

CENDANT CORP
Form 11-K
June 23, 2006

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

Form 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2005

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File No. 1-10308

A. Full title of the plan and address of the plan, if different from that of the issuer named below:

**Cendant Car Rental Operations Support, Inc.
Retirement Savings Plan**

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

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

**CENDANT CAR RENTAL OPERATIONS SUPPORT, INC.
RETIREMENT SAVINGS PLAN
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All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Trustee and Participants of

Cendant Car Rental Operations Support, Inc. Retirement Savings Plan:

We have audited the accompanying statements of net assets available for benefits of Cendant Car Rental Operations Support, Inc. Retirement Savings Plan (the Plan) as of December 31, 2005 and 2004, and the related statement of changes in net assets available for benefits for the year ended December 31, 2005. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2005 and 2004, and the changes in net assets available for benefits for the year ended December 31, 2005 in conformity with accounting principles generally accepted in the United States of America. Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2005 is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This schedule is the responsibility of the Plan's management. Such schedule has been subjected to the auditing procedures applied in our audit of the basic 2005 financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

/s/ Deloitte & Touche LLP

New York, New York

June 22, 2006

**CENDANT CAR RENTAL OPERATIONS SUPPORT, INC.
RETIREMENT SAVINGS PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2005 and 2004**

	2005	2004
ASSETS:		
Investments:		
Cash and cash equivalents	\$ 5,283	\$ 25
Mutual funds	7,916,415	3,023,359
Common/collective trusts	9,374,850	2,839,270
Cendant Corporation common stock	99,091	15,572
Loans to participants	587,761	227,707
 Total investments	 17,983,400	 6,105,933
Receivables:		
Participant contributions	46,020	6,268
Employer contributions	66,935	17,830
Interest and dividends	832	472
 Total receivables	 113,787	 24,570
 NET ASSETS AVAILABLE FOR BENEFITS	 \$ 18,097,187	 \$ 6,130,503

The accompanying notes are an integral part of these financial statements.

**CENDANT CAR RENTAL OPERATIONS SUPPORT, INC.
RETIREMENT SAVINGS PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2005**

ADDITIONS TO NET ASSETS:

Net investment income:

Interest and dividends	\$	466,822
Net appreciation in fair value of investments		730,538

Net investment income		1,197,360
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Contributions:

Participants		983,417
Employer		1,513,770
Rollovers		81,051
Transfers of participant account balances from affiliated plans		9,100,705

Total contributions		11,678,943
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Total additions		12,876,303
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DEDUCTIONS FROM NET ASSETS:

Benefits paid to participants		907,304
Administrative expenses		2,315

Total deductions		909,619
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NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS		11,966,684
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NET ASSETS AVAILABLE FOR BENEFITS:

BEGINNING OF YEAR		6,130,503
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END OF YEAR	\$	18,097,187
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The accompanying notes are an integral part of these financial statements.

**CENDANT CAR RENTAL OPERATIONS SUPPORT, INC.
RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS**

1. DESCRIPTION OF THE PLAN

The following description of the Cendant Car Rental Operations Support, Inc. Retirement Savings Plan (the *Plan*) provides only general information. Participants should refer to the Summary Plan Description or the Plan document, which are available from Cendant Car Rental Operations Support, Inc. (the *Company*) for a more complete description of the Plan's provisions. The Company is a wholly-owned subsidiary of Cendant Corporation (*Cendant*).

The Plan is a defined contribution plan and provides Internal Revenue Code (the *IRC*) Section 401(k) employee salary deferral benefits and additional employer contributions for the Company's eligible employees. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (*ERISA*). Merrill Lynch Trust Company, FSB (the *Trustee*) is the Plan's trustee.

The Company established the Plan during 2004 to provide benefits discussed above and to allow for employee account balances from plans of Avis Rent A Car System Inc. and its subsidiaries and related parties (the *Affiliates*) to be transferred from the Avis Voluntary Investment Savings Plan and the Avis Voluntary Investment Savings Plan for Bargaining Hourly Employees to the Plan. Accordingly, net assets of \$9,100,705 were transferred to the Plan during 2005.

The following is a summary of certain Plan provisions:

Eligibility Each employee, who as of March 31, 2004, was eligible to participate in a qualified defined contribution plan of the Affiliates became an eligible participant on the later of (i) April 1, 2004 or (ii) the date such employee ceased participation in such other qualified defined contribution plan. Each other employee may elect to become a contributing participant after having met all of the following requirements: (i) the status of a non-union or non Level I employee, as defined in the Plan document (ii) the attainment of age 21 and (iii) the completion of one year of service (a year of service means the completion of at least 1,000 hours of service during the first twelve months of employment or the completion of at least 1,000 hours in any Plan year that follows the employment date).

