CENDANT CORP
Form 424B3
May 30, 2002

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Registration No. 333-87292

NOTICE OF MERGER
DELIVERED BY TORNADO ACQUISITION CORPORATION
TO SHAREHOLDERS OF TRENDWEST RESORTS, INC.
PURSUANT TO SECTION 60.491 OF THE OREGON REVISED STATUTES

May 1, 2002

To the Holders of
Common Stock of
Trendwest Resorts, Inc.

NOTICE IS HEREBY GIVEN pursuant to Section 60.491 of the Oregon Revised Statutes (the ORS) of the merger (the Merger) of Tornado Acquisition Corporation (Merger Sub), a newly formed subsidiary of Cendant Corporation (Cendant), with and into Trendwest Resorts, Inc. (Trendwest), with Trendwest surviving the Merger as a subsidiary of Cendant. The Merger is to be effective, subject to the terms and conditions set forth in the Agreement and Plan of Merger and Reorganization (the Merger Agreement) dated as of March 30, 2002, by and among Cendant, Merger Sub, JELD-WEN, inc. and Trendwest, no earlier than thirty days following the date of this notice (and following the effectiveness of the registration statement on Form S-4 filed by Cendant with the Securities and Exchange Commission), upon the filing by Merger Sub of articles of merger with the office of the Secretary of State of the State of Oregon or at such other time as Cendant and Trendwest shall have agreed and specified in the articles of merger (the Effective Time). Unless indicated otherwise, as used in this notice, we, us and our refer to Cendant and/o Merger Sub.

Pursuant to a stock purchase agreement dated as of March 30, 2002 by and among Cendant, Merger Sub, JELD-WEN, inc., owner of approximately 81% of Trendwest s common stock, and certain other shareholders of Trendwest, entered into at the same time as the Merger Agreement, Merger Sub has acquired approximately 90% of the outstanding shares of common stock (Shares), par value $0.01 per share, of Trendwest (the Stock Purchase). As a result of Merger Sub s ownership of such Shares, pursuant to the Merger Agreement and Section 60.491 of the ORS, Merger Sub may consummate the Merger thirty (30) days after mailing this notice to Trendwest shareholders without any vote of Trendwest s shareholders. The boards of directors of Cendant and Merger Sub have each voted to effect the Merger for the purpose of acquiring the minority interest in Trendwest not owned by Merger Sub after the Stock Purchase. A summary of the Merger Agreement setting forth the requirements of a plan of merger under Section 60.491(3) is attached as Exhibit A to this notice (the Summary Plan of Merger).

Because the Shares are quoted on the National Association of Securities Dealers, Inc. Automated Quotation System (Nasdaq) as a National Market System issue on the date of this notice, dissenter s rights are not available in connection with the Merger.

At the Effective Time, subject to the terms and conditions set forth in the Merger Agreement, your shares of Trendwest common stock will be converted into shares of common stock, par value $0.01 per share, of Cendant designated as CD common stock (CD Common Stock); for each of your shares of Trendwest common stock you will receive the merger consideration described in the Merger Agreement and in the Summary Plan of Merger. The CD Common Stock trades on the New York Stock Exchange under the symbol: CD. Merger Sub is not publicly traded.

WE ARE NOT ASKING YOU FOR A PROXY TO VOTE YOUR SHARES, AND YOU ARE REQUESTED NOT TO SEND US A PROXY TO VOTE YOUR SHARES. THIS NOTICE CONSTITUTES NOTICE UNDER SECTION 60.491(3)(C) OF THE OREGON BUSINESS CORPORATION ACT THAT CENDANT AND MERGER SUB WILL CAUSE THE SHORT-FORM MERGER TO BECOME EFFECTIVE WITHOUT ANY FURTHER NOTICE TO SHAREHOLDERS OF TRENDWEST.

Cendant has filed with the Securities and Exchange Commission a Registration Statement on Form S-4 covering the shares of CD Common Stock to be issued to you pursuant to the Merger. The Registration Statement on Form S-4 has not yet been declared effective. You can view a copy of Cendant s Registration Statement on Form S-4 (as well as any of the documents incorporated by reference therein) by accessing the Securities and Exchange Commission s website maintained at http://www.sec.gov. As soon as practicable after completion of the Merger, you will be provided with appropriate documentation for exchanging your shares of Trendwest common stock for shares of CD Common Stock.

PLEASE DO NOT SEND ANY CERTIFICATES REPRESENTING SHARES OF TRENDWEST COMMON STOCK AT THIS TIME. The Exchange Agent, Mellon Investor Services LLC, on behalf of Cendant and Merger Sub, will be mailing letters of transmittal and instructions for the surrender and cancellation of your shares of Trendwest common stock following the Effective Time.

Tornado Acquisition Corporation

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE SHARES OF CD COMMON STOCK TO BE ISSUED IN THE MERGER OR DETERMINED THAT THIS REGISTRATION STATEMENT ON FORM S-4 FILED BY CENDANT WITH THE SECURITIES AND EXCHANGE COMMISSION IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

You should read the Risk Factors section beginning on page 12 for a description of some of the risks you should consider in evaluating the proposed merger.

The date of this prospectus is May 23, 2002, and is first being mailed to shareholders on or about June 3, 2002.

REFERENCES TO ADDITIONAL INFORMATION

This prospectus incorporates important business and financial information about Trendwest and Cendant from other documents that are not included in or delivered with this prospectus. This information is available to you without charge upon your written or oral request. You can obtain the documents incorporated by reference into this prospectus by accessing the Securities and Exchange Commission s website maintained at http://www.sec.gov or by requesting copies in writing or by telephone from the appropriate company at the following addresses:

Cendant Corporation 9 West 57th Street New York, New York 10019 (212) 413-1800	Trendwest Resorts, Inc. 9805 Willows Road Redmond, WA (425) 498-2500

The information contained in this registration statement (including any information incorporated by reference herein) concerning JELD-WEN and Trendwest (including information concerning any financial advisors) has been furnished to Cendant by JELD-WEN and Trendwest. Cendant assumes no responsibility for the accuracy or completeness of such information. We will mail the documents you request by first class mail, or another equally prompt means, by the next business day after we receive your request.

See Where You Can Find More Information.

TABLE OF CONTENTS

QUESTIONS AND ANSWERS ABOUT THE MERGER

Q: What is the transaction?

A: Cendant has agreed to acquire all of Trendwest in a series of two transactions: a purchase of shares from a small group of Trendwest shareholders, followed by the merger of Trendwest with a Cendant subsidiary. To effect this acquisition, Cendant entered into two agreements on March 30, 2002. Cendant, Tornado Acquisition Corporation (also called Merger Sub), JELD-WEN, inc., a privately held Oregon corporation and Trendwest s principal shareholder, and certain directors and executive officers of Trendwest and JELD-WEN entered into a stock purchase agreement providing for the purchase from these Trendwest shareholders of the shares of Trendwest common stock owned by them. On April 30, 2002, Merger Sub consummated the stock purchase pursuant to which it purchased approximately 90.1% of the then outstanding shares of Trendwest. Cendant, Merger Sub, JELD-WEN and Trendwest also entered into a merger agreement which provides that, following the stock purchase, the remaining, publicly-held shares of Trendwest common stock will be acquired by means of a merger.

Q: Did the Trendwest Board of Directors approve the merger?

A: The Trendwest Board of Directors unanimously approved the merger agreement and determined that the merger consideration is fair to Trendwest s shareholders. In addition, a special committee of the Trendwest board of directors, composed of Trendwest s independent directors, unanimously determined that the proposed transaction was in the best interest of Trendwest and its shareholders other than JELD-WEN and its affiliates and unanimously recommended to the Trendwest board of directors that it approve the transactions, including the merger agreement and the stock option agreement (described below).

Q: What will happen in the proposed merger?

A: In the proposed merger, Trendwest will merge with Merger Sub, a newly formed subsidiary of Cendant formed for the purpose of acquiring Trendwest. After the merger, Trendwest will no longer be a public company and will become a wholly owned subsidiary of Cendant. See The Merger on pages 21 through 49.

Q: When will the merger occur?

A: The merger will occur when Merger Sub files articles of merger with the office of the Secretary of State of the State of Oregon (or at such other time as Cendant and Trendwest agree and specify in those articles of merger), subject to the terms and conditions set forth in the merger agreement, including the prior effectiveness of the registration statement on Form S-4 filed by Cendant covering the shares of Cendant common stock, designated CD Common Stock, to be issued in the merger.

Q: What is Cendant Corporation?

A: Cendant is one of the foremost providers of travel and real estate services in the world. Cendant operates in five business segments Real Estate Services, Hospitality, Travel Distribution, Vehicle Services and Financial Services. Cendant s businesses provide a wide range of consumer and business services and are intended to complement one another and create cross-marketing opportunities within each segment. Cendant s Real Estate Services segment franchises real estate brokerage businesses, provides home buyers with mortgages and assists in employee relocations. Cendant s Hospitality segment operates lodging franchise systems, facilitates the sale and exchange of vacation ownership interests and markets vacation rental properties. Cendant s Travel Distribution segment provides global distribution and computer reservation services, travel services, reservation processing, connectivity and information management services. Its Vehicle Services segment operates and franchises car rental businesses and provides fleet management and fuel services to corporate clients and government agencies. Cendant s Financial Services segment provides enhancement packages to financial institutions, insurance-based products to consumers, loyalty solutions to businesses, operates and franchises tax preparation service and provides a variety of membership programs offering discounted products and services to consumers.

Q: What will I receive in the merger?

A: Following the consummation of the merger, you will have the right to receive 1.3074 shares of CD Common Stock in exchange for each share of Trendwest common stock. The number of shares that you will have the right to receive as merger consideration was determined by an exchange ratio that fluctuated with the market price of CD Common Stock and was subject to a version of a mechanism commonly referred to as a collar that reduces exposure to losses and gains from market price fluctuations within specified market price ranges. The merger consideration of 1.3074 is based on the greater of the JELD-WEN exchange ratio of 1.2973, which was determined for purposes of the stock purchase agreement based on the ten-day average Cendant trading price prior to the date of the stock purchase, and the merger exchange ratio of 1.3074, which was determined as follows:

- the merger exchange ratio was determined by dividing $24.00 by $18.357, which is the average of the closing sales prices of CD Common Stock for the ten consecutive NYSE trading days ending on (and including) the second trading day immediately prior to (and excluding) the date that the registration statement relating to this prospectus became effective, which was May 21, 2002;
- in the event that this ten-day trailing average Cendant merger trading price had been greater than $18.50, then the merger exchange ratio would have been equal to 1.2973;
- because the average Cendant merger trading price is between $16.15 and $18.50, the merger exchange ratio is equal to the quotient of $24.00 divided by the average Cendant merger trading price;
- in the event that the average Cendant merger trading price had been less than $16.15 but greater than or equal to $13.50, then the merger exchange ratio would have been equal to 1.4861; and
- in the event that the average Cendant merger trading price had been less than $13.50, then the exchange ratio would not be capped at 1.4861, but would have been equal to the quotient of $20.062 divided by the average Cendant merger trading price.

The JELD-WEN exchange ratio was determined in precisely the same manner as the merger exchange ratio, to the extent described above, except that it was determined based on the ten-day trailing average Cendant trading price prior to the date of the stock purchase instead of prior to the effectiveness of the registration statement. See The Merger Agreement Merger Consideration on pages 50 through 51 for a more detailed description of the average Cendant merger trading price.

The following table summarizes the foregoing description:

If the Average Cendant Merger Trading Price had been:	**Then the Merger Exchange Ratio would have been:**
Equal to or greater than $18.50	1.2973
$16.15 or less, but greater than or equal to $13.50	1.4861
$13.49 or less	$20.062 divided by the average Cendant merger trading price
However, since the Average Cendant Merger Trading Price was:	**The Merger Exchange Ratio is:**
Between $16.16 and $18.49	$24.00 divided by the average Cendant merger trading price (rounded to the nearest thousandth)
If the exchange ratio determined as above had been:	**Then the Merger Exchange Ratio would have been:**
Less than the JELD-WEN exchange ratio	the JELD-WEN exchange ratio

Cendant will not issue fractional shares in the merger. Cendant will round the total number of shares of CD Common Stock you receive down to the nearest whole number of shares, and you will receive a cash payment based on the average Cendant merger trading price for any remaining fraction instead of a fractional share of CD Common Stock.

Q: Why is there no shareholder vote?

A: On April 30, 2002, Merger Sub acquired, pursuant to the stock purchase agreement, all of the shares of Trendwest common stock owned by JELD-WEN and the other selling shareholders who sold their shares in the stock purchase. As a result of this stock purchase, Merger Sub owns at least 90% of the outstanding Trendwest common stock. In addition, Merger Sub is entitled to exercise an option granted to it by Trendwest to ensure that it continues to own at least 90% of the outstanding Trendwest common stock. On May 1, 2002, Merger Sub purchased 100,000 shares of Trendwest s common stock pursuant to this option. Under applicable provisions of the Oregon Revised Statutes relating to short form mergers, if a parent corporation owns at least 90% of the shares of each class of shares of subsidiary corporation, the parent can merge with the subsidiary without any vote or other action of the subsidiary s shareholders. Because Merger Sub will own at least 90% of the Trendwest common stock outstanding at the effective time of the merger, Trendwest is not required to solicit and will not be soliciting your vote to adopt the merger agreement. See Stock Purchase Agreement on pages 62 through 65.

Q: Do I have appraisal rights?

A: No. Under Oregon law, in the case of a short form merger, shareholders that otherwise would be entitled to exercise dissenters appraisal rights do not have these rights if the stock affected is registered on a national securities exchange or is quoted on the National Association of Securities Dealers, Inc. Automated Quotation System (Nasdaq) as a National Market System issue at the time that a summary plan of merger is mailed to shareholders pursuant to Section 60.491 of the Oregon Revised Statutes. Since the Trendwest common stock was quoted on Nasdaq as a National Market System issue at the applicable time, dissenters appraisal rights will not be available in connection with the merger. See The Merger Dissenters or Appraisal Rights on page 46.

Q: What did JELD-WEN and the other shareholders receive when Merger Sub purchased their shares of Trendwest common stock under the stock purchase agreement?

A: JELD-WEN and the other Trendwest shareholders who sold shares pursuant to the stock purchase agreement received for each share of Trendwest common stock purchased by Merger Sub 1.2973 shares of CD Common Stock, which was determined by dividing $24.00 by the average of the closing sales prices of CD Common Stock for the ten consecutive NYSE trading days ending on (and including) the second trading day immediately prior to (and excluding) the date on which the stock purchase was made (the JELD-WEN exchange ratio), subject to a maximum of 1.4861 and a minimum of 1.2973, based on a collar mechanism with a range established between $16.15 and $18.50. The stock purchase agreement provides that if the merger exchange ratio is greater than the JELD-WEN exchange ratio, then these selling shareholders, other than JELD-WEN, will receive at the time of the merger under the stock purchase agreement additional shares so that they end up receiving for their shares of Trendwest common stock the same exchange ratio as is received by other Trendwest shareholders in the merger.

The following table summarizes the foregoing description:

If the Average Cendant Trading Price had been:	Then the JELD-WEN Exchange Ratio would have been:
Between $16.16 and $18.49	$24.00 divided by the average trading price described in the above paragraph (rounded to the nearest thousandth)
$16.15 or less, but greater than or equal to $13.50	1.4861
However, since the Average Cendant Trading Price was:	**The JELD-WEN Exchange is:**
Equal to or greater than $18.50	1.2973

On April 26, 2002, the second trading day immediately prior to (and excluding) the date of the stock purchase, the average trading price of CD Common Stock for the ten-trading day period ending on that date was $18.64 and the

JELD-WEN exchange ratio was determined in accordance with the description above to be 1.2973. Since the merger exchange ratio, 1.3074, is greater than 1.2973, the selling shareholders other than JELD-WEN will receive at the merger closing additional shares so that they end up receiving for their shares of Trendwest common stock the same exchange ratio as is received by the Trendwest shareholders in the merger.

Q: When do you expect the merger to be completed?

A: We expect to complete the merger as soon as practicable following the effectiveness of this registration statement, but in no event earlier than thirty days from the mailing of notice of the merger.

Q: Should I send in my stock certificates now?

A: No. After the merger, Cendant will send you written instructions for sending in your Trendwest stock certificates.

Q: How will the merger be treated for accounting purposes?

A: The merger will be accounted for using the purchase method of accounting as such term is used under accounting principles generally accepted in the United States of America. The purchase method accounts for a merger as an acquisition of one company by another.

Q: Who can help answer my questions?

A: If you have any questions about the merger or if you need additional copies of this prospectus you should contact:

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

Q: Where can I find more information about the companies?

A: You can find more information about Trendwest and Cendant from various sources described under Where You Can Find More Information on pages 77 through 78.

SUMMARY

This summary highlights selected information from this document and may not contain all the information that is important to you. For a more complete understanding of the merger and for a more complete description of the legal terms of the merger, you should read this entire document carefully, as well as the additional documents to which we refer you, including the stock purchase agreement and the merger agreement. See Where You Can Find More Information (pages 77 through 78). References in this document to Cendant and Trendwest include their respective subsidiaries unless otherwise indicated. The stock purchase provided for in the stock purchase agreement is referred to in this prospectus as the stock purchase and the merger provided for in the merger agreement is referred to in this prospectus as the merger. Together, the stock purchase and the merger constitute (together referred to in this prospectus as the transactions) the transactions by means of which Cendant, through its subsidiary Merger Sub, is acquiring Trendwest.

The Companies

Cendant Corporation 9 West 57th Street New York, New York 10019 (212) 413-1800	Trendwest Resorts, Inc. 9805 Willows Road Redmond, WA (425) 498-2500

Cendant

Cendant is one of the foremost providers of travel and real estate services in the world. Cendant s businesses provide a wide range of consumer and business services and are intended to complement one another and create cross-marketing opportunities both within and among its following five business segments:

Cendant s Real Estate Services segment franchises the real estate brokerage businesses of the CENTURY 21®, Coldwell Banker®, Coldwell Banker Commercial® and ERA® brands; provides home buyers with mortgages through Cendant Mortgage Corporation; and assists in employee relocations through Cendant Mobility Services Corporation.

Cendant s Hospitality segment operates the Days Inn®, Ramada® (in the United States), Super 8 Motel®, Howard Johnson®, Wingate Inn®, Knights Inn®, Travelodge® (in North America), Villager Lodge® /Village Premier®/Hearthside by Villager and AmeriHost Inn® lodging franchise systems; facilitates the sale and exchange of vacation ownership intervals through Resort Condominiums International, LLC, Fairfield Resorts, Inc. and Equivest Finance, Inc. and markets vacation rental properties in Europe through Holiday Cottages and Cuendet.

