeal the By-Laws (except so far as the By-Laws adopted by the stockholders shall otherwise provide). Any By-Laws made by the Directors under the powers conferred hereby may be altered, amended or repealed by the Directors or by the stockholders. Notwithstanding the foregoing and anything contained in this Amended and Restated Certificate of Incorporation to the contrary, Sections 1, 2 and 3 of Article II, and Sections 1, 2 and 3 of Article III of the By-Laws shall not be altered, amended or repealed and no provision inconsistent therewith shall be adopted without the affirmative vote of the holders of at least 80% of the voting power of all the shares of the Corporation entitled to vote generally in the election of Directors, voting together as a single class.

(h) Amendment, Repeal. Notwithstanding anything contained in this Amended and Restated Certificate of Incorporation to the contrary, the affirmative vote of the holders of at least 80% of the voting power of all shares of the Corporation entitled to vote generally in the election of Directors, voting together as a single class, shall be required to alter, amend, adopt any provision inconsistent with, or repeal, this Article 9 or any provision hereof.

10. (a) Vote Required for Certain Business Combinations.

A. Higher Vote for Certain Business Combinations. In addition to any affirmative vote required by law or this Amended and Restated Certificate of Incorporation, and except as otherwise expressly provided herein:

(1) any merger or consolidation of the Corporation or any Subsidiary (as hereinafter defined) with (a) any Interested Stockholder (as hereinafter defined) or (b) any other corporation (whether or not itself an Interested Stockholder) which is, or after such merger or consolidation would be, an Affiliate (as hereinafter defined) of an Interested Stockholder; or

(2) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions) to or with any Interested Stockholder or any Affiliate of any Interested Stockholder of any assets of the Corporation or any Subsidiary having an aggregate Fair Market Value of \$10 million or more; or

(3) the issuance or transfer by the Corporation or any Subsidiary (in one transaction or series of transactions) of any securities of the Corporation or any subsidiary to any Interested Stockholder or to any Affiliate of any Interested Stockholder in exchange for cash, securities or other property (or a combination thereof) having an aggregate Fair Market Value of \$10 million or more; or

(4) the adoption of any plan or proposal for the liquidation or dissolution of the Corporation proposed by or on behalf of any Interested Stockholder or any Affiliate of any Interested Stockholder; or

(5) any reclassification of securities (including any reverse stock split), or recapitalization of the Corporation, or any merger or consolidation of the Corporation with any of its Subsidiaries or any other transaction (whether or not with or into or otherwise involving an Interested Stockholder) which has the effect, directly or indirectly, of increasing the proportionate share of the outstanding shares of any class of Equity Security (as hereinafter defined) of the Corporation or any Subsidiary which is directly or indirectly owned by any Interested Stockholder or any Affiliate of any Interested Stockholder;

shall require the affirmative vote of the holders of at least 80% of the voting power of the then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors (the "Voting Stock"), voting together as a single class (it being understood that for the purposes of Article 10, each share of the Voting Stock shall have one vote). Such affirmative vote shall be required notwithstanding the fact that no vote may be required, or that a lesser percentage may be specified, by law or in any agreement with any national securities exchange or otherwise.

B. Definition of "Business Combination". The term "Business Combination" used in this Article 10 shall mean any transaction which is referred to in any one or more of clauses (1) through (5) of Paragraph A hereof.

(b When Higher Vote is Not Required. The provisions of Article 10(a) shall not be applicable to any particular Business Combination, and such Business Combination shall require only such affirmative vote as is required by law and any other provision of this Amended and Restated Certificate of Incorporation, if all of the conditions specified in either of the following Paragraphs A and B are met:

A. Approval by Disinterested Directors. The Business Combination shall have been approved by majority of the Disinterested Directors (as hereinafter defined).

B. Price and Procedure Requirements. All of the following conditions shall have been met:

(i) The aggregate amount of the cash and the Fair Market Value (as hereinafter defined) as of the date of the consummation of the Business Combination of consideration other than cash to be received per share by holders of Common Stock in such Business Combination shall be at least equal to the higher of the following:

(a) (if applicable) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers' fees) paid by the Interested Stockholder for any shares of Common Stock acquired by it (1) within the two-year period immediately prior to the first public announcement of the terms of the proposed Business Combination (the "Announcement Date") or (2) in the transaction in which it became an Interested Stockholder, whichever is higher; and

(b) the Fair Market Value per share of Common Stock on the Announcement Date or on the date on which the Interested Stockholder became an Interested Stockholder (such latter date is referred to in this Paragraph 10 as the "Determination Date"), whichever is higher.