Participant Contributions Participants may elect to make pre-tax contributions up to 16% of specified compensation in 1% increments up to statutory maximum of \$14,000 for 2005. In addition, employees participating in the Plan may make additional contributions (that are not matched by employer contributions) from 1% to 10% of specified compensation on a current, after-tax basis, subject to certain limitations imposed by law. Certain eligible participants (age 50 and over) are permitted to contribute an additional \$4,000 as a catch up contribution, resulting in total pre-tax contribution of \$18,000 for 2005.

Employer Contributions The Company contributes to the Plan with respect to each participating employee: (i) an amount equal to the sum of 50% of the first 6% of the participant's compensation

that is contributed to the Plan, plus (ii) an amount equal to 3% of the participant's annual compensation.

Rollovers All employees, upon commencement of employment, are provided the option of making a rollover contribution into the Plan in accordance with Internal Revenue Service (IRS) regulations.

Investments Participants direct the investment of contributions to various investment options and may reallocate investments among the various funds or change future contributions on a daily basis. The fund reallocation must be in 1% increments and includes both employee and employer contributions. Only one reallocation is allowed each day. Participants should refer to each fund's prospectus for a more complete description of the risks associated with each fund.

Vesting Participants are fully vested at all times with respect to their contributions to the Plan. Company matching contributions are fully vested upon 3 years of service without partial vesting prior thereto. The Company's 3% contribution vests immediately.

Loan Provisions Participants may borrow from their fund accounts up to the lesser of \$50,000 or 50% of their vested balance provided the vested balance is at least \$2,000. The loans are secured by the balance in the participant's vested account and bear interest at rates commensurate with local prevailing rates as determined quarterly by the Plan administrator. Principal and interest are paid ratably through payroll deductions.

Participant Accounts A separate account is maintained for each participant. Each participant's account is credited with the participant's contributions and allocations of the Company's contributions and Plan earnings including interest, dividends and net realized and unrealized appreciation in fair value of investments. Each participant's account is also charged with an allocation of net realized and unrealized depreciation in fair value of investments, certain administrative expenses and withdrawals. Allocations are based on participant account balances, as defined in the Plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Payment of Benefits to Participants Distribution of the participant's account may be made in a lump sum payment upon retirement, death or disability, or upon termination of employment, subject to the vesting requirements of the Plan. Participants are entitled to withdraw certain portions of their vested accounts in accordance with the terms of the Plan and applicable law. Participants are permitted to process in-service withdrawals, in accordance with Plan provisions, upon attaining age 59½ or for hardship in certain circumstances, as defined in the Plan document, before that age. Amounts payable to participants who have elected to withdraw from the Plan, but did not yet receive distributions from the Plan totaled \$4,107 at December 31, 2005.

Forfeited Accounts Forfeited balances of terminated participants are used to reduce future Company contributions. In 2005, no forfeited non-vested accounts were used to reduce employer contributions.

Administrative Expenses Administrative expenses of the Plan may be paid by the Company; otherwise, such expenses are paid by the Plan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America on the accrual basis of accounting.

Cash and Cash Equivalents The Plan considers highly liquid investments with an original maturity of three months or less to be cash equivalents.

Valuation of Investments and Income Recognition The Plan's investments in Cendant Corporation common stock, mutual funds, the common/collective trusts that do not invest in guaranteed investment contracts, loans to participants and cash and cash equivalents are stated at fair value. Securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the Plan year. Mutual funds are valued at the quoted market price, which represents the net asset value of shares held by the Plan at year-end. Common/collective trusts that do not invest in guaranteed investment contracts are valued at the net asset value of the shares held by the Plan at year-end, which is based on the fair value of the underlying assets. Loans to participants are valued at cost, which approximates fair value. A portion of the Plan's investments in common/collective trusts consists of a fund that invests primarily in guaranteed investment contracts with high quality insurance companies. The Plan's investment in this common/collective trust is valued at amounts contributed, plus the Plan's pro-rata share of interest income earned by such fund, less administrative expenses and withdrawals. The value recorded in the Plan's financial statements for such fund was \$8,920,845 and \$2,805,818 at December 31, 2005 and 2004, respectively.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date and interest is recorded when earned. The accompanying Statement of Changes in Net Assets Available for Benefits presents net appreciation in fair value of investments, which includes unrealized gains and losses on investments held at December 31, 2005, realized gains and losses on investments sold during the year then ended and management and operating expenses associated with the Plan's investments in mutual funds and common/collective trusts.

Use of Estimates The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported and related disclosures. Actual results could differ from those estimates.