Cendant s Travel Distribution segment provides global distribution and computer reservation services to airlines, hotels, car rental companies and other travel suppliers and provides our travel agent customers the ability to electronically access airline schedule and fare information, book reservations, and issue tickets through Galileo International; provides travel services through its Cendant Travel and Cheap Tickets travel agency businesses; and provides reservations processing, connectivity and information management services through WizCom.

Cendant s Vehicle Services segment operates and franchises its Avis® car rental business and provides fleet management and fuel card services to corporate clients and government agencies through PHH Arval and Wright Express. On May 21, 2002, Cendant announced the sale of its National Car Parks subsidiary, an operator of parking facilities in the United Kingdom, for approximately $1.2 billion in cash.

Cendant s Financial Services segment provides enhancement packages to financial institutions through FISI*Madison LLC; provides insurance-based products to consumers through Benefit Consultants, Inc.

and Long Term Preferred Care, Inc.; provides loyalty solutions to businesses through Cims Ltd.; operates and franchises tax preparation services through Jackson Hewitt Inc.; and provides a variety of membership programs offering discounted products and services to consumers through its relationship with Trilegiant Corporation.

Trendwest

Trendwest markets, sells, and finances timeshare vacation ownership interests in the form of vacation credits and fractional ownership interests. Trendwest also acquires and develops resorts. Trendwest s resorts (except fractional interests) are owned and operated through WorldMark, The Club (referred to as WorldMark), and WorldMark South Pacific Club (referred to as WorldMark South Pacific), together referred to as the Clubs. WorldMark is a California non-profit mutual benefit corporation organized in 1989 to provide an innovative, flexible vacation ownership system. WorldMark South Pacific is a registered managed investment scheme regulated by the Australian Securities and Investments Commission. Trendwest presently sells vacation ownership interests in 48 resorts located in the United States, British Columbia, Mexico, Fiji, and Australia and operates a network of 45 sales offices in eight western states, Alaska, Kansas, Missouri, Australia, and Fiji. At December 31, 2001, the Clubs had over 149,000 vacation credit owners. Trendwest sells two types of timeshare vacation ownership interests: vacation credits and fractional ownership interests in vacation properties. Its vacation credit system is a points-based system that allows owners to reserve units at any of the Clubs resorts, at any time of the year and in increments as short as one day. The use of vacation credits is not tied to any particular resort unit or time period. Trendwest s combination of multiple Club resorts and vacation credit system provides owners with an attractive range of vacation planning choices and values. Its vacation credit system facilitates the sale of vacation credits at off-site sales offices located in major metropolitan areas and reduces dependence on on-site sales centers located at more remote resort locations.

The Merger Agreement (Pages 50 Through 61)

The merger agreement is attached as Annex A to this prospectus. We encourage you to read the merger agreement as it is the principal document governing the merger.

The Merger Consideration (Pages 50 Through 51)

At the effective time of the merger, Trendwest common stock (other than Trendwest common stock held by Cendant or any wholly owned subsidiary of Cendant) will be converted, without any action on the part of the holder, in accordance with the exchange procedures below, into the right to receive, for each share of Trendwest common stock, the merger consideration. The merger consideration will be based on an exchange ratio of 1.3074 shares of CD Common Stock for each share of Trendwest common stock, which is the greater of the JELD-WEN exchange ratio of 1.2973, determined as described in the section entitled The Stock Purchase Agreement Consideration, and the merger exchange ratio of 1.3074, determined as follows:

- the merger exchange ratio was determined by dividing $24.00 by the average Cendant merger trading price, so that if the average Cendant merger trading price was anywhere between $16.15 and $18.50, then the merger exchange ratio would equal the quotient of $24.00 divided by the average Cendant merger trading price and would be between 1.2973 and 1.4861;

- in the event that the average Cendant merger trading price had been less than $16.15 but greater than or equal to $13.50, then the merger exchange ratio would have been equal to 1.4861; and

- in the event that the average Cendant merger trading price had been less than $13.50, then the merger exchange ratio would have equaled the quotient of $20.062 divided by the average Cendant merger trading price.

The average Cendant merger trading price is $18.357, which was calculated based on the arithmetic average of the 4:00 p.m. eastern time closing sales prices of CD Common Stock reported on the New York Stock Exchange Composite Tape for the ten consecutive NYSE trading days ending on (and including) May 21, 2002, the second trading day immediately prior to, and excluding May 23, 2002, the date that the registration statement in which this prospectus is included became effective.

At the effective time of the merger, all shares of Trendwest common stock will no longer be outstanding and will be cancelled and retired and will cease to exist. Following the effective time of the merger, each holder of Trendwest common stock (other than Trendwest, Cendant or any wholly owned subsidiary of Cendant) will cease to have any rights with respect to their shares of Trendwest common stock, except the right to receive, without interest, the merger consideration.

Conditions to the Completion of the Merger (Page 61)

The completion of the merger depends upon meeting a number of conditions including the following:

- the registration statement in which this prospectus is included having become effective under the Securities Act of 1933, as amended, and no stop order or proceedings seeking a stop order having been entered by or pending before the Securities Exchange Commission;
- the shares of CD Common Stock having been approved for listing on the NYSE;
- no judgment, order, decree, statute, law, ordinance, rule or regulation, entered, enacted, promulgated, enforced or issued by any court or other governmental authority of competent jurisdiction or other legal restraint or prohibition being in effect restraining or prohibiting the consummation of the merger; and
- at least a majority of the then outstanding shares of Trendwest common stock having been purchased by Merger Sub pursuant to the stock purchase agreement.

Cendant intends to effect the merger without a meeting of shareholders of Trendwest in accordance with the provisions of Section 60.491 of the Oregon Revised Statutes, which allow an entity which owns at least 90% of the outstanding shares of another entity (as would be the case with Merger Sub in respect of Trendwest) to merge with that entity no sooner than 30 days following the delivery to all shareholders of a notice of its intent to effect such a merger (accompanied by a summary plan of merger) simply by filing articles of merger with the office of the Secretary of State of the State of Oregon. This notice was mailed to all Trendwest s shareholders of record on May 1, 2002.

Conditions to the Completion of the Stock Purchase (Pages 63 Through 65)

As described above, the completion of the merger depends, among other things, upon completion of the stock purchase, and completion of the stock purchase in turn depended upon meeting a number of conditions, including the following:

The obligations of Cendant, Merger Sub and the selling shareholders to complete the stock purchase were subject to, among other things:

- absence of any legal prohibition to the merger; and
- absence of any change in law after the date of the stock purchase agreement that would prevent the stock purchase and the merger from qualifying as an integrated transaction that qualifies as a tax-fee reorganization under Section 368(a) of the Internal Revenue Code of 1986 as amended (referred to in this prospectus as the Code).

Termination of the Merger Agreement (Page 61)

The merger agreement may not be terminated.

Trendwest s Reasons for the Merger (Pages 26 Through 28)

Some of Trendwest s reasons for the merger include:

Consideration of the existing assets, financial condition, operations, management and historical earnings of Trendwest, and the board of directors judgment as to the nature and future prospects of Trendwest s business and the future value of Trendwest;

Trendwest s limitations as a public company, including limited trading volume, lack of institutional sponsorship, limited public float and lack of research attention by market analysts;

The opportunity for Trendwest s shareholders to participate in a larger more diversified company with greater depth of management; and

The solicitation process conducted by Banc of America Securities LLC, referred to in this prospectus as Banc of America Securities since 1999, and the board of directors belief that Trendwest was unlikely to receive a higher offer from another party.

Cendant s Reasons for Acquisition of Trendwest by Means of the Stock Purchase and the Merger (Pages 28 Through 29)

Some of Cendant s reasons for the acquisition of Trendwest by means of the stock purchase and the merger include:

the acquisition will provide Cendant with a unique opportunity to expand the scope of its involvement in the vacation ownership and travel industries;

the acquisition will provide Cendant with an opportunity to substantially broaden the range of Cendant s vacation ownership offerings in one of the fastest growing segments of the travel industry;

the acquisition will provide Cendant with an opportunity to substantially broaden the geographic scope of its timeshare businesses and will complement the timeshare businesses being operated by existing subsidiaries of Cendant; and

Trendwest s experienced senior managers have more than 30 years experience in the vacation ownership industry and have developed strong sales and marketing teams.

Opinions of Trendwest Financial Advisors (Pages 29 Through 42)

In deciding to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, the Trendwest board of directors considered the opinion, dated March 28, 2002, of its financial advisor, Banc of America Securities, that, as of March 28, 2002, and based upon and subject to the various assumptions described in the written opinion, the exchange ratio formula set forth in the merger agreement used to determine the number of shares of CD Common Stock to be issued in the merger was fair, from a financial point of view, to the shareholders of Trendwest, other than JELD-WEN and the other shareholders selling under the stock purchase agreement. In addition, in deciding to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, the Trendwest board of directors considered the recommendation of the special committee of the Trendwest board of directors established in connection with the transactions. The special committee, in deciding to recommend approval of the merger agreement, the merger and the other transactions contemplated by the merger agreement, considered the opinion which its financial advisor, Houlihan Lokey delivered on and dated March 28, 2002, that, based on the assumptions made, matters considered and limitations on the review described in the opinion, the consideration per share to be received in connection with the transactions by the holders of Trendwest common stock, other than JELD-WEN and the JELD-WEN affiliates, is fair from a financial point of view and not less than the financial consideration per share to be received by JELD-WEN or its affiliates in connection with the transactions. In this prospectus, Houlihan Lokey Howard & Zukin Financial Advisors, Inc. is referred to as Houlihan Lokey. The written opinions of Banc of America Securities and of Houlihan Lokey are attached as Annexes E and F, respectively, to this prospectus. We encourage you to read these opinions carefully and in their entirety as they set forth the assumptions, conditions and limitations on which such opinions are based.

No Shareholder Approval Required (Page 21)

We are not asking you to vote on the merger. Under the Oregon Revised Statutes, referred to in this prospectus as the ORS, if a parent corporation owns at least 90% of the shares of each class of shares of subsidiary corporation, the parent can merge with the subsidiary in a short form merger without a vote of shareholders. Cendant and Merger Sub have consummated pursuant to a stock purchase agreement the purchase of the shares of Trendwest common stock beneficially owned by JELD-WEN and certain directors and executive officers of Trendwest and JELD-WEN who, as of April 30, 2002, collectively owned approximately 90.1% of the outstanding shares of Trendwest common stock. See Stock Purchase Agreement, pages 62 through 65. As Merger Sub has acquired 90% or more of the shares of Trendwest, Merger Sub can effect the merger pursuant to the short form merger provisions of the Oregon Revised Statutes without the action of any other shareholder of Trendwest. Further, if for any reason after the stock purchase Merger Sub does not own at least 90% of the outstanding Trendwest shares, Merger Sub can purchase additional shares of Trendwest common stock under the stock option granted to it by Trendwest. Accordingly, because Merger Sub will own at least 90% of the outstanding Trendwest common stock at the time of the merger, Trendwest is not required to solicit and will not be soliciting your vote to adopt the merger agreement.

The Stock Purchase Agreement (Pages 62 Through 65)

In connection with the merger agreement, JELD-WEN and certain other shareholders of Trendwest entered into the stock purchase agreement. At April 30, 2002, JELD-WEN and such other shareholders owned 34,625,361 outstanding shares of Trendwest common stock, of which JELD-WEN owned 30,883,096 shares. These shares represented approximately 90.1% of the outstanding shares of Trendwest common stock at April 30, 2002. On the stock purchase closing date each seller under the stock purchase agreement sold to Merger Sub all of his, her or its shares of Trendwest common stock. On April 30, 2002, immediately prior to the stock purchase, approximately 1.8 million of JELD-WEN s Trendwest shares of common stock were redeemed in connection with the acquisition of MountainStar by JELD-WEN. See Merger Agreement MountainStar MountainStar Redemption, page 59. The stock purchase agreement is attached hereto as Annex B. We encourage you to read the stock purchase agreement carefully and in its entirety.

The Stock Option Agreement (Page 66)

In connection with the merger agreement, Trendwest entered into a stock option agreement with Cendant and Merger Sub. Under the stock option agreement, Trendwest granted to Merger Sub an irrevocable option to purchase newly issued shares of Trendwest common stock, at an exercise price of $24.00 per share (subject to adjustment). The option may be exercised by Merger Sub, in whole or in part, at any time or from time to time after the date on which Merger Sub shall have purchased, pursuant to the stock purchase agreement, shares of Trendwest common stock constituting at least 71% of the shares of Trendwest common stock issued and outstanding on the date of purchase. This option ensures that Merger Sub can continue as owner of at least 90% of Trendwest s outstanding common stock. On May 1, 2002 Cendant purchased 100,000 shares of Trendwest common stock pursuant to the stock option. The stock option agreement is attached hereto as Annex C. We encourage you to read the stock option agreement carefully and in its entirety.

The Registration Rights Agreement (Page 67)

In connection with the stock purchase, the selling shareholders entered into a registration rights agreement with Cendant relating to the shares of CD Common Stock issued to the selling shareholders pursuant to the stock purchase agreement. Under the registration rights agreement, Cendant filed with the SEC a registration statement on Form S-3 so as to permit the offer and subsequent resale by each selling shareholder of CD Common Stock following the effective date of this registration statement. The parties expect the registration statement on Form S-3 to become effective at the same time as the registration statement on Form S-4 covering the shares being issued in the merger, so that shares of CD Common Stock issued to Trendwest shareholders in connection with the merger and shares of CD Common Stock issued to the selling shareholders under the stock purchase agreement will be freely tradeable at approximately the same time.

The MountainStar Redemption (Page 47)

Immediately prior to the stock purchase, JELD-WEN acquired the assets comprising the MountainStar development project from Trendwest in accordance with the merger agreement. The purchase price for MountainStar was equal to the net book value of MountainStar, which was approximately $44 million dollars, comprised of $76 million in net assets less approximately $32 million of debt related to MountainStar to be assumed by JELD-WEN as a consequence of the MountainStar redemption. Accordingly, Trendwest redeemed from JELD-WEN approximately 1.8 million shares to pay for MountainStar.

Cendant initially indicated to Trendwest and JELD-WEN that its interest in acquiring Trendwest did not extend to the MountainStar development property, a project beyond the scope of Trendwest s core timeshare business. During Cendant s negotiations with JELD-WEN and Trendwest, Cendant repeatedly indicated that it would not acquire Trendwest unless JELD-WEN agreed that MountainStar would be disposed of so that Cendant could acquire Trendwest unencumbered by MountainStar. Cendant proposed that it should have the right, though not the obligation, to put MountainStar to JELD-WEN following the acquisition of Trendwest at a price equal to the book value of MountainStar. JELD-WEN ultimately agreed to acquire MountainStar from Trendwest prior to Cendant s acquisition of Trendwest by redeeming Trendwest shares with a value equal to the book value of MountainStar, while leaving Cendant with the right to purchase MountainStar for a limited period after the acquisition of Trendwest.

In order to prevent the MountainStar redemption from causing the transaction to fail to qualify as a reorganization under section 368(a) of the Code, the MountainStar redemption may be cancelled in the event that the price of CD Common Stock at the time of the merger is less than $10.00. Trendwest and Cendant have retained the right to repurchase MountainStar at the net book value of MountainStar for a period of two months after the merger in exchange for shares of CD Common Stock valued at the JELD-WEN exchange ratio. In addition, JELD-WEN has granted Trendwest certain exclusive development rights in respect of the MountainStar property.

Interests of Certain Persons in the Merger (Pages 47 Through 49)

In addition to their interests as shareholders, the directors and executive officers of Trendwest and JELD-WEN, the principal and controlling shareholder of Trendwest, may have interests in the acquisition of Trendwest by means of the stock purchase and the merger that are different from, or in addition to, your interests. Prior to the stock purchase, in accordance with the merger agreement, JELD-WEN acquired MountainStar in exchange for shares of Trendwest common stock. The employee stock options of all of Trendwest s executive officers became fully vested as a result of the stock purchase. Certain interests may exist as a result of rights under certain officers individual employment agreements. The executive officers and directors of Trendwest are also entitled to indemnification in respect of events occurring at or prior to the effective time of the merger. The members of the Trendwest board of directors knew of these additional interests, and considered them when they approved the merger and took other actions relating to the acquisition of Trendwest.

Trendwest Board of Directors (Page 54)

Immediately following the stock purchase, William F. Peare, Jeffrey P. Sites, Jerol E.Andres, Douglas P. Kintzinger and Roderick C. Wendt resigned as members of Trendwest s board of directors. The remaining members of Trendwest s board will remain on the board until the merger is completed. Pursuant to the bylaws of Trendwest, Trendwest s board of directors elected James E. Buckman, Stephen P. Holmes, Samuel L. Katz and Kevin M. Sheehan, each a designee of Cendant, to fill the vacancies on Trendwest s board of directors, each such director to hold office until the next annual meeting of shareholders.

Stock Exchange Listing (Page 42)

The New York Stock Exchange has approved the listing application to list the shares of CD Common Stock to be issued to Trendwest shareholders in connection with the merger with the New York Stock Exchange.

Material United States Federal Income Tax Consequences of the Merger (Pages 42 Through 44)

It is intended that the stock purchase and the merger will, for U.S. federal income tax purposes, be treated as an integrated transaction that will qualify as a reorganization under Section 368(a) of the Code and Trendwest has received an opinion from its counsel that, on the basis of the facts, representations, covenants, limitations and assumptions set forth or referred to in such opinion, the transaction will be treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. Assuming that the transaction so qualifies, a holder of Trendwest common stock will not recognize gain or loss upon the receipt of CD Common Stock in exchange for Trendwest common stock in the merger, except with respect to cash received instead of a fractional share of CD Common Stock. See Material United States Federal Income Tax Consequences of the Merger on pages 42 through 44. HOLDERS OF TRENDWEST COMMON STOCK ARE STRONGLY ENCOURAGED TO CONSULT THEIR TAX ADVISORS AS TO THE SPECIFIC TAX CONSEQUENCES TO THEM OF THE MERGER, INCLUDING THE APPLICABILITY AND EFFECT OF FEDERAL, STATE, LOCAL AND FOREIGN INCOME AND OTHER TAX LAWS.

Accounting Treatment (Page 44)

The merger will be accounted for using the purchase method of accounting as such term is used under accounting principles generally accepted in the United States of America. The purchase method accounts for a merger as an acquisition of one company by another.