(ii) The aggregate amount of the cash and the Fair Market Value as of the date of the consummation of the Business Combination of consideration other than cash to be received per share by holders of shares of any other class of outstanding Voting Stock shall be at least equal to the higher of the following:

(a) (if applicable) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers' fees) paid by the Interested Stockholder for any shares of Common Stock acquired by it (1) within the two-year period immediately prior to the Announcement Date or (2) in the transaction in which it became an Interested Stockholder, whichever is higher; and

(b) the Fair Market Value per share of such class of Voting Stock on the Announcement Date or on the Determination Date, whichever is higher.

(iii) The consideration to be received by holders of Voting Stock shall be in cash or in the same form as the Interested Stockholder has previously paid for shares of such class of Voting Stock. If the Interested Stockholder has paid for any Voting Stock with varying forms of consideration, the form of consideration for such Voting Stock shall be either cash or the form used to acquire the largest number of shares of such Voting Stock previously acquired by it. The price determined in accordance with paragraphs B(i) and B(ii) of this Article 10(b) shall be subject to appropriate adjustment in the event of any stock dividend, stock split, combination of shares or similar event.

(iv) After such Interested Stockholder has become an Interested Stockholder and prior to the consummation of such Business Combinations: (a) there shall have been (1) no reduction in the annual rate of dividends paid on the Common Stock (except as necessary to reflect any subdivision of the Common Stock), except as approved by a majority of the Disinterested Directors, and (2) an increase in such annual rate of dividends as necessary to reflect any reclassification (including any reverse stock split), recapitalization,

reorganization or any similar transaction which has the effect of reducing the number of outstanding shares of the Common Stock, unless the failure so to increase such annual rate is approved by a majority of the Disinterested Directors; and (b) such Interested Stockholder shall have not become the beneficial owner of any additional shares of Voting Stock except as part of the transaction which results in such Interested Stockholder becoming an Interested Stockholder.

(c) Certain Definitions. For the purpose of this Article 10:

A. A "person" shall mean any individual, firm, corporation or other entity.

B. "Interested Stockholder" shall mean any person (other than the Corporation or any Subsidiary) who or which:

(i) is the beneficial owner, directly or indirectly, of 5% or more of the voting power of the outstanding Voting Stock; or

(ii) is an Affiliate of the Corporation and at any time within the two-year period immediately prior to the date in question was the beneficial owner, directly or indirectly, of 5% or more of the voting power of the then outstanding Voting Stock; or

(iii) is an assignee of or has otherwise succeeded to any shares of Voting Stock which were at any time within the two-year period immediately prior to the date in question beneficially owned by any Interested Stockholder, if such assignment or succession shall have occurred in the course of a transaction or series of transactions not involving a public offering within the meaning of the Securities Act of 1933.

C. A person shall be a "beneficial owner" of any Voting Stock:

(i) which such person or any of its Affiliates or Associates (as hereinafter defined) beneficially owns directly or indirectly; or

(ii) which such person or any of its Affiliates or Associates has (a) the right to acquire (whether such right is exercisable immediately or only after the passage of time), pursuant to any agreement, arrangement or understanding or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise, or (b) the right to vote pursuant to any agreement, arrangement or understanding; or

(iii) which are beneficially owned, directly or indirectly, by any other person with which such person or any of its Affiliates or Associates has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of any shares of Voting Stock.

D. For the purpose of determining whether a person is an Interested Stockholder pursuant to paragraph B of this Article 10(c), the number of shares of Voting Stock deemed to be outstanding shall include shares deemed owned through application of paragraph C of the Article 10(c) but shall not include any other shares of Voting Stock which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.

E. "Affiliate" or "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as in effect on January 1, 1985.

F. "Subsidiary" means any corporation of which a majority of any class of Equity Security is owned, directly or indirectly, by the Corporation, provided, however, that for the purposes of the definition of Interested Stockholder set forth in paragraph B of this Article 10(c), the term "Subsidiary" shall mean only a corporation of which a majority of each class of Equity Security is owned, directly or indirectly, by the Corporation.

G. "Disinterested Director" means any member of the Board of Directors who is unaffiliated with the Interested Stockholder and was a member of the Board of Directors prior to the time that the Interested Stockholder became an Interested Stockholder, and any successor of a Disinterested Director who is unaffiliated with the Interested Stockholder and is recommended to succeed a Disinterested Director by a majority of Disinterested Directors then on the Board of Directors.