Risk and Uncertainties The Plan invests in various securities, including mutual funds, common/collective trusts and Cendant Corporation common stock. Investment securities are exposed to various risks, such as interest rate and credit risks and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes would materially affect the amounts reported in the financial statements.

Benefit Payments Benefits to participants are recorded when paid.

3. INVESTMENTS

The following table presents investments that represent five percent or more of the Plan's net assets available for benefits as of December 31,:

	2005	2004
* Merrill Lynch Retirement Preservation Trust	\$ 8,920,845	\$ 2,805,818
Davis NY Venture Fund	1,629,608	910,256
Allianz CCM Capital Appreciation Fund	1,051,988	-
Oppenheimer Quest Balance Fund	-	339,862
Oppenheimer Capital Income Fund	-	312,016

During the year ended December 31, 2005, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in fair value, as follows:

	2005
Mutual funds	\$ 689,399
Common/collective trusts	58,970
Cendant Corporation common stock	(17,831)
	\$ 730,538

* Permitted party-in-interest

4. FEDERAL INCOME TAX STATUS

The IRS determined and informed the Company by letter dated March 6, 2006 that the Plan and related trust are designed in accordance with applicable sections of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

5. EXEMPT PARTY-IN-INTEREST TRANSACTIONS

A portion of the Plan's investments represents shares in funds managed by Merrill Lynch Trust Company, FSB, the trustee of the Plan. Therefore, these transactions qualify as exempt party-in-interest transactions.

At December 31, 2005, the Plan held 5,744 shares of Cendant Corporation common stock with a cost basis of \$114,431. At December 31, 2004, the Plan held 666 shares of Cendant Corporation common stock with a cost basis of \$14,346.

6. PLAN TERMINATION

Although the Company has not expressed any intention to do so, the Company reserves the right to modify, suspend, amend or terminate the Plan in whole or in part at any time subject to the provisions of ERISA. If the Plan is terminated, the amounts credited to the employer contribution accounts of all participants become fully vested.

* * * * *

Plan Number: 001
EIN: 20-0447089

**CENDANT CAR RENTAL OPERATIONS SUPPORT, INC.
RETIREMENT SAVINGS PLAN
FORM 5500, SCHEDULE H, PART IV, LINE 4i SCHEDULE OF ASSETS
(HELD AT END OF YEAR) AS OF DECEMBER 31, 2005**

Identity of Issue, Borrower, Current Lessor or Similar Party	Description of Investment	Number of Shares, Units or Par Value	Cost ***	Current Value
* Cendant Corporation Common Stock	Common stock fund	5,744		\$ 99,091
Oppenheimer Emerging Markets Equity Trust	Common/collective trust	16,031		307,157
Oppenheimer International Growth Trust	Common/collective trust	3,675		40,717
* Merrill Lynch Equity Index Trust Fund	Common/collective trust	7,360		106,131
* Merrill Lynch Retirement Preservation Trust	Common/collective trust	8,920,845		8,920,845
Allianz CCM Capital Appreciation Fund	Mutual fund	54,338		1,051,988
Allianz Capital Renaissance Fund	Mutual fund	5,754		124,823
Davis NY Venture Fund	Mutual fund	47,831		1,629,608
Harbor Small Capital Value Fund	Mutual fund	39,929		791,791
ING International Value Fund	Mutual fund	34,324		613,368
Lord Abbett Bond Debenture Fund	Mutual fund	9,166		71,314
MASS Investment Growth Stock Fund	Mutual fund	19,628		252,606
MFS Mid-Cap Growth Fund	Mutual fund	24,120		221,662
MFS Value Fund	Mutual fund	32,508		752,880
Oppenheimer Capital Appreciation Fund	Mutual fund	15,524		681,821
Oppenheimer Quest Balanced Value Fund	Mutual fund	35,147		627,721
PIMCO Total Return Fund	Mutual fund	77,418		812,889
Scudder RREEF Real Estate Fund	Mutual fund	7,204		149,919
The Oakmark Equity and Income Fund	Mutual fund	2,734		68,303
Vanguard Explorer Admiral Fund	Mutual fund	940		65,722
Various participants	Participant loans**			587,761
Cash and cash equivalents				5,283
Total				\$ 17,983,400

* Represents a permitted party-in-interest.

** Maturity dates range from February 2006 to August 2018 at interest rates of 4.75% to 10.5%.

*** Cost information is not required for participant-directed investments.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Cendant Car Rental Operations Support, Inc.
Retirement Savings Plan

By: /s/ Terence P. Conley

Terence P. Conley
Executive Vice President,
Human Resources and
Corporate Services
Cendant Corporation

Date: June 23, 2006