Appraisal Rights (Page 46)

Under Oregon law, in the case of a short form merger, shareholders that otherwise would be entitled to exercise dissenters rights do not have these rights if the stock affected is registered on a national securities exchange or is quoted on the National Association of Securities Dealers, Inc. Automated Quotation System as a National Market System issue at the time that a summary plan of merger is mailed to shareholders pursuant to Section 60.491 of the Oregon Revised Statutes. Since the Trendwest common stock will be quoted on Nasdaq as a National Market System issue at the applicable time, dissenters appraisal rights are not be available in connection with the merger.

Regulatory Matters (Pages 44 Through 46)

Under the merger agreement, Cendant and Trendwest have agreed to use their reasonable good faith efforts to obtain all necessary actions or no actions, waivers, consents and approvals from any governmental authority necessary to complete the merger.

R ecent Developments

On May 21, 2002, Cendant announced the sale of its National Car Parks subsidiary, an operator of parking facilities in the United Kingdom, for approximately $1.2 billion in cash.

RISK FACTORS

In addition to the other information included in this prospectus including the matters addressed in Special Note Regarding Forward-Looking Statements, you should carefully consider the matters described below in order to assess the risks associated with holding shares of CD Common Stock.

The Value of the Merger Consideration is Subject to Changes Based on Fluctuations in the Value of CD Common Stock to be Received in the Merger

You will have the right to receive 1.3074 shares of CD Common Stock in the merger for each share of Trendwest common stock you own. Such calculation was based upon the average Cendant share price for the 10 trading days preceding May 21, 2002, which was the second trading day prior to (and including) the date the registration statement relating to this prospectus became effective. Although the number of shares of CD Common Stock is fixed at 1.3074, the market price of CD Common Stock when the merger takes place may vary from the market price on the date of the effectiveness of this registration statement or on the date of this prospectus. For example, during the 12-month period ended on May 22, 2002 (the most recent practicable date prior to the effectiveness of the registration statement relating to this prospectus), the price of CD Common Stock varied from a low of $10.60 to a high of $20.90 and ended that period at $18.28. Variations like these may occur as a result of changes in the business, operations or prospects of Cendant or the combined company, market assessments of the likelihood that the merger will be completed and the timing of the merger s completion, regulatory considerations, general market and economic conditions and other factors. Because the market price of CD Common Stock fluctuates, the overall value of the merger consideration you will receive at the time of the merger may be adversely affected by changes in the market price of CD Common Stock.

CD Common Stock May be Subject to Disproportionate Market Risk

The market prices of CD Common Stock and of securities of the publicly-held companies in the industries in which Cendant operates have shown volatility and sensitivity in response to many factors. These factors include overall economic conditions and consumer confidence, general market trends, calamitous events such as the September 11 terrorist attacks, public communications regarding litigation and judicial decisions, legislative or regulatory actions, pricing trends, competition, earnings, membership reports of particular industry participants and acquisition activity. Cendant cannot assure the level or stability of the price of its securities at any time or the impact of the foregoing or any other factors on such prices. We urge you to obtain current market quotations for CD Common Stock.

The Price of CD Common Stock is Affected by Factors Different from the Factors Affecting the Price of Trendwest Common Stock

Cendant s business differs significantly from that of Trendwest and Cendant s results of operations, as well as the market price of CD Common Stock, are affected by factors that differ from those that affect Trendwest s results of operations and the price of Trendwest s common stock.

Failure to Complete the Stock Purchase and the Merger Could Have a Negative Impact on the Market Price and Future Business and Operations of Trendwest

If the acquisition of Trendwest by means of the stock purchase and the merger is not completed, the market price of Trendwest common stock may be negatively affected by the following:

- the price of Trendwest common stock may decline to the extent that the current market price reflects a market assumption that the merger will be completed;
- costs related to the merger, such as legal, accounting and other fees, as well as a portion of the financial advisory fees, must be paid even if the merger is not completed; and

the diversion of management s attention from the day-to-day business operations of Trendwest and the unavoidable disruption to its employees and its relationships with its customers and suppliers during the period before completion of the merger may make it difficult to regain financial and market position if the acquisition of Trendwest by means of the stock purchase and the merger does not occur.

The Merger May Adversely Affect Trendwest s Ability to Attract and Retain Key Employees

Current and prospective Trendwest employees may experience uncertainty about their future roles after the merger. In addition, current and prospective Trendwest employees may determine that they do not desire to work for Cendant for a variety of reasons. These factors may adversely affect Trendwest s ability to attract and retain key management, sales, marketing and other personnel.

Accounting Irregularities and Related Litigation and Government Investigations Could Adversely Effect Cendant s Financial Position or Liquidity

Cendant was created in December 1997, through the merger of HFS Incorporated into CUC International, Inc. with CUC surviving and changing its name to Cendant Corporation. On April 15, 1998, Cendant announced that in the course of transferring responsibility for Cendant s accounting functions from Cendant personnel associated with CUC prior to the merger to Cendant personnel associated with HFS before the merger and preparing for the report of first quarter 1998 financial results, Cendant discovered accounting irregularities in some of the CUC business units. As a result, Cendant, together with its counsel and assisted by auditors, immediately began an intensive investigation. As a result of the findings of the investigations, Cendant restated its previously reported financial results for 1997, 1996 and 1995 and the six months ended June 30, 1998.

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

The SEC and the United States Attorney for the District of New Jersey have conducted investigations relating to the matters referenced above. As a result of the findings from Cendant s internal investigations, Cendant made all adjustments it considered necessary, 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. On June 14, 2000, pursuant to an offer of settlement made by Cendant, the SEC issued an Order Instituting Public Administrative Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings and Imposing a Cease and Desist Order. In such Order, the SEC found that Cendant had violated certain financial reporting provisions of the Exchange Act and ordered Cendant to cease and desist from committing any future violations of such provisions. No financial penalties were imposed against Cendant.

On December 7, 1999, Cendant announced that it had reached a preliminary agreement to settle the principal securities class action pending against Cendant in the U.S. District Court in Newark, New Jersey, brought on behalf of purchasers of all Cendant and CUC publicly traded securities, other than PRIDES, between May 1995 and August 1998. A portion of the PRIDES litigation had previously been settled through the issuance of rights. Under the settlement agreement, Cendant would pay the class members approximately $2.85 billion in cash and 50% of any recovery Cendant may obtain in connection with claims it has asserted against CUC s former public auditor. The definitive settlement document was approved by the U.S. District Court by order dated August 14, 2000. Certain parties in the class action appealed various aspects of the District Court s orders approving the settlement. In August 2001, the U.S. Court of Appeals for the Third Circuit affirmed the judgment of the District Court approving the settlement (but remanded the case back to the District Court for further proceedings concerning an award of fees to the class attorneys, a matter in which we have no interest). One party in the class action petitioned the U.S. Supreme Court to hear her challenge to the plan of allocation of the settlement funds among the class members. On March 18, 2002, the U.S. Supreme Court declined to review the matter. The settlement agreement required Cendant to post collateral in the form of credit facilities and/or surety bonds by November 13, 2000, which Cendant has done. In light of the Supreme Court s action on March 18, 2002, the settlement is required to be fully funded by Cendant by July 16, 2002.

The settlement does not encompass all litigations asserting claims against Cendant associated with the accounting irregularities. Cendant 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, Cendant does not believe that the impact of such unresolved proceedings should result in a material liability to Cendant in relation to its financial position or liquidity.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the documents that are made a part of this prospectus by reference to other documents filed with the Securities and Exchange Commission include various forward-looking statements about Cendant and Trendwest that are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Cendant and Trendwest to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements were based on various factors and were derived utilizing numerous important assumptions and other important factors that could cause actual results to differ materially from those in the forward-looking statements. Forward-looking statements include the information concerning future financial performance, business strategy, projected plans and objectives of Cendant and Trendwest set forth under:

- Questions and Answers About the Merger;
- Summary;
- The Merger.

Statements preceded by, followed by or that otherwise include the words believes , expects , anticipates , intends , project , estimates , plans increase , may fluctuate and similar expressions or future or conditional verbs such as will , should , would , may and could are generally forward-looking in nature and not historical facts. You should understand that the following important factors and assumptions could affect our future results and could cause actual results to differ materially from those expressed in such forward-looking statements:

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

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

Cendant s ability to obtain financing on acceptable terms to finance our growth strategy and to operate within the limitations imposed by financing arrangements and to maintain its credit ratings;

competitive and pricing pressures in the vacation ownership and travel industries, including the car rental industry;

changes in the vehicle manufacturer repurchase arrangements in Cendant s Avis car rental business in the event that used vehicle values decrease;

and changes in laws and regulations, including changes in accounting standards and privacy policy regulation.

We encourage you to read Cendant s Annual Report on Form 10-K for the year ended December 31, 2001.

In addition, important factors and assumptions discussed in Trendwest s Annual Report on Form 10-K for the year ended December 31, 2001, which is incorporated by reference into this prospectus, as well as Trendwest s ability to implement Cendant s management s business objectives, could affect the future results of Trendwest following the merger, and, therefore, the results of the combined company, and could cause actual results to differ materially from those expressed in such forward-looking statements.

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

You should consider the areas of risk described above in connection with any forward-looking statements that may be made by Cendant or Trendwest and either of their businesses generally. Except for Trendwest and Cendant s ongoing obligations to disclose material information under the federal securities laws, neither Cendant nor Trendwest undertake any obligation to release publicly any revisions to forward-looking statements, to report events or to report the occurrence of unanticipated events unless required by law. You are advised, however, to consult any additional disclosures Cendant or Trendwest make in their Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K to the Securities and Exchange Commission (the Commission). See Where You Can Find More Information. Also note that we provide a cautionary discussion of risks and uncertainties under Risk Factors on page 13 of this prospectus. These are factors that we think could cause our actual results to differ materially from expected results. Other factors besides those listed here could also adversely affect us.

FINANCIAL SUMMARY

Market Price Data

Trendwest common stock is quoted on Nasdaq under the symbol TWRI. CD Common Stock is traded on the New York Stock Exchange under the symbol CD. The following table presents trading information for CD Common Stock and Trendwest common stock on March 28, 2002 and May 22, 2002. March 28, 2002 was the last trading day prior to the announcement of the execution of the stock purchase and merger agreements. May 22, 2002 was the last trading day prior to the effectiveness of this prospectus.

	CD Common Stock			Trendwest Common Stock		
	High	Low	Close	High	Low	Close
March 28, 2002	$ 19.54	$ 19.04	$ 19.20	$ 25.01	$ 23.40	$ 24.02
May 22, 2002	$ 18.45	$ 18.05	$ 18.28	$ 24.19	$ 23.30	$ 24.00

On March 13, 2002, there were approximately 65 holders of record of shares of Trendwest common stock.

Historical Market Prices and Dividends

The following table sets forth, for the periods indicated, the high and low sales prices per share of CD Common Stock and Trendwest common stock on the New York Stock Exchange and Nasdaq, respectively, based on published financial sources. All stock splits, including the three-for-two stock splits of Trendwest common stock in February 2001 and November 2001 have been reflected.

	CD Common Stock		Trendwest Common Stock	
Calendar Period	**High**	**Low**	**High**	**Low**
2000				
First Quarter	$ 24.313	$ 16.188	$ 11.167	$ 9.000
Second Quarter	18.750	12.156	11.500	7.167
Third Quarter	14.875	10.626	9.222	7.361
Fourth Quarter	12.563	8.500	12.444	7.000
2001				
First Quarter	14.760	9.625	16.222	10.194
Second Quarter	20.370	13.890	19.233	14.500
Third Quarter	21.530	11.030	17.940	13.800
Fourth Quarter	19.810	12.040	28.100	16.667
2002				
First Quarter	19.990	15.350	27.600	21.800
Second Quarter (through May 22)	19.344	17.297	26.000	23.000

Dividend Policy

Both Cendant and Trendwest have historically not paid dividends on their common stock and do not expect to pay any dividends in the foreseeable future. Following the merger, the declaration of dividends will be at the discretion of the Cendant board of directors and will be determined after consideration of various factors, including, the earnings and financial condition of Cendant and its subsidiaries. Cendant expects to retain its earnings for the development and expansion of its business, including acquisitions, and the repayment of indebtedness and does not anticipate paying dividends on CD Common Stock in the foreseeable future.

COMPARATIVE PER SHARE DATA

The following table sets forth certain historical per share data of Cendant and Trendwest and certain equivalent Trendwest per share data. The equivalent per share data is calculated based on Cendant historical data and assumes exchange ratios for each share of Trendwest common stock at the low, high and mid-point of the range established by the collar mechanism used to determine the exchange ratio (after giving effect to a three-for-two stock split of Trendwest shares in February 2001 and a three-for-two stock split of Trendwest shares in November 2001). The information set forth below should be read in conjunction with the selected historical financial data of Cendant and Trendwest included elsewhere in this prospectus and incorporated by reference into this prospectus (see Where You Can Find More Information on pages 76 through 77).

	Assumed Exchange Ratio 1.4861(2)	Assumed Exchange Ratio 1.3853(3)	Assumed Exchange Ratio 1.2973(4)
Historical Cendant			
Diluted income per share from continuing operations:			
For the twelve months ended December 31, 2001	$ 0.45	$ 0.45	$ 0.45
For the three months ended March 31, 2002	$ 0.34	$ 0.34	$ 0.34
Cash dividends per share:			
For the twelve months ended December 31, 2001	$	$	$
For the three months ended March 31, 2002	$	$	$
Book value per share (1):			
As of December 31, 2001	$ 7.23	$ 7.23	$ 7.23
As of March 31, 2002	$ 7.69	$ 7.69	$ 7.69
Historical Trendwest			
Diluted net income per share from continuing operations:			
For the twelve months ended December 31, 2001	$ 1.43	$ 1.43	$ 1.43
For the three months ended March 31, 2002	$ 0.21	$ 0.21	$ 0.21
Cash dividends per share:			
For the twelve months ended December 31, 2001	$	$	$
For the three months ended March 31, 2002	$	$	$
Book value per share (1):			
As of December 31, 2001	$ 6.97	$ 6.97	$ 6.97
As of March 31, 2002	$ 7.20	$ 7.20	$ 7.20
Equivalent Trendwest			
Diluted income per share from continuing operations			
For the twelve months ended December 31, 2001	$ 0.94	$ 0.88	$ 0.82
For the three months ended March 31, 2002	$ 0.49	$ 0.45	$ 0.43
Cash dividends per share:			
For the twelve months ended December 31, 2001	$	$	$
For the three months ended March 31, 2002	$	$	$
Book value per share (1):			
As of December 31, 2001	$ 11.44	$ 10.70	$ 10.05
As of March 31, 2002	$ 12.08	$ 11.30	$ 10.62

(1) Historical book value per share for Cendant and Trendwest is computed by dividing total shareholders equity by the number of shares outstanding at the end of each period.

(2) Assumes an average Cendant trading price of $16.15 per share.

(3) Assumes an average Cendant trading price of $17.325 per share.

(4) Assumes an average Cendant trading price of $18.50 per share.

SELECTED HISTORICAL FINANCIAL DATA OF CENDANT

The selected historical consolidated statement of operations data for the three months ended March 31, 2002 and 2001 and the balance sheet data as of March 31, 2002 are derived from Cendant s unaudited consolidated condensed financial statements and accompanying notes filed on Form 10-Q on May 10, 2002. The selected historical consolidated statement of operations data for the three years ended December 31, 2001 and the balance sheet data as of December 31, 2001 and 2000 are derived from Cendant s audited consolidated financial statements and accompanying notes filed on Form 10-K on April 1, 2002. The selected historical consolidated statement of operations data for the year ended December 31, 1998 and the balance sheet data as of December 31, 1999 are derived from Cendant s audited consolidated financial statements and accompany notes filed on Form 10-K/A on July 3, 2001, which were restated to reflect Cendant s individual membership business as part of continuing operations. The selected historical consolidated statement of operations data for the year ended December 31, 1997 and the balance sheet data as of December 31, 1998 and 1997 are derived from Cendant s unaudited consolidated financial data included in Form 10-K filed on April 1, 2002. You should read this table in conjunction with such financial statements, which are incorporated by reference into this prospectus.

	Three Months Ended March 31,		Year Ended December 31,				
	2002	2001	2001	2000	1999	1998	1997
			(in millions except per share data)				
Results of Operations							
Net revenues	$ 2,713	$ 1,486	$ 8,950	$ 4,659	$ 6,076	$ 6,585	$ 5,429
Income (loss) from continuing operations	$ 342	$ 277	$ 423	$ 660	$ (229)	$ 160	$ 66
Income (loss) from discontinued operations, net of tax(1)					174	380	(26)
Extraordinary gain (loss), net of tax				(2)			26
Cumulative effect of accounting change, net of tax		(38)	(38)	(56)			(283)
Net income (loss)	$ 342	$ 239	$ 385	$ 602	$ (55)	$ 540	$ (217)
Per Share Data							
CD Common Stock							
Income (loss) from continuing operations:							
Basic	$ 0.35	$ 0.32	$ 0.47	$ 0.92	$ (0.30)	$ 0.19	$ 0.08
Diluted	0.34	0.30	0.45	0.89	(0.30)	0.18	0.08
Cumulative effect of accounting change:							
Basic	$	$ (0.04)	$ (0.05)	$ (0.08)	$	$	$ (0.35)
Diluted		(0.04)	(0.04)	(0.08)			(0.35)
Net income (loss):							
Basic	$ 0.35	$ 0.28	$ 0.42	$ 0.84	$ (0.07)	$ 0.64	$ (0.27)
Diluted	0.34	0.26	0.41	0.81	(0.07)	0.61	(0.27)

	March 31, 2002	December 31, 2001	2000	1999	1998	1997
Financial Position						
Total assets	$ 31,346	$ 33,452	$ 15,072	$ 15,149	$ 20,217	$ 14,073
Long-term debt, excluding Upper DECS	5,720	6,132	1,948	2,845	3,363	1,246
Upper DECS	863	863				
Assets under management and mortgage programs	11,704	11,950	2,861	2,726	7,512	6,444
Debt under management and mortgage programs	9,666	9,844	2,040	2,314	6,897	5,603
Mandatorily redeemable preferred interest in a subsidiary	375	375	375			
Mandatorily redeemable preferred securities issued by subsidiary holding solely senior debentures issued by the Company			1,683	1,478	1,472	

Stockholders equity	7,560	7,068	2,774	2,206	4,836	3,921

(1) Income (loss) from discontinued operations, net of tax includes the after tax results of discontinued operations and the gain on disposal of discontinued operations.