H. "Fair Market Value" means: (i) in the case of stock, the highest closing bid quotation with respect to a share of such stock during the 30-day period preceding the date in question on the National Association of Securities Dealers, Inc. Automated Quotation System or any system then in use, or, if such stock is then listed on an exchange, the highest closing sale price during the 30-day period immediately preceding the date in question of a share of such stock on the Composite Tape for New York Stock Exchange -- Listed Stocks, or, if such stock is not quoted on the Composite Tape, on the New York Stock Exchange, or, if such stock is not listed on such Exchange, on the principal United States securities exchange registered under the Securities Exchange Act of 1934 on which such stock is listed, or, if such stock is not listed on any such exchange or quoted as aforesaid, the fair market value on the date in question of a share of such stock as determined by the Board of Directors in good faith; and (ii) in the case of property other than cash or stock, the fair market

value of such property on the date in question as determined by the Board of Directors, in good faith.

I. In the event of any Business Combination in which the Corporation survives, the phrase "consideration other than cash to be received" as used in paragraphs B(i) and (ii) of Article 10(b) shall include the shares of Common Stock retained by the holders of such shares.

J. "Equity Security" shall have the meaning ascribed to such term in Section 3(a)(11) of the Securities Exchange Act of 1934, as in effect on January 1, 1985.

(d) Powers of the Board of Directors. A majority of the Directors shall have the power and duty to determine for the purposes of this Article 10 on the basis of information known to them after reasonable inquiry, (A) whether a person is an Interested Stockholder, (B) the number of shares of Common Stock beneficially owned by any person, (C) whether a person is an Affiliate or Associate of another (D) whether the assets which are the subject of any Business Combination have, or the consideration to be received for an issuance of transfer of securities by the Corporation or any Subsidiary in any Business Combination has, or an issuance or transfer of securities by the Corporation or any Subsidiary in any Business Combination has, an aggregate Fair Market Value of \$10 million or more. A majority of the Directors shall have the further power to interpret all of the terms and provisions of this Article 10.

(e) No Effect on Fiduciary Obligations of Interested Shareholders. Nothing contained in this Article 10 shall be construed to relieve any Interested Stockholder from any fiduciary obligation imposed by law.

(f) Amendment, Repeal, etc. Notwithstanding any other provisions of this Amended and Restated Certificate of Incorporation or the By-Laws

(and notwithstanding the fact that a lesser percentage may be specified by law, this Amended and Restated Certificate of Incorporation or the By-Laws) the affirmative vote of the holders of 80% or more of the outstanding Voting Stock, voting together as a single class, shall be required to amend or repeal, or adopt any provisions inconsistent with this Article 10.

11. No director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty by such director as a director; provided, however, that this Article 11 shall not eliminate or limit the liability of a director to the extent provided by applicable law (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under section 174 of the General Corporation Law of the State of Delaware, or (iv) for any transaction from which the director derived an improper personal benefit. No amendment to or repeal of this Article 11 shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

IN WITNESS WHEREOF, the Corporation has caused this Amended and Restated Certificate of Incorporation to be executed this 23rd day of March 2000.

CENDANT CORPORATION

By:

Name: James E. Buckman

Title: Vice Chairman and General Counsel

AMENDED AND RESTATED BY-LAWS

(As of December 31, 1999)

OF

CENDANT CORPORATION

(the "Corporation")

ARTICLE I.
OFFICES

SECTION 1. Offices.

The registered office of the Corporation in the State of Delaware shall be in the City of Wilmington, County of New Castle, State of Delaware.

The Corporation shall have offices at such other places as the Board of Directors may from time to time determine.

ARTICLE II.
STOCKHOLDERS

SECTION 1. Annual Meeting.

The annual meeting of the stockholders for the election of Directors and for the transaction of such other business as may properly come before the meeting shall be held at such place, within or without the State of Delaware, and hour as shall be determined by the Board of Directors. The day, place and hour of each annual meeting shall be specified in the notice of annual meeting.

The meeting may be adjourned from time to time and place to place until its business is completed.

At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (b) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (c) otherwise properly brought before the meeting by a stockholder. For business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation, not less than sixty days nor more than ninety days prior to the meeting; provided, however, that in the event that less than seventy days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be so received not later than the close of business on the tenth day following the date on which such notice of the date of the annual meeting was mailed or such public disclosure was made. A stockholder's notice to the Secretary shall set forth as to each

matter the stockholder proposes to bring before the annual meeting: (a) a brief description of the business desired to be brought before the annual meeting, (b) the name and address, as they appear on the Corporation's books, of the stockholder proposing such business, (c) the class and number of shares of the Corporation which are beneficially owned by the stockholder, and (d) any material interest of the stockholder in such business. Notwithstanding anything in the By-Laws to the contrary, no business shall be conducted at an annual meeting except in accordance with the procedures set forth in this Section 1. The presiding officer of an annual meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting and in accordance with the provisions of this Section 1, and if he should so determine, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

SECTION 2. Special Meeting.

Except as otherwise required by law, special meetings of the stockholders may be called only by the Chairman of the Board, the President, or the Board of Directors pursuant to a resolution approved by a majority of the entire Board of Directors.

SECTION 3. Stockholder Action; How Taken.

Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders.

SECTION 4. Notice of Meeting.

Notice of every meeting of the stockholders shall be given in the manner prescribed by law.

SECTION 5. Quorum.

Except as otherwise required by law, the Certificate of Incorporation or these By-Laws, the holders of not less than one-third of the shares entitled to vote at any meeting of the stockholders, present in person or by proxy, shall constitute a quorum and the act of the majority of such quorum shall be deemed the act of the stockholders.

If a quorum shall fail to attend any meeting, the chairman of the meeting may adjourn the meeting to another place, date or time.

If a notice of any adjourned special meeting of stockholders is sent to all stockholders entitled to vote thereat, stating that it will be held with those present constituting a quorum, then, except as otherwise required by law, those present at such adjourned meeting shall constitute a quorum and all matters shall be determined by a majority of votes cast at such meeting.

SECTION 6. Qualification of Voters.

The Board of Directors (hereinafter sometimes referred to as the "Board") may fix a day and hour not more than sixty nor less than ten days prior to the day of holding any meeting of the stockholders as the time which the stockholders entitled to notice of and to vote at such meeting shall be determined. Only those persons who were holders of record of voting stock at such time shall be entitled to notice of and to vote at such meeting.

SECTION 7. Procedure.

The order of business and all other matters of procedure at every meeting of the stockholders may be determined by the presiding officer.

The Board shall appoint two or more Inspectors of Election to serve at every meeting of the stockholders at which Directors are to be elected.

ARTICLE III. DIRECTORS

SECTION 1. Number, Election and Terms.

The number of Directors shall be fixed from time to time by the Board of Directors but shall not be less than three. The Directors shall be classified, with respect to the time for which they severally hold office, into three classes, as nearly equal in number as possible, as determined by the Board of Directors, one class to hold office initially for a term expiring at the annual meeting of stockholders to be held in 1986, another class to hold office initially for a term expiring at the annual meeting of stockholders to be held in 1987, and another class to hold office initially for a term expiring at the annual meeting of stockholders to be held in 1988, with the members of each class to hold office until their successors are elected and qualified. At each annual meeting of stockholders, the successors of the class of Directors whose term expires at that meeting shall be elected to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election.

The term "entire Board" as used in these By-Laws means the total number of Directors which the Corporation would have if there were no vacancies.

Nominations for the election of Directors may be made by the Board of Directors or a committee appointed by the Board of Directors or by any stockholder entitled to vote in the election of Directors generally. However, any stockholder entitled to vote in the election of Directors generally may nominate one or more persons for election as Directors at a meeting only if written notice of such stockholder's intent to make such nomination or nominations has been given, either by personal delivery or by United States mail, postage prepaid, to the Secretary of the Corporation not later than (i) with respect to an election to be held at an annual meeting of stockholders, ninety days prior to the anniversary date of the immediately preceding annual meeting, and (ii) with respect to an election to be held at a special meeting of stockholders for the election of Directors, the close of business on the tenth day following the date on which notice of such meeting is first given to stockholders. Each such notice shall set forth: (a) the name and address of the stockholder who intends to make the nomination and of the person or persons to be nominated; (b) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (c) a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder; (d) such other information regarding each nominee proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission; and (e) the consent of each nominee to serve as a Director of the Corporation of so elected. The presiding officer of the meeting may

refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure.

SECTION 2. Newly Created Directorships and Vacancies.

Newly created directorships resulting from any increase in the number of Directors and any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause shall be filled solely by the affirmative vote of a majority of the remaining Directors then in office, even though less than a quorum of the Board of Directors. Any Directors elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the class of Directors in which the new directorship was created or the vacancy occurred and until such Director's successor shall have been elected and qualified. No decrease in the number of Directors constituting the Board of Directors shall shorten the term of any incumbent Director.