SELECTED HISTORICAL FINANCIAL DATA OF TRENDWEST

The selected historical consolidated statement of operations data and balance sheet data as of and for each of the five years ended December 31, 2001 are derived from Trendwest s audited consolidated financial statements. The selected historical consolidated statement of operations data and balance sheet data as of March 31, 2002 and for the three months ended March 31, 2002 and 2001 are derived from Trendwest s unaudited consolidated condensed financial statements. You should read this table in conjunction with Trendwest s consolidated and condensed financial statements, which are included in Trendwest s December 31, 2001 Annual Report on Form 10-K and March 31, 2002 Quarterly Report on Form 10-Q, incorporated by reference into this prospectus. Share data and earnings per share figures for all periods presented have been adjusted to reflect the 3 for 2 stock splits declared by Trendwest s Board of Directors on February 21, 2001, and November 8, 2001.

	Three Months Ended March 31,		Year Ended December 31,				
	2002	2001	2001	2000	1999	1998	1997
Statement of Operations Data:							
Revenues:							
Vacation credit and fractional interest sales, net	$ 105,088	$ 92,576	$ 406,137	$ 293,130	$ 234,315	$ 170,817	$ 128,835
Finance income	2,045	3,424	20,629	15,562	15,243	13,790	11,989
Gains on sales of notes receivable	4,265	6,255	30,268	18,903	16,265	10,959	6,582
Resort management services	2,024	980	4,607	4,763	3,710	2,328	2,032
Other	2,246	1,742	7,527	5,280	4,593	3,063	2,149
Total revenues	115,668	104,977	469,168	337,638	274,126	200,957	151,587
Costs and operating expenses:							
Vacation credit and fractional interest cost of sales	27,969	26,048	112,288	74,714	68,611	48,059	34,569
Resort management services	431	404	1,588	1,759	1,656	1,399	1,108
Sales and marketing	51,500	43,231	193,531	137,752	104,952	83,347	59,448
General and administrative	13,995	9,294	43,481	31,686	25,234	17,180	13,449
Provision for doubtful accounts	8,407	6,751	30,276	21,148	16,100	11,865	9,077
Interest	350	74	591	479	442	353	1,739
Total costs and operating expenses	102,652	85,802	381,755	267,538	216,995	162,203	119,390
Income before income taxes	13,016	19,175	87,413	70,100	57,131	38,754	32,197
Income tax expense	4,954	7,394	32,211	27,241	22,258	14,723	11,588
Net income	$ 8,062	$ 11,781	$ 55,202	$ 42,859	$ 34,873	$ 24,031	$ 20,609
Net income per share of common stock:							
Basic	$ 0.21	$ 0.47	$ 1.46	$ 1.13	$ 0.90	$ 0.61	$ 0.59
Diluted	$ 0.21	$ 0.46	$ 1.43	$ 1.12	$ 0.90	$ 0.61	$ 0.59
Shares used in computing net income per share of common stock:							
Basic	38,140,914	25,215,096	37,915,714	38,058,093	38,542,275	39,178,841	35,091,944
Diluted	39,008,922	25,496,248	38,558,418	38,181,791	38,648,147	39,187,556	35,091,944

	March 31, 2002	December 31, 2001	2000	1999	1998	1997
Balance Sheet Data:						
Cash, including restricted cash	$ 10,892	$ 9,659	$ 7,605	$ 4,747	$ 2,360	$ 1,289
Total assets	446,849	427,029	320,159	192,752	187,248	142,993
Indebtedness to Parent and Affiliate	24,373	24,951	18,150		5,688	1,947
Other indebtedness	82,993	85,934	60,137	3,900	30,000	
Shareholders equity	275,115	265,511	207,443	173,715	141,262	122,125

THE MERGER

The discussion in this prospectus of the merger and the principal terms of the merger agreement is subject to, and qualified in its entirety by reference to, the merger agreement, a copy of which is attached to this prospectus as Annex A and is incorporated by reference into this prospectus.

General

We are sending you this prospectus to describe the merger between Trendwest and Merger Sub, a newly formed subsidiary of Cendant. If we complete this merger, Merger Sub will be merged with and into Trendwest and your shares of Trendwest common stock will be converted into the right to receive shares of CD Common Stock. For each share of Trendwest common stock you own you will have the right to receive 1.3074 shares of CD Common Stock. This exchange ratio was determined by dividing $24.00 by the average Cendant merger trading price which was determined to be $18.357, subject to the following collar and other terms. In the event the ratio calculated had been greater than 1.4861, then the exchange ratio would have been 1.4861. In the event the ratio calculated had been less than 1.2973, then the exchange ratio would have been 1.2973. In the event that the exchange ratio used to establish the consideration paid for shares of Trendwest common stock under the stock purchase agreement, as more fully described in the section entitled The Stock Purchase Agreement Stock Purchase Consideration, had been greater than the above exchange ratio, then the exchange ratio would have been the exchange ratio used to establish the consideration paid for shares of Trendwest common stock under the stock purchase agreement. In the event that the average Cendant merger trading price had been less than $13.50, then the exchange ratio would have been the quotient of $20.062 and the average Cendant merger trading price. The average Cendant merger trading price is equal to the arithmetic average of the 4:00 p.m. eastern time closing sales prices of CD Common Stock reported on the New York Stock Exchange Composite Tape for the ten consecutive NYSE trading days ending on (and including) May 21, 2002, the second trading day immediately prior to, and excluding the date of effectiveness of the registration statement in which this prospectus is included. The exchange ratio in the merger will also be appropriately and equitably adjusted if the number of outstanding shares of either CD Common Stock or Trendwest common stock changes as a result of any stock split, reverse stock split, stock dividend, reclassification or any similar transaction.

As of March 30, 2002, JELD-WEN owned and was entitled to vote 30,883,096 or approximately 81% of the outstanding shares of Trendwest common stock and certain directors and executive officers of Trendwest and JELD-WEN as a group owned and were entitled to vote approximately an additional 10% of the outstanding shares of Trendwest common stock. On March 30, 2002, Cendant and Merger Sub entered into a stock purchase agreement with JELD-WEN and these other shareholders of Trendwest and, upon completion by Merger Sub of the stock purchase contemplated by the stock purchase agreement on April 30, 2002, Merger Sub beneficially owned approximately 90.1% of the outstanding shares of Trendwest common stock. See Stock Purchase Agreement, pages 62 through 65. By exercising the option to purchase shares of Trendwest common stock granted under a stock option agreement that was entered into on March 30, 2002 by Trendwest, Cendant and Merger Sub, Merger Sub is assured of owning at least 90% of the outstanding shares of Trendwest common stock if for any reason the stock purchase does not result in Merger Sub s ownership at the applicable time of at least 90% of the outstanding shares of Trendwest common stock. On May 1, 2002 Cendant purchased 100,000 shares of Trendwest common stock pursuant to the option.

As a result of Merger Sub s ownership of at least 90% of the outstanding shares of Trendwest common stock, pursuant to the Merger Agreement and Section 60.491 of the ORS, Merger Sub may consummate the merger thirty days after mailing to Trendwest shareholders a notice of its intent to effect the merger, without any vote of Trendwest s shareholders. The boards of directors of each of Cendant and Merger Sub have each voted to effect the merger for the purpose of acquiring the minority interest in Trendwest not owned by Merger Sub after the stock purchase.

We are not asking you for a proxy to vote your shares, and you are requested not to send us a proxy to vote your shares.

The board of directors of Trendwest unanimously approved the transactions contemplated by the merger agreement.

Background of the Merger

In June 1999, JELD-WEN, inc., which owned approximately 80% of Trendwest s outstanding shares, announced that it had retained Banc of America Securities to explore strategic and financial alternatives for its investment in Trendwest. JELD-WEN advised Trendwest s Board of Directors at that time that it would explore a variety of options, including a sale of all or a portion of its interest in Trendwest, the acquisition of the shares of Trendwest not owned by it or a merger with another company. Trendwest s Board of Directors appointed a Special Committee comprised of Linda Tubbs, Michael Hollern and Harry Demorest to review any transactions presented to Trendwest by JELD-WEN.

In June 1999, JELD-WEN, with the assistance of Banc of America Securities, prepared a confidential memorandum with detailed financial and operating information concerning Trendwest. In this period through the end of 1999, Banc of America Securities contacted approximately 75 companies to assess their interest in the timeshare industry, and Trendwest in particular, and held preliminary discussions with a few of these parties. Banc of America Securities and Trendwest negotiated nondisclosure agreements with several companies that were interested in pursuing a strategic alliance with Trendwest, which could include among other things the acquisition of Trendwest. No significant interest in a transaction was generated during this period.

Banc of America Securities continued to contact potential strategic and financial partners. In July 2000, Banc of America Securities contacted Cendant Corporation and a nondisclosure agreement was executed. Information concerning Trendwest was provided, but no substantive discussions followed. One strategic buyer did express an interest in Trendwest during 2000 and conducted extensive due diligence. Acquisition discussions were ultimately terminated due to significant differences in valuation expectations.

In March 2001, JELD-WEN asked Banc of America Securities to renew its search for a possible acquiror for Trendwest. Banc of America Securities contacted five strategic and financial parties, including Cendant, to determine if there was an interest in pursuing a transaction with Trendwest. In July 2001, senior management of JELD-WEN met with Mr. Steven Holmes, Vice Chairman and CEO of Cendant s Hospitality Services Division, Mr. William Hunscher, Executive Vice President Strategic Development Group and other members of Cendant management to discuss a potential sale of Trendwest to Cendant. Cendant signed a confidentiality agreement dated July 23, 2001. In addition, in July 2001, Trendwest engaged UBS Warburg as managing underwriter for a public offering of Trendwest common stock that would include shares owned by JELD-WEN. A registration statement with respect to this offering was filed in July.

In August 2001, Cendant contacted Banc of America Securities and expressed its interest in acquiring Trendwest and indicated a price range for an acquisition of $20.67 to $22.00 per Trendwest share. On August 16 members of Trendwest and JELD-WEN management met with Mr. Holmes, Mr. Hunscher and other members of Cendant management in New York and discussed possible structures for a transaction and the valuation of Trendwest. Cendant indicated that it was not interested in acquiring Trendwest if it owned MountainStar. JELD-WEN and Trendwest agreed to permit Cendant to perform detailed due diligence on Trendwest subject to the terms of the confidentiality agreement.

In early September 2001, Mr. Hunscher and other representatives of Cendant, including its legal counsel and accountants, met in Seattle with Trendwest management and began an extensive due diligence review and analysis of Trendwest s business. When this review and analysis was substantially completed, a meeting was scheduled between senior management of Cendant and management of Trendwest and JELD-WEN to conclude Cendant s due diligence and potentially initiate discussions regarding the terms of an acquisition. Due to the events of September 11, 2001, this meeting was cancelled and Cendant then suspended further discussions regarding an acquisition of Trendwest. In addition, Trendwest suspended its planned equity offering due to market conditions in the aftermath of September 11, 2001.

In November 2001, Cendant decided to engage UBS Warburg to act as its financial advisor in connection with a possible transaction; Trendwest consented to the engagement. On December 7, 2001, Mr. Holmes and other members of Cendant management met in Phoenix with Mr. Douglas Kintzinger and Mr. Roderick Wendt, who are senior executives of JELD-WEN and members of Trendwest s Board of Directors, to express Cendant s interest in proceeding with an acquisition of Trendwest. At this meeting, Cendant expressed the view that, due to the events of September 11 and economic conditions following September 11, Cendant s valuation of Trendwest was lower than indicated by Cendant in the summer of 2001 and suggested a price of $18.67 per Trendwest share. Later in December 2001, representatives of Banc of America Securities met with JELD-WEN to discuss Cendant s latest proposal and Trendwest s outlook for its business. Following this meeting, JELD-WEN advised Cendant that the Trendwest valuation put forward by Cendant was unacceptable and that no further negotiations would take place.

In early January, 2002, Cendant contacted Banc of America Securities and requested additional information regarding Trendwest s business and results after September 11, its budget for 2002 and longer-term projections. After a series of discussions, the parties agreed that representatives of Cendant, including its financial advisers, would meet beginning on January 23 with Trendwest management and its financial advisers in Seattle for further discussions regarding Trendwest s business model and to perform additional due diligence.

In late January and early February, Cendant emphasized in telephone conversations with Banc of America Securities and Trendwest that it was unwilling to purchase Trendwest unless JELD-WEN could assure Cendant that MountainStar would be disposed of in connection with Cendant s acquisition of Trendwest.

On February 5, 2002, members of Cendant s due diligence team met with Mr. Henry Silverman, Chairman and Chief Executive Officer of Cendant, and other members of Cendant senior management to provide an update on the potential transaction and the team s diligence findings to date.

In preparation for a meeting scheduled between Cendant and Trendwest for the following week, Mr. Hunscher and other Cendant representatives met on February 8 with Banc of America Securities, with Cendant s legal counsel and financial advisor participating by telephone, to discuss Cendant s revised proposal for the acquisition of Trendwest. Cendant indicated that it was willing to proceed with an acquisition of Trendwest at a price of $21.01 per Trendwest share, comprised of a combination of CD common stock, subject to an undefined collar mechanism, and warrants for shares of CD common stock. To ensure that MountainStar could be disposed of, Cendant proposed that it would have the right to put MountainStar to JELD-WEN at book value, payable by JELD-WEN in cash or shares of CD common stock received by JELD-WEN in the acquisition. In addition, Cendant proposed that JELD-WEN would purchase a subordinated interest in Trendwest s securitized receivables for $43.6 million in cash or shares of CD common stock.

Thereafter, JELD-WEN and Trendwest management met with Banc of America Securities and reviewed an analysis of Cendant s proposal prepared by Banc of America Securities.

On February 13, Mr. Silverman, Mr. Holmes, other members of Cendant senior management and UBS Warburg met in New York with Mr. Wendt, Mr. Kintzinger, members of Trendwest management and Banc of America Securities to discuss Cendant s proposal. At this meeting, following discussions with Trendwest and JELD-WEN, Cendant agreed to increase its offer for Trendwest to $24.00 per share, comprised of $21.50 per share of Cendant common stock, subject to an undefined collar mechanism, and $2.50 per share of Cendant warrants, subject to the negotiation of definitive documents and agreement on various ancillary matters, such as indemnification by JELD-WEN. Cendant also dropped the request that JELD-WEN purchase the subordinated interest in Trendwest s securitized receivables.

On February 20, the Trendwest board met to discuss the tentative proposal from Cendant. At this meeting, the board authorized management to proceed with negotiation of a merger agreement and authorized and directed the special committee of the board, comprised of Linda Tubbs, Michael Hollern and Harry Demorest, to review the proposed transactions with Cendant and make a recommendation to the board and to review the potential transfer of MountainStar to JELD-WEN. In addition, the Trendwest board also approved the engagement of Banc of America Securities as its financial advisor in the transaction. On February 26, the special committee met and decided to retain separate legal counsel and financial advisors. Legal counsel to the special committee briefed the committee on its duties to the Trendwest shareholders.

On February 24, Cendant s legal counsel provided a draft merger agreement to JELD-WEN and Trendwest and a draft shareholders agreement to JELD-WEN.

During the week of March 4, Mr. Kintzinger, Mr. Timothy O Neil, Chief Financial Officer of Trendwest and other representatives of Trendwest and JELD-WEN, including Trendwest s financial advisors and legal counsel, met with Mr. Hunscher, Mr. Eric Bock, Senior Vice President and Corporate Secretary of Cendant and other representatives of Cendant, including Cendant s financial advisors and legal counsel, in New York to negotiate the terms and structure of a possible merger. During this period, Trendwest, JELD-WEN and their advisors conducted due diligence on Cendant s business and financial condition. By the end of this week, the parties agreed on many of the basic terms of the transaction, including a collar on the trading value of CD common stock between $16.15 and $18.50 per share. The parties also discussed a variety of forms of consideration, including the use of warrants or cash for a portion of the purchase price. The parties also agreed that Trendwest would have the right to terminate the agreement without penalty if Cendant s share price fell below $13.50.

Through the remainder of March, the parties continued to negotiate the merger agreement and other agreements, including the terms under which Cendant would be assured that MountainStar would be disposed of. During the week of March 11, the parties agreed to alter the transaction structure to a two-step, all stock transaction in which Cendant would purchase directly the Trendwest shares owned by JELD-WEN and certain other shareholders, who in the aggregate owned in excess of 90% of the outstanding shares of Trendwest, and then following the closing of that transaction, would complete the merger of Trendwest into a Cendant subsidiary, thereby acquiring the remainder of Trendwest. The parties believed that this structure would more quickly enable Cendant to assume control of Trendwest, provide increased certainty of completion of the transaction and eliminate certain complexities associated with cash or warrants comprising a portion of the consideration. In order to protect Trendwest shareholders from a decline in the price of CD common stock between the closing of the stock purchase and the closing of the merger, the revised structure provided that in the merger the shareholders of Trendwest other than JELD-WEN would receive shares of CD common stock based on an exchange ratio that was the higher of the ratio applicable to JELD-WEN under the stock purchase agreement or the exchange ratio based on the average Cendant share price immediately preceding the effectiveness of the registration statement covering the shares to be issued. In addition, the shareholders in the merger would receive an enhanced exchange ratio if the value of Cendant stock was below $13.50.

On March 14, the special committee held a telephonic meeting with representatives of Banc of America Securities, Houlihan Lokey (the special committee s financial advisor) and legal counsel to receive an update on the status of the negotiations and to discuss the financial advisors preliminary analysis of the economic terms of the transaction.

On March 19, during a meeting of Cendant s Board of Directors, Mr. Silverman discussed the possible acquisition of Trendwest and apprised the Board that negotiations were in advanced stages.

On March 20, Cendant s legal counsel provided a draft stock purchase agreement to JELD-WEN s legal counsel. On March 20, Mr. Holmes and Mr. James Buckman, Cendant s Vice Chairman and General Counsel met in Oregon with members of JELD-WEN s board of directors to discuss Cendant and various matters relating to the proposed transaction.

Negotiation of the stock purchase agreement, merger agreement and related documents continued during the weeks of March 18 and March 25. With respect to MountainStar, in order to achieve a more tax efficient structure, JELD-WEN proposed and Cendant agreed to convert Cendant s post-closing put structure into a structure pursuant to which JELD-WEN would acquire MountainStar from Trendwest prior to the closing of the transaction in exchange for shares of Trendwest common stock. In addition, the parties reached agreement on a number of ancillary matters, including the scope of post-closing indemnification by JELD-WEN, an obligation that would not be shared by other Trendwest shareholders, the scope of JELD-WEN s non-compete agreement, and the nature of Trendwest s rights to develop timeshare units at MountainStar.

On March 25, the special committee met with its legal counsel and Houlihan Lokey to review the then current drafts of the transaction documents and to receive a preliminary report from Houlihan Lokey. Legal counsel reported on the status of the negotiations and described the terms of the proposed stock purchase agreement, merger agreement and other documents. With regard to the transfer of MountainStar, counsel explained that immediately prior to the stock purchase, Trendwest would transfer MountainStar to JELD-WEN in exchange for a portion of the shares of Trendwest held by JELD-WEN that would be cancelled. Houlihan Lokey then reviewed preliminarily with the special committee several valuation methodologies and its analysis of the value of the consideration to be received by the public shareholders of Trendwest in the proposed transaction. The special committee also reviewed relevant legal standards and potential factual considerations related to the proposed transaction.

On March 26, the Board of Directors of Cendant met and, following presentations by members of Cendant senior management, unanimously approved the terms of the transaction.

On March 28, the special committee again met with its legal counsel and Houlihan Lokey to discuss in detail the proposed transaction with Cendant, including the transfer of MountainStar to JELD-WEN. Legal counsel discussed the final draft of the merger agreement, including the provisions relating to the ongoing relationship between JELD-WEN and Trendwest with respect to MountainStar and the continued sale of Trendwest vacation credits by JELD-WEN affiliates. Houlihan Lokey presented its financial analysis of the transaction and its opinion dated March 28, 2002 that, based upon the assumptions made, matters considered and limitations on the review described in their written opinion, the financial consideration per share to be received in the transaction by the Trendwest shareholders other than JELD-WEN and the JELD-WEN affiliates (i) is fair to them from a financial point of view and (ii) is not less than the financial consideration per share to be received by JELD-WEN or the JELD-WEN affiliates in connection with the transaction. The committee also reviewed a report by Economic Research Associates regarding the valuation of MountainStar. At this meeting, various factors, including those described under Reasons for the Merger, were considered by the special committee. The special committee then determined that the consideration to be received by Trendwest shareholders (excluding JELD-WEN and the other shareholders selling pursuant to the stock purchase agreement) in the merger was fair from a financial point of view and that the merger and the merger agreement were in the best interest of Trendwest and its shareholders, and recommended by a unanimous vote that the Trendwest board approve the merger agreement and other related transactions. The special committee also approved the transfer of Trendwest s MountainStar assets to JELD-WEN in partial redemption of JELD-WEN s shares of Trendwest.

Immediately following the meeting of the special committee, the Trendwest board met with management, legal counsel and representatives from Banc of America Securities. Management and legal counsel reviewed the terms of the transaction and the due diligence process undertaken with respect to Cendant. Banc of America Securities presented its financial analysis of the transaction and its opinion that, as of March 28, 2002, and based upon and subject to the various assumptions described in the opinion, the exchange ratio formula set forth in the merger agreement used to determine the number of shares of CD common stock to be issued per share of Trendwest stock in the merger was fair, from a financial point of view, to Trendwest shareholders other than JELD-WEN and the other shareholders selling pursuant to the stock purchase agreement. The chairperson of the special committee reported to the board the recommendation of the special committee and a summary of the process the special committee had undertaken and the rationale for its recommendation. The board unanimously determined that the consideration to be received by Trendwest shareholders (excluding JELD-WEN and the other shareholders selling pursuant to the stock purchase agreement) in the merger was fair from a financial point of view and that the merger and the merger agreement were in the best interests of Trendwest and its shareholders. The Trendwest Board unanimously approved the merger agreement and the option agreement and took appropriate steps to provide that Trendwest would not be subject to the Oregon Control Share statute and that the Oregon Business Combination Act would not apply to the transaction or to Cendant.

After finalizing certain minor ancillary details, the parties executed the agreements on March 30, 2002.

Cendant and Trendwest issued a joint press release announcing the execution of the stock purchase agreement and the merger agreement providing for Cendant s acquisition of Trendwest on Monday, April 1, prior to the opening of the New York Stock Exchange.

On April 30, 2002, Cendant and the other parties to the stock purchase agreement consummated the stock purchase, by which Merger Sub acquired approximately 90.1% of the outstanding shares of Trendwest common stock. On May 1, 2002, Merger Sub purchased 100,000 shares of Trendwest s common stock pursuant to the option agreement.

The information contained in this registration statement (including any information incorporated by reference herein) concerning JELD-WEN and Trendwest (including information concerning any financial advisors) has been furnished to Cendant by JELD-WEN and Trendwest; Cendant assumes no responsibility for the accuracy or completeness of such information.

Trendwest s Reasons for the Merger

The special committee of the Trendwest board of directors and the Trendwest board of directors believe that the merger and related transactions with Cendant are fair to and in the best interests of Trendwest shareholders (excluding JELD-WEN and the other shareholders selling pursuant to the stock purchase agreement). The special committee reached this determination after consulting with its financial advisor, Houlihan Lokey, and considering advice from its legal counsel with respect to various matters relevant to its consideration of the proposed transaction. Set forth below are the material factors that the special committee considered in reaching its determinations:

- consideration of the existing assets, financial condition, operations, management and historical earnings of Trendwest, and the special committee s judgment as to the nature and future prospects of Trendwest s business and the future value of Trendwest;
- Trendwest s limitations as a public company, including limited trading volume, lack of institutional sponsorship, limited public float and lack of research attention by market analysts;
- the opportunity for Trendwest s shareholders to participate in a larger and more diversified company with greater depth of management;
- the committee s familiarity with the solicitation process conducted by Banc of America Securities since 1999, and the committee s belief that Trendwest was unlikely to receive a higher offer from another party;
- extensive arm s length negotiations between Trendwest and Cendant that resulted in Cendant increasing its per share offer price over its earlier proposals;
- the presentation of Houlihan Lokey to the special committee on March 28, 2002 and their opinion dated March 28, 2002 that based on the assumptions made, matters considered and limitations on the review described in their written opinion, the consideration to be received in the transaction (i) is fair from a financial point of view to the shareholders (other than JELD-WEN and the other shareholders selling pursuant to the stock purchase agreement) and (ii) is not less than the financial consideration to be received by JELD-WEN or the JELD-WEN affiliates in connection with the transaction;

the fact that the consideration to be received by the shareholders will not be less than the consideration received by JELD-WEN and that under certain circumstances the consideration to be received by the shareholders will be more than the consideration received by JELD-WEN;

the review of various information with respect to the fairness from a financial point of view of Trendwest s proposed sale of MountainStar to JELD-WEN in partial redemption of JELD-WEN s shares of Trendwest, including an evaluation by Economic Research Associates and analyses supporting a price equal to the book value of MountainStar by the special committee s financial advisor. The special committee also recognized that the transfer of MountainStar to JELD-WEN was an integral part of the transaction with Cendant and that Cendant had clearly stated throughout the negotiations that the transfer of MountainStar was a condition to the transaction;

consideration of the terms and conditions of the transaction documents;

the tax-free nature of the transaction to Trendwest shareholders; and

the anticipated continued employment of most Trendwest employees.

The special committee also considered the following countervailing factors in making its determinations:

the fact that following the merger, Trendwest s shareholders will no longer be able to participate in the potential growth of Trendwest except as part of Cendant;

the fact that the merger agreement prohibits Trendwest from soliciting or entering into a transaction with a third party to acquire Trendwest, except in limited circumstances, and that, even in such circumstances, Trendwest may not terminate the merger agreement;

the consideration to be received by Trendwest shareholders represented a potential discount to the price of Trendwest common stock prior to the announcement of the transaction depending upon the value of CD common stock measured as of the date of completion of the merger; and

certain risks associated with Cendant and the merger, including those described under Risk Factors.

After assessing the various factors, the special committee determined that the advantages of the transaction outweighed the possible disadvantages.

In light of the Trendwest board of directors knowledge of the business and operations of Trendwest and its business judgment, the Trendwest board of directors considered and evaluated each of the factors listed above during the course of its deliberations prior to approving the merger agreement. In addition, the Trendwest board of directors took into account the following additional factors:

the recommendation of the special committee of the Trendwest board of directors to approve the acquisition by Cendant of the shares held by the public shareholders of Trendwest on the terms provided in the merger agreement, having evaluated the transactions contemplated by the stock purchase agreement, the merger agreement and the stock option agreement;

the presentation by Banc of America Securities and its opinion dated as of March 28, 2002, that, as of such date and based upon and subject to the various assumptions described in its written opinion, the exchange ratio formula set forth in the merger agreement used to determine the number of shares of CD Common Stock to be issued per share of Trendwest common stock in the merger was fair, from a financial point of view, to Trendwest shareholders other than JELD-WEN and the other shareholders selling pursuant to the stock purchase agreement;

the due diligence review of Cendant performed by Trendwest management and its advisors; and

the board s consideration of other strategic alternatives available to Trendwest.

The Trendwest board of directors believes that the merger and related transactions with Cendant are fair to and in the best interests of Trendwest shareholders (excluding JELD-WEN and the other shareholders selling pursuant to the stock purchase agreement). The board of directors reached this determination after receiving the recommendation of the special committee described above and after consulting with its financial advisor, Banc of America Securities, and considering advice from its legal counsel with respect to various matters relevant to its consideration of the proposed transaction.

In view of the wide variety of factors considered in connection with its evaluation of the merger, neither the special committee nor the Trendwest board of directors found it practicable to and did not, quantify or otherwise attempt to assign relative weights to the specific factors considered in making their determinations.

Cendant s Reasons for the Merger

On March 26, 2002 the Cendant board of directors determined by a unanimous vote that the acquisition of Trendwest by means of the stock purchase and the merger is advisable and in the best interests of Cendant and Cendant s stockholders. The Cendant board of directors approved the stock purchase agreement, merger agreement, the stock purchase, the merger and the other transactions contemplated by the stock purchase agreement and the merger agreement.

In connection with its approval of the acquisition of Trendwest by means of the stock purchase and the merger, and its determination that the merger is advisable and in the best interest of Cendant s stockholders, the board of directors of Cendant consulted with its legal counsel and financial advisors, as well as with members of management. The Cendant board of directors also considered the following material information and factors in reaching its determination to approve the stock purchase agreement, the merger agreement, the stock purchase, the merger and the other transactions contemplated by the stock purchase agreement and the merger agreement:

- that Trendwest is one of the largest independent timeshare and fractional interest ownership operators in the United States, having sold timeshare interests to more than 150,000 customers;

- Trendwest s financial performance and position and Cendant s management s view as to the financial condition, results of operations and business of Trendwest before and after giving effect to the merger;

- that Cendant expects the acquisition of Trendwest to be accretive to Cendant earnings;

- that the acquisition will provide Cendant with an opportunity to substantially broaden the range of Cendant s vacation ownership offerings;

- that the acquisition will provide Cendant with an opportunity to substantially broaden the geographic scope of its timeshare businesses, and provide an excellent opportunity to expand in the South Pacific market;

- that the acquisition will continue Cendant s growth in one of the fastest growing segments of the travel industry;

- that the acquisition will complement the geographic reach and the sales and marketing functions of the timeshare businesses being operated by existing subsidiaries of Cendant;

- that WorldMark, together with WorldMark South Pacific Club is one of the largest points-based clubs in the vacation ownership industry and will complement the existing points-based programs being operated by various Cendant subsidiaries;

- that Trendwest has experienced senior managers who average more than 30 years experience each in the vacation ownership industry and have developed strong sales and marketing teams;

- the fact that the consideration being paid pursuant to the stock purchase and the merger is being paid in CD Common Stock;

the terms and conditions of each of the stock purchase agreement and the merger agreement, including the fact that the stock purchase agreement enables Cendant to assume control of Trendwest in an expeditious manner;

in light of Cendant s unwillingness to acquire Trendwest while it owns or has any obligations to develop the currently undeveloped property known as MountainStar, JELD-WEN s agreement to acquire MountainStar from Trendwest at net book value pursuant to the MountainStar Redemption, and JELD-WEN s additional agreement to allow Trendwest or Cendant during a limited period following the merger to re-acquire MountainStar at book value in the event that Cendant determines that it would be beneficial to do so;

JELD-WEN s agreement not to compete in the timeshare business with Cendant for five years; and

JELD-WEN s agreement to indemnify Cendant against damages in respect of a number of potential liabilities and matters relating to the acquisition of Trendwest.

In reaching its decision to approve the stock purchase agreement, merger agreement, the stock purchase, the merger and the other transactions contemplated by the stock purchase agreement and the merger agreement, the Cendant board of directors did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. The Cendant board of directors considered these factors as a whole, and overall considered them to be favorable to, and to support, its determination.

Opinions of Trendwest s Financial Advisors

Opinion of Banc of America Securities LLC

On March 1, 2002, Trendwest retained Banc of America Securities to act as its financial advisor in connection with the proposed sale of the company to Cendant. Banc of America Securities is an internationally recognized investment banking firm and is regularly engaged in the valuation of businesses and securities in connection with merger and acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. Trendwest selected Banc of America Securities to act as its financial advisor on the basis of Banc of America Securities experience in transactions similar to the merger and its familiarity with Trendwest and its business.

On March 28, 2002, at a meeting of the Trendwest board of directors held to evaluate the merger, Banc of America Securities delivered to the Trendwest board of directors its oral opinion, which was subsequently confirmed in writing, that, as of March 28, 2002 and based upon and subject to the various assumptions described in the written opinion, the exchange ratio formula set forth in the merger agreement used to determine the number of shares of CD common stock to be issued per share of Trendwest common stock in the merger was fair, from a financial point of view, to the Trendwest shareholders, other than JELD-WEN and the other shareholders selling pursuant to the stock purchase agreement.

The full text of Banc of America Securities written opinion to Trendwest s board of directors which sets forth, among other things, the procedures followed, assumptions made, matters considered and limitations on the review undertaken, is attached as Annex E to this prospectus, and is incorporated into this prospectus by reference. Holders of Trendwest common stock are encouraged to, and should, read the opinion carefully and in its entirety. The following summary of Banc of America Securities opinion is qualified in its entirety by reference to the full text of the opinion.

Banc of America Securities opinion is addressed only to Trendwest s board of directors and relates only to the fairness of the exchange ratio formula set forth in the merger agreement used to determine the number of shares of CD common stock to be issued per share of Trendwest common stock in the merger, from a financial point of view, to the Trendwest shareholders, other than JELD-WEN and the other shareholders

selling shares pursuant to the stock purchase agreement. Banc of America Securities opinion does not address any other aspect of the merger or any related transaction and does not constitute a recommendation to Trendwest shareholders on how to vote at any meeting held in connection with the merger. Banc of America Securities opinion also does not in any manner address the prices at which Cendant s common stock will trade following consummation of the merger. In furnishing its opinion, Banc of America Securities does not admit that it is an expert within the meaning of the term expert as used in the Securities Act, nor does Banc of America Securities admit that its opinion constitutes a report or valuation within the meaning of the Securities Act. Statements to this effect are included in Banc of America Securities opinion.

Banc of America Securities did not perform any analyses with respect to the arrangements between Trendwest and JELD-WEN relating to MountainStar, including the proposed transfer of MountainStar from Trendwest to JELD-WEN and the potential repurchase of MountainStar by Trendwest. Banc of America Securities opinion does not address the impact of such arrangements upon the fairness, from a financial point of view, of the exchange ratio formula in the merger agreement to Trendwest shareholders.

In arriving at its opinion, Banc of America Securities:

- reviewed certain publicly available financial statements and other business and financial information of Trendwest and Cendant, respectively;
- reviewed certain internal financial statements and other financial and operating data concerning Trendwest and Cendant, respectively;
- analyzed certain financial forecasts prepared by the management of Trendwest and certain publicly available financial forecasts of Cendant;
- discussed the past and current operations, financial condition and prospects of Trendwest with senior executives of Trendwest and discussed the past and current operations, financial condition and prospects of Cendant with senior executives of Cendant;
- reviewed and discussed with senior executives of Trendwest information relating to certain strategic, financial and operational benefits anticipated from the merger;
- reviewed the pro forma impact of the merger on Cendant s earnings per share;
- reviewed and considered information relating to the relative contributions of Trendwest and Cendant to the combined company;
- reviewed the reported prices and trading activity for Trendwest s common stock and Cendant s common stock;
- reviewed the financial performance of Trendwest and Cendant and the prices and trading activity of Trendwest s common stock and Cendant s common stock and, with respect to Trendwest and Trendwest s common stock, compared such information with that of certain other publicly traded companies Banc of America Securities deemed relevant;
- compared certain financial terms to financial terms, to the extent publicly available, of certain other business combination transactions Banc of America Securities deemed relevant;
- participated in discussions and negotiations among representatives of Trendwest and Cendant and their financial and legal advisors;
- reviewed the March 27, 2002 draft of the merger agreement and certain related documents, including the March 27, 2002 draft of the stock purchase agreement;
- reviewed the valuation report, dated as of March 26, 2002, prepared by Economic Research Associates relating to MountainStar, a development project of Trendwest; and
- performed such other analyses and considered such other factors as Banc of America Securities deemed appropriate.

Banc of America Securities did not assume any responsibility for independently verifying the accuracy or completeness of any of the financial or other information (including the information listed above) that it reviewed for purposes of its opinion. Instead, Banc of America Securities relied on the assumption that such information was accurate and complete. Banc of America Securities also made the following assumptions without independent verification or investigation:

with respect to the financial forecasts of Trendwest prepared by the management of Trendwest, that they had been reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the future financial performance of Trendwest;

with respect to the publicly available financial forecasts of Cendant that the management of Cendant reviewed, and as advised by Cendant, that such forecasts represent reasonable estimates and judgments as to the future financial performance of Cendant;

as informed by Trendwest, that the merger will be treated as a tax-free reorganization for federal income tax purposes;

that the terms and conditions of the merger and the related transactions set forth in the final forms of the merger agreement and the stock purchase agreement would not differ in any material respects from the terms set forth in the drafts of the merger agreement and stock purchase agreement reviewed by Banc of America Securities; and

that the merger will be consummated as provided in the merger agreement, with full satisfaction of all covenants and conditions and without waiver of such covenants and conditions.

In addition, Banc of America Securities was not requested by Trendwest to make, and did not make, any independent valuation or appraisal of the assets or liabilities of Trendwest and, other than the MountainStar valuation report, Banc of America Securities was not furnished with any such appraisals.

Banc of America Securities based its opinion on financial, economic, market and other conditions as in effect on, and the information made available to Banc of America Securities as of, March 28, 2002. Although subsequent developments may affect the Banc of America Securities opinion, Banc of America Securities does not have any obligation to update, revise or reaffirm its opinion.

The following description is merely a summary of the analyses and examinations that Banc of America Securities considered to be material to its opinion. It is not a comprehensive description of all analyses and examinations actually conducted by Banc of America Securities. The preparation of a fairness opinion is a complex process involving the application of subjective business judgment in various determinations as to the most appropriate and relevant methods of financial analyses and the application of those methods to the particular circumstances. Therefore, the preparation of a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, Banc of America Securities made qualitative judgments as to the significance and relevance of each analysis and factor that it considered. Accordingly, Banc of America Securities believes that selecting portions of its analyses and factors considered or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of such analyses, would create an incomplete view of the process underlying its analyses and opinion. Banc of America Securities did not assign any specific weight to any of the analyses described below. The fact that any specific analysis has been referred to in the summary below is not meant to indicate that such analysis was given greater weight than any other analysis. Accordingly, the ranges of valuations resulting from any particular analysis described below should not be interpreted as Banc of America Securities view of the actual value of Trendwest.