SECTION 3. Removal.

Any Director may be removed from office, without cause, only by the affirmative vote of the holders of 80% of the combined voting power of the then outstanding shares of stock entitled to vote generally in the election of Directors, voting together as a single class.

SECTION 4. Regular Meetings.

Regular meetings of the Board shall be held at such times and places as the Board may from time to time determine.

SECTION 5. Special Meetings.

Special meetings of the Board may be called at any time, at any place and for any purpose by the Chairman of the Executive Committee, the Chairman of the Board, or the President, or by any officer of the Corporation upon the request of a majority of the entire Board.

SECTION 6. Notice of Meeting.

Notice of regular meetings of the Board need not be given.

Notice of every special meeting of the Board shall be given to each Director at his usual place of business, or at such other address as shall have been furnished by him for the purpose. Such notice shall be given at least twenty-four hours before the meeting by telephone or by being personally delivered, mailed, or telegraphed. Such notice need not include a statement of the business to be transacted at, or the purpose of, any such meeting.

SECTION 7. Quorum.

Except as may be otherwise provided by law or in these By-Laws, the presence of a majority of the Board shall be necessary and sufficient to constitute a quorum for the transaction of business at any meeting of the Board, and the act of a majority of such quorum shall be deemed the act of the Board.

Less than a quorum may adjourn any meeting of the Board from time to time without notice.

SECTION 8. Participation In Meetings By Conference Telephone.

Members of the Board, or of any committee thereof, may participate in a meeting of such Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and such participation shall constitute presence in person at such meeting.

SECTION 9. Powers.

The business, property and affairs of the Corporation shall be managed by or under the direction of its Board of Directors, which shall have and may exercise all the powers of the Corporation to do all such lawful acts and things as are not by law, or by the Certificate of Incorporation, or by these By-Laws, directed or required to be exercised or done by the stockholders.

SECTION 10. Compensation of Directors.

Directors shall receive such compensation for their services as shall be determined by a majority of the Board provided that Directors who are serving the Corporation as officers or employees and who receive compensation for their services as such officers or employers shall not receive any salary or other compensation for their services as Directors.

ARTICLE IV.
OFFICERS

SECTION 1. Number.

a) General. The officers of the Corporation shall be appointed or elected by the Board of Directors. The officers shall be a Chairman of the Board, a President and Chief Executive Officer, one or more Vice Chairmen of the Board, a Chief Financial Officer, a General Counsel, such number of vice presidents as the Board may from time to time determine and a Secretary. The Chairman of the Board or, in his absence or if such office be vacant, the President, shall preside at all meetings of the stockholders and of the Board. In the absence of the Chairman of the Board and the President, a Vice Chairman of the Board shall preside at all meetings of the stockholders and of the Board. Any person may hold two or more offices, other than the offices of Chairman of the Board and Vice Chairman of the Board, at the same time. Subject to this Section 1, the Chairman of the Board and the Vice Chairmen of the Board shall be chosen from among the Board of Directors, but the other officers need not be members of the Board.

b) Chairman of the Board. The Chairman of the Board shall be a member of the Board of Directors and shall be an officer of the Corporation.

c) President and Chief Executive Officer. The President and Chief Executive Officer shall be a member of the Board of Directors and an officer of the Corporation. The President and Chief Executive Officer shall be the chief executive officer of the Corporation and shall supervise, coordinate and manage the Corporation's business and activities and supervise, coordinate and manage its operating expenses and capital allocation, shall have general authority to exercise all the powers necessary for the President and Chief Executive Officer of the Corporation and shall perform such other duties and have such other powers as may be prescribed

by the Board or these By-laws, all in accordance with basic policies as established by and subject to the oversight of the Board. In the absence or disability of the Chairman of the Board, the duties of the Chairman of the Board shall be performed and the Chairman of the Board's authority may be exercised by the President and Chief Executive Officer.

d) Chief Financial Officer. The Chief Financial Officer shall have responsibility for the financial affairs of the Corporation and shall exercise supervisory responsibility for the performance of the duties of the Treasurer and the Controller. The Chief Financial Officer shall perform such other duties and have such other powers as may be prescribed by the Board or these By-laws, all in accordance with basic policies as established by and subject to the oversight of the Board, the Chairman of the Board and the President and Chief Executive Officer.

e) General Counsel. The General Counsel shall have responsibility for the legal affairs of the Corporation and for the performance of the duties of the Secretary. The General Counsel shall perform such other duties and have such other powers as may be prescribed by the Board or these By-laws, all in accordance with basic policies as established by and subject to the oversight of the Board, the Chairman of the Board and the President and Chief Executive Officer.