In performing its analyses, Banc of America Securities considered and made assumptions about industry performance, regulatory matters, general business, economic, market and financial conditions and other matters, many of which are beyond the control of Trendwest and Cendant. The estimates contained in Banc of America Securities analyses and the ranges of valuations resulting from any particular analysis are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by the analyses. The analyses were prepared solely as part of Banc of America Securities analysis of the financial fairness of the exchange ratio formula in the merger agreement and were provided to the Trendwest board in connection with the delivery of Banc of America Securities opinion. The analyses relating to the value of companies, businesses or securities do not purport to be appraisals or to reflect the prices at which companies or businesses might actually be sold or the prices at which any securities may trade at any time in the future. Accordingly, the analyses and estimates used by Banc of America Securities in arriving at its opinion are inherently subject to substantial uncertainty.

Transaction Values. Banc of America Securities calculated several values implied by the exchange ratio formula, including the implied price per Trendwest share and the implied premium to Trendwest s closing share price as of certain dates. The implied values were based on Trendwest s closing share price on March 27, 2002. The following table summarizes the results of this analysis:

Implied Values	
Implied Price Per Trendwest Share	$24.79
Implied Premium to Trendwest Closing Share Price as of:	
March 27, 2002	4.1%
December 11, 2001 (52-Week High)	(11.8%)
March 29, 2001 (52-Week Low)	85.9%

Historical Stock Price Performance of Trendwest. Banc of America Securities reviewed the price history of Trendwest common stock over the period from August 15, 1997 (the first day of trading after the initial public offering of Trendwest common stock) through March 27, 2002. Banc of America Securities then compared the historical price performance of Trendwest with the performance of the Russell 2000 composite index and the price performance of certain companies in the timeshare industry over the same period. Banc of America Securities noted that Trendwest s common stock had outperformed the Russell 2000 composite index and the price performance of other selected companies in the timeshare industry over such period.

Precedent Vacation Ownership Transactions Analysis. Banc of America Securities analyzed publicly available financial information relating to the following 10 precedent transactions involving companies in the vacation ownership industry:

Target	**Acquiror**
Equivest Finance, Inc.	Cendant Corporation
Fairfield Communities, Inc.	Cendant Corporation
Peppertree Resorts, Ltd.	Equivest Finance, Inc.
Vistana, Inc.	Starwood Hotel & Resorts Worldwide, Inc.
Eastern Resorts Company, LLC	Equivest Finance, Inc.
Success Development Group, Inc.	Vistana, Inc.
Vacation Break USA, Inc.	Fairfield Communitites Inc.
LSI Group	Signature Inns, Inc.
Plantation Res.	Signature Inns, Inc.
AVCOM	Signature Inns, Inc.

Banc of America Securities calculated several values implied by the precedent transactions, including the implied fully diluted equity value of each target company as a multiple of net income and the implied fully diluted aggregate value of each target company as a multiple of net income plus interest, taxes, depreciation and amortization (EBITDA) for the last twelve months.

Banc of America Securities then applied a range of selected implied multiples derived from its analysis to corresponding financial information for Trendwest to calculate a range of implied per share equity values for Trendwest. The implied per share equity value for Trendwest was adjusted to account for a MountainStar implied per share value range of $1.50 $2.25. The financial information of Trendwest used in the analysis included fiscal year 2001 EBITDA, projected EBITDA for the twelve months ended June 30, 2002, and fiscal year 2002 estimated net income based on internal forecasts and forecasts released by Trendwest on December 19, 2001, each as prepared by Trendwest management. This analysis indicated an implied per share equity value reference range for Trendwest of $17.00 $23.00.

Precedent Lodging Transactions Analysis. Banc of America Securities analyzed publicly available financial information relating to the following 15 precedent transactions involving companies in the lodging industry:

Target	Acquiror
Suburban Lodges of America, Inc.	Intown Suites Management Inc.
Red Lion Hotels, Inc.	WestCoast Hospitality Corporation
Homestead Village Incorporated	Blackstone Group LP
Sunburst Hospitality Corporation	Private Investor Group
Homestead Village Incorporated	Security Capital Group Incorporated
Red Roof Inns, Inc.	Accor PLC
Promus Hotel Corporation	Hilton Hotels Corporation
Supertel Hospitality, Inc.	Humphrey Hospitality Trust, Inc.
Sunstone Hotel Investors, Inc.	Westbrook Partners/SHP Acquistion LLC
Signature Inns, Inc.	Jameson Inns, Inc.
ShoLodge, Inc. (16 Shoney Inns)	Capital Lodging Mgmt. Corp.
IMPAC Group, Inc.	Servico, Inc.
Bristol Hotel Company	Felcor Lodging Trust Incorporated
America General Hopitality Corp.	CapStar Hotel Company
La Quinta Inns, Inc.	Meditrust

Banc of America Securities calculated several values implied by the precedent transactions, including the implied fully diluted equity value of each target company as a multiple of net income and the implied fully diluted aggregate value of each target company as a multiple of EBITDA for the last twelve months.

Banc of America Securities then applied a range of selected implied multiples derived from its analysis to corresponding financial information for Trendwest to calculate a range of implied per share equity values for Trendwest, including the implied adjusted per share equity value for Trendwest. The implied per share equity value for Trendwest was adjusted to account for a MountainStar implied per share value range of $1.50 $2.25. The financial information of Trendwest used in the analysis included fiscal year 2001 EBITDA and projected EBITDA for the twelve months ended June 30, 2002. This analysis indicated an implied adjusted per share equity value reference range for Trendwest of $18.00 $24.00.

Public Company Trading Analysis. Banc of America Securities reviewed publicly available financial information of certain publicly traded companies in the travel, leisure and consumer finance industry, including:

Vacation Ownership

Bluegreen Corporation
Silverleaf Resorts, Inc.
Sunterra Corporation

Leisure Oriented Lodging

Choice Hotels International, Inc.
Fairmont Hotels and Resorts Incorporated
Hilton Hotels Corporation
Marriott International, Inc.
Orient-Express Hotels Ltd.
Prime Hospitality Corp.
Starwood Hotels & Resorts Worldwide, Inc.

Travel

Ambassadors International, Inc.
Ambassadors Group, Inc.
Navigant International, Inc.
ResortQuest International, Inc.

Cruise Lines/Ski Resort Owners/Operators

Carnival Corporation
Intrawest Corporation
Royal Caribbean Cruises Ltd.
Vail Resorts, Inc.

Consumer Finance

Americredit Corp.
Countrywide Credit Industries, Inc.
NewCentury Financial Corporation
WFS Financial, Inc.

Banc of America Securities calculated several financial metrics for each company, including the price per company share on March 27, 2002 as a multiple of fiscal year 2001 earnings per share and fiscal year 2002 estimated earnings per share, and the implied fully diluted aggregate value as a multiple of EBITDA for the last twelve months and projected EBITDA for fiscal year 2002. Banc of America Securities then calculated the average of such implied values for the companies in each industry sector. The multiples were calculated using publicly available information and publicly available forecasts of securities research analysts. The following table summarizes the results of this analysis:

	Average Multiples Price Per Share/ Earnings Per Share		Fully-Diluted Aggregate Value/LTM EBITDA	Fully-Diluted Aggregate Value/2002E EBITDA
	2001A	**2002E**		
Vacation Ownership	12.8x	12.8x	7.8x	NA
Leisure Oriented Lodging	26.6x	27.2x	11.3x	11.7x
Travel	18.7x	16.2x	9.9x	7.3x
Cruise Lines/Ski Resort Owners/Operators	22.1x	21.4x	13.7x	11.0x
Consumer Finance	11.9x	8.7x	11.3x	NA

Banc of America Securities selected a range of implied multiples derived from its analyses and applied such multiples to certain financial information of Trendwest to calculate a range of implied prices per Trendwest share. The financial information of Trendwest used in such analysis included fiscal year 2001 EBITDA and the projected EBITDA and earnings per Trendwest share for fiscal year 2002. The projected EBITDA and earnings per Trendwest share for fiscal year 2002 were based on internal forecasts and forecasts released by Trendwest on December 19, 2001, each as prepared by Trendwest management. This analysis indicated an implied price per Trendwest share reference range of $20.00 $27.00.

No company, transaction or business used in the Precedent Vacation Ownership Transactions Analysis, the Precedent Lodging Transactions Analysis or the Public Company Trading Analysis is identical to Trendwest or the merger. Accordingly, an evaluation of the results of those analyses is not entirely mathematical. Rather, the analyses involve complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies, business segments or transactions to which Trendwest and the merger were compared.

Discounted Cash Flow Analysis. Banc of America Securities conducted a discounted cash flow analysis to determine the implied fully diluted equity value per Trendwest share based on Trendwest s projected free cash flows. In conducting the analysis, Banc of America Securities calculated the debt-free free cash flows that Trendwest was expected to generate during fiscal years 2002 through 2006 based upon internal forecasts and operating assumptions provided by Trendwest management. Banc of America Securities also calculated terminal values for Trendwest at the conclusion of a five-year period ended 2006. In calculating this range of terminal values, Banc of America Securities applied a multiple of 2006 EBITDA ranging from 6.5x to 8.5x for Trendwest during the final year of the five-year period. Banc of America Securities then discounted these debt-free cash flows, assuming no debt obligations and such range of terminal values, to present values using a range of discount rates from 13.0% to 17.0%. These values were adjusted by Banc of America Securities to account for net debt of Trendwest as of December 31, 2001 of $110.1 million. This analysis indicated an implied fully diluted equity value per Trendwest share of $25.00 $35.00.

Premiums Paid Analysis. Banc of America Securities reviewed the premiums paid in 50 transactions valued between $800 million and $1,200 million (excluding technology transactions) that were announced between January 1, 1999 and March 26, 2002. Banc of America Securities calculated the premium implied by the merger consideration in each transaction relative to the closing stock price for the target company in such transaction over various periods prior to public announcement of the transaction. Banc of America Securities then applied the median of such premiums to the closing price of Trendwest common stock over the same periods, to calculate the price per Trendwest share implied by such premiums. The following table summarizes the results of this analysis:

	Period Prior to Announcement of Transaction		
	One Day	One Week	One Month
Median Premium in Precedent Transactions	26.2%	35.9%	37.3%
Implied Price Per Trendwest Share Based on Precedent Median Premium	$30.06	$34.04	$33.97

MountainStar Book Value Analysis. Banc of America Securities calculated the book value of MountainStar as of certain dates prior to January 1, 2002. The book values for MountainStar were based on publicly available financial statements for Trendwest, other than the book value for MountainStar on December 31, 2001, which was based on internal financial statements provided by Trendwest management. Banc of America Securities then divided such book values by the number of fully diluted Trendwest shares outstanding on March 28, 2000 to calculate the implied book values per share. The following table summarizes the results of this analysis:

	Date of Valuation						
	6/30/00	9/31/00	12/31/00	3/31/01	6/30/0	9/30/01	12/31/01
MountainStar Book Value	$ 44,300,000	$ 49,073,000	$ 56,536,000	$ 60,361,000	$ 63,724,000	$ 66,397,000	$ 70,382,271
Implied Book Value Per Share	$ 1.14	$ 1.26	$ 1.45	$ 1.55	$ 1.63	$ 1.70	$ 1.81

MountainStar Discounted Cash Flow and Sensitivity Analysis. Banc of America Securities conducted a discounted cash flow analysis to determine the implied per share value of MountainStar based on MountainStar s projected free cash flows. In conducting the analysis, Banc of America Securities calculated the debt-free free cash flows that MountainStar was expected to generate during fiscal years 2002 through 2010 based upon internal forecasts and operating assumptions provided by Trendwest management. Banc of America Securities also calculated terminal values for MountainStar at the conclusion of an nine-year period ended 2010. In calculating this range of terminal values, Banc of America Securities applied a multiple of 2010 operating income ranging from 7.0x to 9.0x for MountainStar during the final year of the nine-year period. Banc of America Securities then discounted these debt-free cash flows, assuming no debt obligations and the range of such terminal values, to present values using a range of discount rates from 18.0% to 22.0%. Banc of America

Securities also conducted a sensitivity analysis to determine the impact on the implied per share value of MountainStar assuming (i) a delay in the launch date for MountainStar and (ii) a discount to the projected sales value of MountainStar. These analyses indicated an implied MountainStar per share value range of $1.50 $2.25.

The type of consideration payable in the merger and the exchange ratio formula were determined through negotiations between Trendwest and Cendant and were approved by the Trendwest board of directors. The decision to enter into the merger agreement was solely that of Trendwest s board of directors. Banc of America Securities opinion and the financial analyses described above were only one of a number of factors considered by Trendwest s board of directors in its evaluation of the merger and should not be viewed as determinative of the views of the Trendwest board of directors or its management with respect to the merger or the exchange ratio formula.

Pursuant to the engagement letter between Banc of America Securities and Trendwest, Trendwest has agreed to pay certain customary fees to Banc of America Securities for financial advisory services provided to Trendwest in connection with the merger, including a fee which was contingent upon Banc of America Securities rendering its opinion and an additional fee which is contingent upon the consummation of the transactions contemplated by the merger agreement and the stock purchase agreement. The Trendwest board of directors was aware of the contingent nature of this fee structure and took it into account in considering Banc of America Securities fairness opinion and in approving the merger. Trendwest has also agreed to reimburse Banc of America Securities for its reasonable out-of-pocket expenses, including reasonable fees and expenses of Banc of America Securities legal counsel, and to indemnify Banc of America Securities, its affiliates, and their respective directors, officers, employees, agents and representatives against liabilities, including liabilities under the federal securities laws, arising out of Banc of America Securities engagement.

In the past, Banc of America Securities or its affiliates have provided financial advisory and financing services to Trendwest and Cendant and have received fees for the rendering of these services. In the past, Banc of America Securities or its affiliates have also provided certain financial advisory and financing services to JELD-WEN including financial services relating to a sale of JELD-WEN s interest in Trendwest. Bank of America, N.A., an affiliate of Banc of America Securities, is an agent and lender under credit facilities with Trendwest and JELD-WEN. In the ordinary course of its business, Banc of America Securities and its affiliates may actively trade the debt and equity securities of Trendwest and Cendant for their own account and for the accounts of their customers, and accordingly, may at any time hold a long or short position in such securities.

Opinion of Houlihan Lokey Howard & Zukin Financial Advisors, Inc.

The special committee retained Houlihan Lokey to render an opinion that the consideration per share to be received in connection with the transactions by the holders of Trendwest common stock, other than JELD-WEN and the JELD-WEN affiliates, is fair, from a financial point of view, and not less than the financial consideration per share to be received by JELD-WEN or the JELD-WEN affiliates in connection with the transactions.

The special committee retained Houlihan Lokey based upon Houlihan Lokey s experience in the valuation of businesses and their securities in connection with recapitalizations and similar transactions, especially with respect to timeshare and real estate services companies. Houlihan Lokey is a nationally recognized investment banking firm that is continually engaged in providing financial advisory services and rendering fairness opinions in connection with mergers and acquisitions, leveraged buyouts, business and securities valuations for a variety of regulatory and planning purposes, recapitalizations, financial restructurings and private placements of debt and equity securities.

As compensation to Houlihan Lokey for its services in connection with the transactions, Trendwest agreed to pay Houlihan Lokey an aggregate fee of $350,000 in addition to Houlihan Lokey s expenses in connection therewith. No portion of Houlihan Lokey s fee is contingent upon the successful completion of the transactions, any other related transaction, or the conclusions reached in the Houlihan Lokey opinion. Trendwest also agreed to indemnify Houlihan Lokey and related persons against certain liabilities, including liabilities under federal securities laws that arise out of the engagement of Houlihan Lokey.

The full text of Houlihan Lokey s opinion, which describes, among other things, the assumptions made, general procedures followed, matters considered and limitations on the review undertaken by Houlihan Lokey in rendering its opinion is attached hereto and is incorporated herein by reference. The summary of the Houlihan Lokey opinion in this prospectus is qualified in its entirety by reference to the full text of the Houlihan Lokey opinion. You are urged to read Houlihan Lokey s opinion in its entirety. Houlihan Lokey s opinion was provided for the information of the special committee and does not constitute a recommendation to any stockholder with respect to any matter relating to such transactions.

In arriving at its fairness opinion, among other things, Houlihan Lokey did the following:

met with certain members of the senior management of Trendwest to discuss the operations, financial condition, future prospects, projected operations and performance of Trendwest, MountainStar, and the pending transactions;

held discussions with Banc of America Securities, Trendwest s financial advisors, to discuss the process and evolution, as well as the structure and consideration, of the transactions;

reviewed Trendwest s Form 10-K for the fiscal year ended December 31, 2000, Form 10-Q for the three quarters ended September 30, 2001, and a draft of Trendwest s Form 10-K for the year ended December 31, 2001, which Trendwest s management has identified as containing the most current Company financial statements available;

reviewed various projections of Trendwest s financial performance for the fiscal years ended December 31, 2002 through 2006 prepared by Trendwest s management;

reviewed various projections of MountainStar s financial performance for the fiscal years ended December 31, 2002 through 2015 prepared by Trendwest s management which are referred to in this prospectus as the MountainStar projections;

reviewed various memoranda regarding management s exit strategies for MountainStar;

reviewed the historical market prices and trading volume for Trendwest s publicly traded securities and other publicly available information regarding Trendwest;

reviewed certain publicly available financial data for certain companies that we deemed comparable to Trendwest;

reviewed drafts of certain documents relating to the transactions, including the Merger Agreement dated March 27, 2002, the Stock Purchase Agreement dated March 27, 2002, and other related agreements; and

conducted such other studies, analyses and inquiries as Houlihan Lokey deemed appropriate.

Analyses

Houlihan Lokey used several methodologies to assess the fairness of the consideration per share to be received in connection with the transactions by the holders of Trendwest common stock, other than JELD-WEN and the JELD-WEN affiliates. The following is a summary of the material financial analyses used by Houlihan Lokey in connection with providing its opinion. This summary is qualified in its entirety by reference to the full text of such opinion, which is attached as Annex F to this prospectus. You are urged to read the full text of the Houlihan Lokey opinion carefully and in its entirety.

Houlihan Lokey s analyses of the transactions included the calculation and comparison of the following: (i) an analysis of Trendwest s stock price as determined by the public market; (ii) an analysis of Trendwest s stock price as determined by Houlihan Lokey; and (iii) and analysis of the MountainStar property.