SECTION 2. Additional Officers.

The Board may appoint such other officers, agents and employees as it shall deem appropriate. All references in these By-laws to a particular officer shall be deemed to refer to the person holding such office regardless of whether such person holds additional offices.

SECTION 3. Terms of Office.

All officers, agents and employees of the Corporation shall hold their respective offices or positions at the pleasure of the Board of Directors and may be removed at any time by the Board of Directors with or without cause.

SECTION 4. Duties.

The officers, agents and employees shall perform the duties and exercise the powers usually incident to the offices or positions held by them respectively, and/or such other duties and powers as may be assigned to them from time to time by the Board of Directors or the Chief Executive Officer.

ARTICLE V. COMMITTEES OF THE BOARD OF DIRECTORS

SECTION 1. Designation.

The Board of Directors of the Corporation shall have the following committees:

a) An Executive Committee consisting of not less than three Directors may be elected by a majority vote of the Board to serve until the Board shall otherwise determine. The Executive Committee shall have and may exercise all of the powers of the Board of Directors when the Board is not in session, including the power to authorize the issuance of stock, except that the Executive Committee shall have no power to (i) alter, amend or repeal these By-Laws or any resolution or resolutions of the Board of Directors; (ii) declare any dividend or make any other

distribution to the stockholders of the Corporation; (iii) appoint any member of the Executive Committee; or (iv) take any other action which legally may be taken only by the Board. The Chairman of the Board will also serve as Chairman of the Executive Committee. Each resolution of the Executive Committee will require approval by a majority of the members of such Committee.

b) A Compensation Committee consisting of not less than three Directors may be elected by a majority vote of the Board to serve until the Board shall otherwise determine. The Compensation Committee will have the following powers and authority: (i) determining and fixing the compensation for all senior officers of the Corporation and those of its subsidiaries that the Compensation Committee shall from time to time consider appropriate, as well as all employees of the Corporation and its subsidiaries compensated at a rate in excess of such amount per annum as may be fixed or determined from time to time by the Board; (ii) performing the duties of the committees of the Board provided for in any present or future stock option, incentive compensation or employee benefit plan of the Corporation or, if the Compensation Committee shall so determine, any such plan of any subsidiary; and (iii) reviewing the operations of and policies pertaining to any present or future stock option, incentive compensation or employee benefit plan of the Corporation or any subsidiary that the Compensation Committee shall from time to time consider appropriate. Each resolution of the Compensation Committee will require approval by a majority of the members of such committee. Notwithstanding anything to the contrary contained herein or in any option plan adopted from time to time by the Corporation, neither the Board of Directors nor the Compensation Committee shall have the authority, without prior shareholder approval, to alter the price at which options, once granted, may be exercised, except to the extent any such alteration may be contemplated in such option plan or the applicable stock option agreement in connection with a change of capitalization of the Corporation.

c) An Audit Committee consisting of not less than four Directors may be elected by a majority vote of the Board to serve until the Board shall otherwise determine. The Audit Committee will have the following powers and authority: (i) employing independent public accountants to audit the books of account, accounting procedures, and financial statements of the Corporation and to perform such other duties from time to time as the Audit Committee may prescribe; (ii) receiving the reports and comments of the Corporation's internal auditors and of the independent public accountants employed by the Audit Committee and to take such action with respect thereto as may seem appropriate; (iii) requesting the Corporation's consolidated subsidiaries and affiliated companies to employ independent public accountants to audit their respective books of account, accounting procedures, and financial statements; (iv) requesting the independent public accountants to furnish to the Compensation Committee the certifications required under any present or future stock option, incentive compensation or employee benefit plan of the Corporation; (v) reviewing the adequacy of internal financial controls; (vi) approving the accounting principles employed in financial reporting; (vii) approving the appointment or removal of the Corporation's general auditor; and (viii) reviewing the accounting principles employed in financial reporting. Each resolution of the Audit Committee will require approval by a majority of the members of such committee. Notwithstanding the foregoing, there will be no changes in the composition of the Audit Committee prior to the date of the adoption of a resolution of the Audit Committee approving its final report concerning the Accounting Issues (as defined in Section 1(d)).

SECTION 2. Meetings; Notice.

Regular meetings of committees shall be held at such times and places as the Board or the committee in question may from time to time determine. Special meetings of any committee may be called at any time, at any place and for any purpose by the Chairman of such committee, the Chairman of the Board, or the President, or by any officer of the Corporation upon the request of a majority of the members of such committee. Notice of regular meetings of the committees need not be given. Notice of every special meeting of any committee shall be given to each member at his usual place of business, or at such other address as shall have been furnished by him for the purpose. Such notice shall be given at least twenty-four hours before the meeting by telephone or by being personally delivered, mailed, or telegraphed. Such notice need not include a statement of the business to be transacted at, or the purpose of, any such meeting.

SECTION 3. Committee Members; Board of Director Nominations.

a) Each member of any committee of the Board shall hold office until such member's successor is elected and has qualified, unless such member sooner dies, resigns or is removed.

b) Subject to Section 3(d) of this Article V, the Board may remove a director from a committee or change the chairmanship of a committee by resolution adopted by a majority of the Board.

c) Subject to Section 3(d) of this Article V, the Board may designate one or more Directors as alternate members of any committee to fill any vacancy on a committee and to fill a vacant chairmanship of a committee, occurring as a result of a member or chairman leaving the committee, whether through death, resignation, removal or otherwise. Any such designation may be made or amended by the affirmative vote of a majority of the Board.

(d) From and after August 28, 1998, any new appointees to the Audit Committee shall be composed solely of independent directors. For this purpose, an independent director is one who:

(1) has not been employed by the Corporation or an affiliate of the Corporation in an executive capacity within the last five years;

(2) is not an employee of a company that is one of the Corporation's paid advisors or consultants;

(3) is not employed by a significant customer or supplier of the Corporation;

(4) is not remunerated by the Corporation for personal services (consisting of legal, accounting, investment banking, and management consulting services) whether or not as an employee of a corporation, division, or similar organization that actually provides the personal services, nor is an employee of an entity which derives more than 50 percent of its gross revenues from the Corporation;

(5) is not employed by a tax-exempt organization that receives significant contributions from the Corporation;

(6) is not a relative of any member of the senior management of the Corporation;

(7) has no business or financial ties to the Corporation's Chief Executive Officer or other executive officers or directors other than relationships with the Corporation; and

(8) is not part of an interlocking directorate in which the Chief Executive Officer or another executive officer of the Corporation serves on the board of another corporation that employs the director.

ARTICLE VI.
INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES

SECTION 1. Power to Indemnify in Actions, Suits or Proceedings other than Those by or in the Right of the Corporation.

Subject to Section 3 of this Article VI, the Corporation shall 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 or officer of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director or officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against 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 if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful.

SECTION 2. Power to Indemnify in Actions, Suits or Proceedings by or in the Right of the Corporation.

Subject to Section 3 of this Article VI, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

SECTION 3. Authorization of Indemnification.

Any indemnification under this Article VI (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director or officer is proper in the circumstances because such person has met the applicable standard of conduct set forth in Section 1 or Section 2 of this Article VI, as the case

may be. Such determination shall be made (i) by a majority vote of the Directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (ii) if there are no such Directors, or if such Directors so direct, by independent legal counsel in a written opinion or (iii) by the stockholders. To the extent, however, that a director or officer of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding described above, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith, without the necessity of authorization in the specific case.

SECTION 4. Good Faith Defined.

For purposes of any determination under Section 3 of this Article VI, a person shall be deemed to have acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, or, with respect to any criminal action or proceeding, to have had no reasonable cause to believe such person's conduct was unlawful, if such person's action is based on the records or books of account of the Corporation or another enterprise, or on information supplied to such person by the officers of the Corporation or another enterprise in the course of their duties, or on the advice of legal counsel for the Corporation or another enterprise or on information or records given or reports made to the Corporation or another enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Corporation or another enterprise. The term "another enterprise" as used in this Section 4 shall mean any other corporation or any partnership, joint venture, trust, employee benefit plan or other enterprise of which such person is or was serving at the request of the Corporation as a director, officer, employee or agent. The provisions of this Section 4 shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in Section 1 or 2 of this Article VI, as the case may be.

SECTION 5. Indemnification by a Court.

Notwithstanding any contrary determination in the specific case under Section 3 of this Article VI, and notwithstanding the absence of any determination thereunder, any director or officer may apply to the Court of Chancery in the State of Delaware for indemnification to the extent otherwise permissible under Sections 1 and 2 of this Article VI. The basis of such indemnification by a court shall be a determination by such court that indemnification of the director or officer is proper in the circumstances because such person has met the applicable standards of conduct set forth in Section 1 or 2 of this Article VI, as the case may be. Neither a contrary determination in the specific case under Section 3 of this Article VI nor the absence of any determination thereunder shall be a defense to such application or create a presumption that the director or officer seeking indemnification has not met any applicable standard of conduct. Notice of any application for indemnification pursuant to this Section 5 shall be given to the Corporation promptly upon the filing of such application. If successful, in whole or in part, the director or officer seeking indemnification shall also be entitled to be paid the expense of prosecuting such application.