Trendwest Analyses

Houlihan Lokey performed the following analyses in order to determine the current price per share of Trendwest:

Public Market Pricing. Houlihan Lokey reviewed the historical market prices and trading volume for Trendwest s publicly held common stock and reviewed publicly-available analyst reports, news articles, and press releases relating to Trendwest. Houlihan Lokey analyzed Trendwest s closing stock price as of March 21, 2002. In addition, Houlihan Lokey reviewed Trendwest s closing stock price on a five-day average, 30-day average, 60-day average and one year average basis as of March 21, 2002. The resulting per share indications, as reviewed by Houlihan Lokey, ranged from $16.56 to $25.23.

Market Multiple Methodology. Houlihan Lokey reviewed certain financial information of publicly traded comparable timeshare companies selected solely by Houlihan Lokey. The comparable timeshare companies included: Bluegreen Corp., Ilx Resorts, Inc., Mego Financial Corp. and Resortquest International, Inc. Houlihan Lokey calculated certain financial ratios of the comparable timeshare companies based on the most recent publicly available information. Houlihan Lokey calculated certain financial ratios, including, the multiples of: (i) enterprise value (EV) to latest twelve months (LTM) revenues, (ii) EV to LTM earnings before interest, taxes, depreciation and amortization (EBITDA), (iii) EV to earnings before interest and taxes (EBIT), and (iv) EV to projected next fiscal year (NFY) EBITDA of the comparable timeshare companies based on the most recent publicly available information.

The analysis showed that the multiples exhibited by the comparable timeshare companies was as follows: (i) EV to LTM revenues ranged from a low of 0.9x to a high of 1.55x with mean and median multiples of 1.24x and 1.26x, respectively; (ii) EV to LTM EBITDA ranged from a low of 7.5x to a high of 10.5x with mean and median multiples of 9.1x and 9.3x, respectively; (iii) EV to LTM EBIT ranged from a low of 10.1x to a high of 23.8x with mean and median multiples of 13.9x and 10.9x, respectively; and (iv) EV to NFY EBITDA ranged from a low of 5.5x to a high of 7.1x with mean and median multiples of 6.3x, respectively.

Houlihan Lokey derived indications of the enterprise value of Trendwest by applying selected revenue, EBITDA and EBIT multiples to certain adjusted operating results for the latest twelve months ended December 31, 2001 and projected EBITDA for the fiscal year ending December 31, 2002. Based on the above, the resulting indications of the enterprise value of the operations of Trendwest ranged from approximately $750.0 million to $870.0 million.

After determining the enterprise value of the operations of Trendwest, Houlihan Lokey made certain adjustments to determine equity value including adjustments to reflect (i) Trendwest s current holdings of cash and cash equivalents, (ii) certain debt obligations of the Trendwest, (iii) the book value of MountainStar, (iv) an adjustment to reflect control of Trendwest, and (v) the dilutive effect of certain stock options outstanding. After consideration of such adjustments, Houlihan Lokey estimated the equity value of Trendwest using the market multiple methodology to be in the range of $847.0 million to $991.0 million, or $21.73 per share to $25.42 per share, respectively.

Comparable Transaction Methodology. Houlihan Lokey reviewed the consideration paid in certain change of control acquisitions of selected publicly traded timeshare companies that Houlihan Lokey deemed relevant. The selected comparison group included five transactions:

Target	Acquiror	EV (in millions)	Date
Equivest Finance, Inc.	Cendant	$ 156.3	2/11/02
Fairfield Communities, Inc.	Cendant	$ 719.7	4/2/01
Peppertree Resorts, Inc.	Equivest Finance, Inc.	$ 109.5	11/17/99
Vistana, Inc.	Starwood Hotel & Resorts Worldwide	$ 630.0	10/1/99
Vacation Break USA, Inc.	Fairfield Communities, Inc.	$ 216.4	12/22/97

The analysis showed that the multiples exhibited in the change of control transactions were as follows: (i) EV to LTM revenues ranged from a low of 1.22x to a high of 2.31x with mean and median multiples of 1.72x and 1.68x, respectively; (ii) EV to LTM EBITDA ranged from a low of 3.8x to a high of 13.0x with mean and median multiples of 7.5x and 6.2x, respectively; and (iii) EV to LTM EBIT ranged from a low of 4.3x to a high of 14.6x with mean and median multiples of 9.1x and 8.7x, respectively.

In performing its analysis, Houlihan Lokey considered that the merger and acquisition transaction environment varies over time because of, among other things, interest rate and equity market fluctuations and industry results and growth expectations. No company or transaction used in the analysis described above was directly comparable to Trendwest. Accordingly, Houlihan Lokey reviewed the foregoing transactions to understand the range of multiples of revenue, EBITDA and EBIT paid for companies in the timeshare industry.

Houlihan Lokey derived enterprise value indications of Trendwest by applying selected revenue, EBITDA and EBIT multiples to certain adjusted operating results for the latest twelve months ended December 31, 2001. Based on the above, the resulting indications of the enterprise value of the operations of Trendwest ranged from approximately $850.0 million to $950.0 million.

After determining the enterprise value of the operations of Trendwest, Houlihan Lokey made certain adjustments to determine equity value, including adjustments to reflect (i) Trendwest s current holdings of cash and cash equivalents, (ii) certain debt obligations of Trendwest, (iii) the book value of MountainStar, and (iv) the dilutive effect of certain stock options outstanding. After consideration of such adjustments, Houlihan Lokey estimated the equity value of Trendwest using the market multiple methodology to be in the range of $819.2 million to $919.2 million, or $21.01 per share to $23.58 per share, respectively.

Discounted Cash Flow Methodology Exit Multiple. Houlihan Lokey utilized certain financial projections prepared by Trendwest s management with respect to fiscal years 2002 through 2006. To determine Trendwest s EV, Houlihan Lokey used the projected pro forma operating income of Trendwest and applied risk-adjusted discount rates ranging from 10.0% to 14.0% and exit EBITDA multiples of 5.0x to 7.0x. Based on the financial projections and this analysis, Houlihan Lokey calculated indications of the range of EV between $1,027.0 million and $1,249.8 million.

After determining the EV of the operations of Trendwest, Houlihan Lokey made certain adjustments to determine equity value including adjustments to reflect (i) Trendwest s current holdings of cash and cash equivalents, (ii) certain debt obligations of the Trendwest, (iii) the book value of MountainStar, and (iv) the dilutive effect of certain stock options outstanding. After consideration of such adjustments, Houlihan Lokey estimated the equity value of Trendwest using the market multiple methodology to be in the range of $996.1 million to $1,218.9 million, or $25.55 per share to $31.27 per share, respectively.

Discounted Cash Flow Methodology Gordon Growth. Houlihan Lokey utilized certain financial projections prepared by Trendwest s management with respect to fiscal years 2002 through 2006. To determine Trendwest s enterprise value, Houlihan Lokey used the projected pro forma operating income of Trendwest and applied risk-adjusted discount rates ranging from 10.0% to 14.0% and long-term growth rates ranging from 1.0% to 5.0%. Based on the financial projections and this analysis, Houlihan Lokey calculated indications of the range of enterprise value between $825.0 million and $1,204.8 million.

After determining the EV of the operations of Trendwest, Houlihan Lokey made certain adjustments to determine equity value, including adjustments to reflect (i) Trendwest s current holdings of cash and cash equivalents, (ii) certain debt obligations of the Trendwest, (iii) the book value of MountainStar, and (iv) the dilutive effect of certain stock options outstanding. After consideration of such adjustments, Houlihan Lokey estimated the equity value of Trendwest using the market multiple methodology to be in the range of $794.2 million to $1,174.0 million, or $20.37 per share to $30.12 per share, respectively.

MountainStar Analyses

MountainStar, a development asset, is not yet income producing. Therefore the capitalization methodologies (based on market multiples or comparable transactions) were not used by Houlihan Lokey. Further, Houlihan Lokey was unable to identify any comparable transactions of similar asset size or in a similar region to provide guidance on a price per acre or other similar measure. Accordingly, the only available valuation methodology is the discounted cash flow approach. Houlihan Lokey relied on and performed three different discounted cash flow analyses in order to determine the range of value for MountainStar:

Entitlement Case. Although MountainStar is currently unentitled, Houlihan Lokey utilized certain MountainStar projections prepared by Trendwest s management for fiscal years 2002 through 2015. Such projections assume that MountainStar receives all necessary entitlements to continue the development process. To determine the value of MountainStar, Houlihan Lokey considered various scenarios regarding the timing of receiving entitlements and the resulting cash flows. Houlihan Lokey then applied risk-adjusted discount rates ranging from 22.5% to 30.0%. Based on the financial projections and this analysis, Houlihan Lokey calculated indications of the value of MountainStar to be in the range of $62.9 million to $78.3 million.

Tax Lot Scenario. Houlihan Lokey utilized certain MountainStar projections prepared by Trendwest s management which assume a prompt sale of MountainStar. These financial projections, for fiscal years 2002 through 2010, assume 300 lots will be created with certain minimum price points and acreage requirements to satisfy certain county requirements. To determine the value of MountainStar under this scenario, Houlihan Lokey used the projected pro forma operating cash flow of MountainStar and applied risk-adjusted discount rates ranging from 15.0% to 20.0%. Based on the financial projections and this analysis, Houlihan Lokey calculated indications of the value of MountainStar to be in the range of $41.8 million to $51.1 million.

Short Plat Scenario. Houlihan Lokey utilized certain MountainStar projections prepared by Trendwest s management which assume a prompt sale of MountainStar. These financial projections, for fiscal years 2002 through 2015, assume 500 large lots will be created. To determine the value of MountainStar under this scenario, Houlihan Lokey used the projected pro forma operating cash flow of MountainStar and applied risk-adjusted discount rates ranging from 15.0% to 20.0%. Based on the financial projections and this analysis, Houlihan Lokey calculated indications of the value of MountainStar to be in the range of $35.8 million to $47.4 million.

Reconciliation of Discounted Cash Flow Conclusions with MountainStar book value. Houlihan Lokey understands that the purchase price for MountainStar is equal to the net book value of MountainStar, which is estimated to be approximately $48 million, reflecting an enterprise value of MountainStar of approximately $78.0 million less approximately $30.0 million of debt associated with MountainStar to be assumed by JELD-WEN as a consequence of the MountainStar redemption. The above-described Entitlement Case, Tax Lot Scenario, and Short Plat Scenario provided Houlihan Lokey with indications of enterprise value of MountainStar in the range of $35.8 to $78.3 million. Houlihan Lokey noted that the implied enterprise value of MountainStar is within the range of valuation indications for MountainStar.

Trendwest and MountainStar Conclusions

The above-described Trendwest analyses provided Houlihan Lokey with indications of the market value of Trendwest which ranged from $22.20 to $27.60 per share. The above-described MountainStar analyses support a sale price equal to the book value of MountainStar.

Conclusion

On March 28, 2002 Houlihan Lokey delivered to the special committee its written opinion, dated March 28, 2002, that based upon the assumptions made, matters considered and limitations on the review described in the written opinion, the consideration per share to be received by the shareholders of Trendwest other than JELD-

WEN and the JELD-WEN affiliates in connection with the transactions (i) is fair to them from a financial point of view and (ii) is not less than the financial consideration per share to be received by JELD-WEN or the JELD-WEN affiliates in connection with the transactions.

As a matter of course, Trendwest does not publicly disclose forward-looking financial information. Nevertheless, in connection with its review, Houlihan Lokey considered financial projections. These financial projections were prepared by the management of Trendwest. The financial projections were prepared under market conditions as they existed as of approximately December 31, 2001 and management does not intend to provide Houlihan Lokey with any updated or revised financial projections in connection with the transactions. The financial projections do not take into account any circumstances or events occurring after the date they were prepared. In addition, factors such as industry performance, general business, economic, regulatory, market and financial conditions, as well as changes to the business, financial condition or results of operation of Trendwest, may cause the financial projections or the underlying assumptions to be inaccurate. As a result, the financial projections should not be relied upon as necessarily indicative of future results, and readers of this prospectus are cautioned not to place undue reliance on such financial projections.

In arriving at its fairness opinion, Houlihan Lokey reviewed key economic and market indicators, including, but not limited to, growth in the U.S. Gross Domestic Product, inflation rates, interest rates, consumer spending levels, manufacturing productivity levels, unemployment rates and general stock market performance. Houlihan Lokey s opinion is based on the business, economic, market and other conditions as they existed as of March 28, 2002 and on the Trendwest and MountainStar financial projections provided to Houlihan Lokey as of December 31, 2001. In rendering its opinion, Houlihan Lokey relied upon and assumed, without independent verification, that the accuracy and completeness of the financial and other information provided to Houlihan Lokey by the management of Trendwest, including the financial projections, was reasonably prepared and reflects the best currently available estimates of the financial results and condition of Trendwest; and that no material changes have occurred in the information reviewed between the date the information was provided and the date of the Houlihan Lokey opinion. Houlihan Lokey did not independently verify the accuracy or completeness of the information supplied to it with respect to Trendwest and does not assume responsibility for it. Houlihan Lokey did not make any independent appraisal of the specific properties or assets of Trendwest other than MountainStar.

Houlihan Lokey was not asked to opine and does not express any opinion as to: (i) the tax or legal consequences of the transactions; (ii) the realizable value of Cendant s common stock or the prices at which Cendant s common stock may trade in the future following the transactions; and (iii) the fairness of any aspect of the transactions not expressly addressed in its fairness opinion.

The Houlihan Lokey opinion does not address the underlying business decision to effect the transactions; nor does it constitute a recommendation to any shareholder as to how they should vote at the special meeting. Houlihan Lokey has no obligation to update the Houlihan Lokey opinion. Houlihan Lokey did not, and was not requested by Trendwest or any other person to, solicit third party indications of interest in acquiring all or any part of Trendwest or to make any recommendations as to the form or amount of consideration in connection with the transactions. Furthermore, at the request of the special committee, Houlihan Lokey has not negotiated any portion of the transactions or advised the special committee with respect to alternatives to them.

The summary set forth above describes the material points of more detailed analyses performed by Houlihan Lokey in arriving at its fairness opinion. The preparation of a fairness opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and application of those methods to the particular circumstances and is therefore not readily susceptible to summary description. In arriving at its opinion, Houlihan Lokey made qualitative judgments as to the significance and relevance of each analysis and factor. Accordingly, Houlihan Lokey believes that its analyses and summary set forth herein must be considered as a whole and that selecting portions of its analyses, without considering all analyses and factors, or portions of this summary, could create an incomplete and/or inaccurate view of the processes underlying the analyses set forth in Houlihan Lokey s fairness opinion. In its analysis, Houlihan Lokey made numerous assumptions with respect to Trendwest, MountainStar, the transactions, industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of the respective entities. The estimates contained in such analyses are not necessarily indicative of actual values or predictive of future results or values, which may be more or less favorable than suggested by such analyses. Additionally, analyses relating to the value of businesses or securities of Trendwest are not appraisals. Accordingly, such analyses and estimates are inherently subject to substantial uncertainty.

Stock Exchange Listing

Cendant has received authorization, subject to notice of issuance, from the NYSE for the listing of common stock issuable pursuant to the merger in exchange for Trendwest common stock. The trading symbol for CD Common Stock is CD. Following the merger, Trendwest shareholders will no longer be able to trade shares of Trendwest common stock on the Nasdaq or any other exchange because the existing Trendwest common stock will have ceased to exist and therefore will no longer be listed on any exchange or quoted on any quotation system.

Material United States Federal Income Tax Consequences of the Merger

The following is a general summary of the material United States federal income tax consequences of the merger to holders of Trendwest common stock who exchange their shares of Trendwest common stock for CD Common Stock in the merger. It does not address the tax consequences to holders of Trendwest common stock who exchange their shares of Trendwest common stock for CD Common Stock pursuant to the stock purchase agreement. This summary does not address all aspects of United States federal income taxation that may be applicable to Trendwest shareholders who exchange their shares of Trendwest common stock for CD Common Stock in the merger in light of their particular circumstances or who are subject to special treatment under United States federal income tax law, such as:

- certain U.S. expatriates;
- Trendwest shareholders who hold Trendwest common stock as part of a straddle, appreciated financial position, hedge, conversion transaction or other integrated investment;
- Trendwest shareholders whose functional currency is not the United States dollar;
- Trendwest shareholders who acquired Trendwest common stock through the exercise of employee stock options or otherwise as compensation or through a tax-qualified retirement plan;
- foreign persons and entities;
- financial institutions;
- insurance companies;
- tax-exempt entities;
- dealers in securities; and
- traders in securities that mark-to-market.

In addition, this summary does not discuss the consequences of the merger under state, local, or foreign tax law, and does not address the tax treatment to Trendwest shareholders who hold their shares of Trendwest common stock through a partnership or other pass-through entity. This discussion assumes that Trendwest shareholders hold their shares of Trendwest common stock as capital assets within the meaning of Section 1221 of the Code (generally, as property held for investment).

This summary is based on provisions of the Code, Treasury regulations promulgated under the Code, and administrative and judicial interpretation of the Code, all as in effect as of the date of this prospectus. There can be no assurance that future legislative, administrative or judicial changes or interpretations, which changes or interpretations could apply retroactively, will not affect the accuracy of the statements or conclusions set forth in this tax summary.

General

It is intended that the stock purchase and the merger will, for U.S. federal income tax purposes, be treated as an integrated transaction that will qualify as a reorganization under Section 368(a) of the Code, and Trendwest has received an opinion from its counsel, Heller Ehrman White & McAuliffe LLP, that, on the basis of the facts, representations, covenants, limitations and assumptions set forth or referred to in such opinion, the transaction will be treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. However, no ruling has been or will be sought from the IRS, as to the U.S. federal income tax consequences of the transaction. Accordingly, there can be no certainty that the IRS will not challenge the treatment of the transaction as a reorganization under Section 368(a) of the Code or that a court would not sustain such a challenge. If the transaction were to fail to qualify as a reorganization under Section 368(a) of the Code, then for U.S. federal income tax purposes, the merger would be a fully taxable transaction to the holders of Trendwest common stock and might also be a fully taxable transaction for state, local and foreign tax purposes. See United States Federal Income Tax Consequences of the Merger to Trendwest Shareholders if the Transaction Does Not Qualify as a Reorganization under Section 368(a) of the Code.