SECTION 6. Expenses Payable in Advance.

Expenses incurred by a current or former director or officer in defending any civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of

an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation as authorized in this Article VI. Any disagreement concerning the foregoing expense advancement provisions shall be resolved in a summary proceeding as expeditiously as possible.

SECTION 7. Nonexclusivity of Indemnification and Advancement of Expenses.

The indemnification and advancement of expenses provided by or granted pursuant to this Article VI shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the Certificate of Incorporation, any By-Law, agreement, vote of stockholders or disinterested Directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, it being the policy of the Corporation that indemnification of the persons specified in Sections 1 and 2 of this Article VI shall be made to the fullest extent permitted by law. The provisions of this Article VI shall not be deemed to preclude the indemnification of any person who is not specified in Section 1 or 2 of this Article VI but whom the Corporation has the power or obligation to indemnify under the provisions of the General Corporation Law of the State of Delaware, or otherwise.

SECTION 8. Insurance.

The Corporation may purchase and maintain insurance on behalf of any person who is or was a director or officer of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power or the obligation to indemnify such person against such liability under the provisions of this Article VI.

SECTION 9. Certain Definitions.

For purposes of this Article VI, references to "the Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its Directors or officers, so that any person who is or was a director or officer of such constituent corporation, or is or was a director or officer of such constituent corporation serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, shall stand in the same position under the provisions of this Article VI with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued. For purposes of this Article VI, references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director or officer with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article VI.

SECTION 10. Survival of Indemnification and Advancement of Expenses.

The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VI shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

SECTION 11. Limitation on Indemnification.

Notwithstanding anything contained in this Article VI to the contrary, except for proceedings to enforce rights to indemnification (which shall be governed by Section 5 hereof), the Corporation shall not be obligated to indemnify any director or officer in connection with a proceeding (or part thereof) initiated by such person unless such proceeding (or part thereof) was authorized or consented to by the Board of Directors of the Corporation.

SECTION 12. Indemnification of Employees and Agents.

The Corporation may, to the extent authorized from time to time by the Board of Directors, provide rights to indemnification and to the advancement of expenses to employees and agents of the Corporation similar to those conferred in this Article VI to Directors and officers of the Corporation.

ARTICLE VII.
SEAL

SECTION 1.

The Corporate seal shall bear the name of the Corporation and the words "Corporate Seal, Delaware."

ARTICLE VIII.
AMENDMENTS

SECTION 1. Amendments of By-Laws.

Subject to the provisions of the Certificate of Incorporation and the provisions of these By-Laws, these By-Laws may be altered, amended or repealed at any regular meeting of the stockholders (or at any special meeting thereof duly called for that purpose) by the vote of a majority of the shares outstanding and entitled to vote at such meeting; provided that in the notice of such special meeting notice of such purpose shall be given. Subject to the laws of the State of Delaware, the provisions of Certificate of Incorporation and the provisions of these By-Laws, the Board of Directors may by majority vote of those present at any meeting at which a quorum is present amend these By-Laws, or enact such other bylaws as in their judgment may be advisable for the regulation of the conduct of the affairs of the Corporation.

The schedule contains summary financial information extracted from the consolidated balance sheet and statement of income of the Company as of and for the three months ended March 31, 2000 and is qualified in its entirety to be referenced to such financial statements. Amounts are in millions.

1,000,000

3-MOS	DEC-31-2000	JAN-01-2000	MAR-31-2000
			948
		0	
	1,122	68	
		0	
	4,294		1,749
	417		
	15,042		
5,048			2,071
1,854		0	
		9	
		2,574	
15,042			0
	1,128		0
		801	
		81	
		0	
		26	
		220	
		77	
	127		
		0	
		(2)	
		(56)	
		69	
		.10	
		.09	

CENDANT CORPORATION AND SUBSIDIARIES
 SUPPLEMENTAL FRANCHISING AND MARKETING/RESERVATION
 ACTIVITIES INFORMATION

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.

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 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

(1) Approximately 2,000 franchised units were acquired in connection with the acquisition of Jackson Hewitt Inc.