United States Federal Income Tax Consequences of the Merger to Trendwest Shareholders if the Transaction Qualifies as a Reorganization under Section 368(a) of the Code

Assuming that the transaction is treated as an integrated transaction that qualifies as a reorganization under Section 368(a) of the Code, for U.S. federal income tax purposes:

- a holder of Trendwest common stock will not recognize gain or loss upon the receipt of CD Common Stock in exchange for Trendwest common stock in the merger, except with respect to cash received instead of a fractional share of CD Common Stock;

- the aggregate tax basis of the shares of CD Common Stock received by a Trendwest shareholder in exchange for Trendwest common stock pursuant to the merger will be the same as the aggregate tax basis of such shareholder s Trendwest common stock surrendered in exchange for such CD Common Stock (reduced by the amount of basis allocable to any fractional share of CD Common Stock for which cash is received);

- the holding period of the shares of CD Common Stock received by a Trendwest shareholder in the merger will include the holding period of the Trendwest shareholder s Trendwest common stock surrendered in the merger; and

- a cash payment received by a Trendwest shareholder for a fractional share of CD Common Stock will be treated as if such fractional share had been issued in connection with the merger and then redeemed by Cendant for such cash payment; a Trendwest shareholder generally will recognize capital gain or loss with respect to such cash payment based on the difference between the amount of the cash received instead of such fractional share and such shareholder s tax basis in such fractional share.

United States Federal Income Tax Consequences of the Merger to Trendwest Shareholders if the Transaction Does Not Qualify as a Reorganization under Section 368(a) of the Code

If the transaction does not qualify as a reorganization under Section 368(a) of the Code, the material U.S. federal income tax consequences to holders of Trendwest common stock who exchange Trendwest common stock for shares of CD Common Stock in the merger would differ materially from the consequences summarized above, and would be as follows:

- a holder of Trendwest common stock who exchanged Trendwest common stock for CD Common Stock in the merger would recognize aggregate capital gain or loss in an amount equal to the difference between (1) the fair market value of the CD Common Stock received in the merger (including any cash received instead of a fractional share of CD Common Stock) and (2) the holder s aggregate tax basis in such shares of Trendwest common stock;
- the capital gain or loss recognized by a holder of Trendwest common stock would be long-term capital gain or loss if the holder had held the shares of Trendwest common stock for more than one year on the effective date of the merger;
- a holder of Trendwest common stock would have an aggregate tax basis in the CD Common Stock received pursuant to the merger equal to the fair market value of such CD Common Stock; and
- the holding period for CD Common Stock received by a holder of Trendwest common stock would commence on the day following the effective time of the merger.

HOLDERS OF TRENDWEST COMMON STOCK ARE STRONGLY ENCOURAGED TO CONSULT THEIR TAX ADVISORS AS TO THE SPECIFIC TAX CONSEQUENCES TO THEM OF THE MERGER, INCLUDING THE APPLICABILITY AND EFFECT OF FEDERAL, STATE, LOCAL AND FOREIGN INCOME AND OTHER TAX LAWS (INCLUDING LAWS RELATING TO REPORTING REQUIREMENTS).

Anticipated Accounting Treatment

The merger will be accounted for as a purchase for financial accounting purposes in accordance with accounting principles generally accepted in the United States. For purposes of preparing Cendant s consolidated financial statements, Cendant will establish a new accounting basis for Trendwest s assets and liabilities based upon their fair values, the merger consideration and the costs of the merger. Any excess of cost over the fair value of the net assets of Trendwest will be recorded by Cendant as goodwill. A final determination of the intangible asset values and required purchase accounting adjustments, including the allocation of the purchase price to the assets acquired and liabilities assumed based on their respective fair values, has not yet been made. Cendant will determine the fair value of Trendwest s assets and liabilities and will make appropriate purchase accounting adjustments, including adjustments to the amortization period of the intangible assets, upon completion of that determination.

Regulatory Approvals

Under the merger agreement, Cendant and Trendwest have agreed to use their reasonable good faith efforts to obtain all necessary actions or nonactions, waivers, consents and approvals from any governmental authority necessary to complete the merger. The required regulatory approvals include approvals of various state timeshare agencies, as described below. All other applications and notices have been filed, or are in the process of being filed.

Timeshare Regulatory Approvals

In connection with the acquisition of Trendwest by Cendant, Trendwest may be required to file amendments to certain registration statements and is required to obtain consents, approvals or exemptions in respect of the acquisition of Trendwest under state timeshare registration laws or, in states that do not have specific timeshare laws, related real estate or securities registration laws in states where Trendwest develops real estate properties, holds vacation ownership interests and/or offers, markets or sells vacation ownership interests.

If the approval of the acquisition of Trendwest by any of the authorities mentioned above is subject to compliance with certain conditions, there can be no assurance that the parties or their subsidiaries will be able to comply with such conditions or that compliance or non-compliance will not have adverse consequences for the combined company after consummation of the merger.

While Trendwest and Cendant believe that they will receive the requisite regulatory approvals for the merger, there can be no assurance regarding the timing of the approvals or the ability of the companies to obtain the approvals on satisfactory terms or the absence of litigation challenging such approvals or otherwise. The stock purchase was conditioned upon all required registrations and amendments having been made and written consents, approvals or exemptions having been obtained from the appropriate regulatory authorities under the timeshare laws (or, in the case of Australia, securities registration laws) in the following jurisdictions: Arizona, California, Colorado, Idaho, Missouri, Nevada, Oregon, Utah, Washington and Australia. See The Stock Purchase Agreement on page 62.

Foreign Regulatory Filings

Cendant has obtained the approval of the Australia Foreign Investment Review Board (FIRB) for the acquisition of Trendwest under the provisions of the Australia Foreign Acquisitions and Takeovers Act 1975.

Cendant and Trendwest are not aware of any other foreign governmental approvals or actions that may be required for consummation of the merger. Nonetheless, in connection with the merger, the laws of other foreign countries and jurisdictions in which Trendwest conducts its business may require the filing of information with, or the obtaining of the approval or consent of, governmental authorities in those countries and jurisdictions. The governments in those countries and jurisdictions might attempt to impose additional conditions on Trendwest s operations conducted in those countries and jurisdictions as a result of the merger. If such approvals or consents are found to be required, the parties intend to make the appropriate filings and applications. In the event that a filing or application is made for the requisite foreign approvals or consents, there can be no assurance that those approvals or consents will be granted and, if those approvals or consents are received, there can be no assurance as to the date of those approvals or consents.

State Takeover Laws

Sections 60.825-60.845 of the Oregon Revised Statutes (ORS) prevent an interested stockholder, generally a person who owns or has the right to acquire 15% or more of a corporation s outstanding voting stock, or an affiliate or associate thereof, from engaging in a business combination (defined to include mergers and certain other transactions) with an Oregon corporation for a period of three years following the date such person became an interested stockholder unless, among other things, prior to such date the board of directors of the corporation approved either the business combination or the transaction in which the interested stockholder became an interested stockholder. On March 28, 2002, prior to the execution of the stock purchase agreement, the merger agreement or the stock option agreement, the board of directors of Trendwest, approved each of these agreements, the stock purchase, the merger and the transactions contemplated by such agreements under and for purposes of the provisions Sections 60.825-60.845 of the ORS. Trendwest has taken all appropriate action so that neither Cendant nor Merger Sub is an interested stockholder pursuant to Sections 60.825-60.845 of the ORS and, accordingly, Sections 60.825-60.845 of the ORS are inapplicable to the merger.

Trendwest was subject to Sections 60.801 et seq. of the ORS, also known as the Oregon Control Share Act, which generally provides that a person who acquires voting stock of an Oregon corporation in a transaction (other than a transaction in which voting shares are acquired from the issuing public corporation) that results in the acquirer holding more than 20%, 33 1/3% or 50% of the total voting power of a corporation cannot vote the shares it acquires in the control share acquisition except in certain circumstances. On March 28, 2002, prior to the execution of the stock purchase agreement, the merger agreement or the stock option agreement, the board of directors of Trendwest amended the bylaws of Trendwest to provide that Sections 60.801 et seq. of the ORS relating to control share acquisitions, are not applicable to Cendant, Merger Sub or Trendwest.

A number of states have adopted takeover laws and regulations which purport to varying degrees to be applicable to attempts to acquire securities of corporations which are incorporated in such states or which have or whose business operations have substantial economic effects in such states, or which have substantial assets, security holders, principal executive offices or principal places of business therein. In 1982, the Supreme Court of the United States, in Edgar v. Mite Corp., invalidated on constitutional grounds the Illinois Business Takeovers Act, which as a matter of state securities law made takeovers of corporations meeting certain requirements more difficult, and the reasoning in such decision is likely to apply to certain other state takeover statutes. However, in 1987, in CTS Corp. v. Dynamics Corp. of America, the Supreme Court of the United States held that the State of Indiana could, as a matter of corporate law and in particular those aspects of corporate law concerning corporate governance, constitutionally disqualify a potential acquiror from voting on the affairs of a target corporation without the prior approval of the remaining stockholders, provided that such laws were applicable only under certain conditions. Subsequently, in TLX Acquisition Corp. v. Telex Corp., a federal district court in Oklahoma ruled that the Oklahoma statutes were unconstitutional insofar as they applied to corporations incorporated outside Oklahoma in that they would subject such corporations to inconsistent regulations. Similarly, in Tyson Foods, Inc. v. McReynolds, a federal district court in Tennessee ruled that four Tennessee takeover statutes were unconstitutional as applied to corporations incorporated outside Tennessee. This decision was affirmed by the United States Court of Appeals for the Sixth Circuit.

Except as described above, Cendant has not attempted to comply with any state takeover statutes in connection with the merger. Cendant reserves the right to challenge the validity or applicability of any state law allegedly applicable to the merger and nothing in this prospectus nor any action taken in connection herewith is intended as a waiver of that right.

Third-party Approvals

Trendwest is a party to a number of credit agreements, lease agreements, and other agreements which contain provisions granting the other party certain rights in the event of a change in control of Trendwest. The closing of the stock purchase was conditioned upon the receipt of certain consents in connection with such agreements. Pursuant to the merger agreement, each of Trendwest and JELD-WEN has agreed to use its reasonable actions necessary to obtain any consent, authorization, order or approval of, or any exemption by, any governmental authority or other public or private third party required to be obtained or made in connection with the various transactions contemplated by the merger agreement, the stock purchase agreement and the stock option agreement.

Dissenters or Appraisal Rights

Under Oregon law, shareholders that otherwise would be entitled to exercise dissenters rights do not have these rights if the stock affected is registered on a national securities exchange or is quoted on the National Association of Securities Dealers, Inc. Automated Quotation System as a National Market System issue. If Trendwest common stock is quoted on Nasdaq as a National Market System issue on the date on which Merger Sub delivers notice under Section 60.491 of the ORS of its intent to effect a short-form merger, dissenters rights will not be available in connection with the merger. Cendant does not intend to de-list the Trendwest common stock from Nasdaq, and has agreed in the merger agreement to use its reasonable efforts to maintain the listing of the Trendwest common stock on Nasdaq, until after completion of the merger.

Interests of Certain Persons in the Acquisition of Trendwest by Means of the Stock Purchase and the Merger

Some of the executive officers and directors of Trendwest, as well as JELD-WEN, Trendwest s principal and controlling shareholder, have interests in the acquisition of Trendwest in accordance with the terms of the stock purchase agreement and the merger agreement that are different from, or in addition to, the interests of Trendwest shareholders generally. These additional interests relate to, among other things:

- the requirement under the merger agreement that JELD-WEN and Trendwest effect the MountainStar redemption, pursuant to which the MountainStar development project was transferred, prior to the closing of the stock purchase, to JELD-WEN in exchange for shares of Trendwest common stock;
- the effect of the merger on employment agreements for certain executive officers, including the availability of termination payments;
- the accelerated vesting of all stock options held by all Trendwest employees, including officers; and
- the indemnification of, and provision of director and officer liability insurance for the directors and officers of Trendwest.

These interests, to the extent they are material, are described below. The Trendwest board of directors was aware of these interests and considered them, among other things, prior to approving the merger agreement and taking other actions relating to the acquisition of Trendwest.

MountainStar Redemption

JELD-WEN agreed to acquire the MountainStar development project from Trendwest immediately prior to the stock purchase in exchange for a number of its shares of Trendwest common stock. The purchase price was equal the net book value of MountainStar and the number of shares to be redeemed in payment of the purchase price will equal the purchase price divided by $24.00. The net book value of MountainStar represents Trendwest s investment to date in MountainStar, comprised of the price it paid for MountainStar in 2000 plus amounts subsequently spent in the development process less certain accrued liabilities, estimated at approximately $76 million as of March 31, 2002, net of approximately $32 million of debt that was transferred with MountainStar. JELD-WEN has granted Trendwest the exclusive right to develop, market and sell timeshare interests at MountainStar, subject to certain conditions.

Employment Agreements

Trendwest has entered into employment agreements with two of its named executive officers, William Peare, President and Chief Executive Officer, and Jeffery Sites, Executive Vice President and Chief Operating Officer.

The severance provisions contained in these two employment agreements do not contain any provisions that provide an acceleration of or increase in benefits in the event of a change in control. The agreements do provide that either Mr. Peare or Mr. Sites will be entitled to 12 months compensation including the prior year s bonus if their employment is terminated without cause.

Effects of the Merger on Grants Pursuant to Trendwest Stock Option Plan

Stock options were granted by Trendwest under its 1997 Employee Stock Option Plan, as amended. As a result of the stock purchase, the unvested portion of stock options granted under the stock option plan became fully vested in accordance with the provisions of the stock option plan. Under the terms of the merger agreement, Cendant has agreed to assume each outstanding stock option granted under the stock option plan. Each stock option outstanding at the effective time of the merger will automatically be converted into the right to receive a number of shares of CD Common Stock equal to the number of shares of Trendwest common stock for which the stock option was then exercisable multiplied by the exchange ratio used to determine the merger consideration payable under the merger agreement to Trendwest s public shareholders. The exercise price for each stock option will be equal to the exercise price subject to the stock option immediately prior to the effective time of the merger divided by the exchange ratio used to determine the merger consideration payable under the merger agreement to Trendwest s public shareholders. All other terms and conditions of the converted options will remain the same.

The following chart sets forth, as of March 30, 2002, the total number of Trendwest stock options granted to Trendwest s directors and executive officers under Trendwest s stock option plan, the total number of stock options that vest immediately upon a change of control of Trendwest and the weighted average exercise price of the vested stock options which vest as a result of a change of control.

Name	Total Number of Stock Option Grants	Number of Stock Options Vested as a Result of Change of Control	Weighted Average Exercise Price of Vested Stock Options That Vest as a Result of Change of Control
Gene Hensley	84,000	37,200	$15.04
Tim O Neil	48,000	33,600	$15.13
William Peare	84,000	37,200	$15.04
Alan Schriber	84,000	37,200	$15.04
Jeffery Sites	84,000	37,200	$15.04

Effect of the Merger on Trendwest Employee Stock Purchase Plan

At or prior to the effective time of the merger, in connection with the merger, Trendwest will take all actions necessary to terminate the Trendwest 1999 Employee Stock Purchase Plan and will take all necessary steps to refund, without interest, to each participant in the employee stock purchase plan any amounts withheld from such participant s compensation pursuant to an enrollment agreement under the employee stock purchase plan to the extent such amount has not be used to purchase shares of Trendwest common stock prior to the termination of the employee stock purchase plan.

Directors and Officers

Promptly following the stock purchase, Cendant was entitled to designate a number of directors of the Trendwest board of directors multiplied by Cendant s percentage share ownership. Trendwest agreed to use its best efforts either to increase the size of the Board or to secure the resignations of the appropriate number of its incumbent directors other than directors on Trendwest s designated special committee to enable Cendant s designees to be nominated and elected. Immediately following the stock purchase, William F. Peare, Jeffrey P. Sites, Jerol E. Andres, Douglas P. Kintzinger and Roderick C. Wendt resigned as members of Trendwest s board of directors, and Trendwest s remaining directors elected James E. Buckman, Stephen P. Holmes, Samuel L. Katz, and Kevin M. Sheehan, each a designee of Cendant, to fill the resulting vacancies on Trendwest s board of directors. Cendant agreed in the merger agreement that, until the merger, it would not remove any of the special committee directors. In connection with the merger, the directors of Merger Sub shall, on and after the completion of the merger, become the directors of the surviving company. The officers of Trendwest shall, on and after the completion of the merger, become the officers of the surviving company.

Indemnification and Insurance

Trendwest s current directors and executive officers have executed indemnification agreements whereby Trendwest has agreed to indemnify each of them for acts or omissions in their capacities as directors or officers of Trendwest. Under the terms of the merger agreement, the surviving company has agreed, for a period of six years after the effective time of the merger, to indemnify the directors and officers of Trendwest and its subsidiaries for any acts or omissions occurring on or prior to the effective time of the merger, to the fullest extent permissible under applicable provisions of the Oregon Business Corporation Act, Trendwest s articles of incorporation or bylaws, or under any such agreements.

The surviving company will also maintain Trendwest s current directors and officers liability insurance policy for a period of three years following the effective time of the merger. Directors and officers liability insurance policies on terms and in amounts no less favorable than those in effect prior to the effective time of the merger may however be substituted. If the existing directors and officers liability insurance policy expires or is terminated or cancelled during such period, then reasonable best efforts will be used to obtain a substantially similar directors and officers liability insurance policy. In no event will Cendant or the surviving company be required to pay aggregate premiums for insurance in excess of 200% of the premium which was paid by Trendwest in 2001 or prior to March 30, 2002, whichever is greater, If Cendant or the surviving company is unable to obtain the amount of insurance required by merger agreement, Cendant or the surviving company will obtain as much insurance as can be obtained for an annual premium not in excess of 200% of the aforementioned premium.

Business Relationships Between Cendant and JELD-WEN and JELD-WEN Affiliates

JELD-WEN has agreed not to compete with Trendwest following the stock purchase for a period of five years, with certain limited exceptions relating to operations at MountainStar and at its Eagle Crest and Running Y resorts.

JELD-WEN has agreed that following the merger, until December 31, 2002, it will continue to provide to Trendwest s employees a number of the employee benefits currently being provided by JELD-WEN, with JELD-WEN to charge Trendwest its actual direct costs for the provision of such benefits plus administrative fees of $22.50 per month per employee.

Trendwest participated in the vacation interval exchange networks operated by Resort Condominiums International, LLC, a subsidiary of Cendant, pursuant to agreements that terminated in 2001. The net amount paid by Trendwest to Cendant in 2001 in conjunction with its participation under these agreements was approximately $1.9 million.

Delisting and Deregistration of Trendwest Common Stock

If the merger is completed, the shares of Trendwest common stock will be delisted from Nasdaq and deregistered under the Securities Exchange Act of 1934. Consequently, following completion of the merger, Trendwest shareholders will no longer be able to trade shares of Trendwest common stock on any stock exchange.

Restrictions on Resales by Affiliates of Trendwest

We are registering the shares of CD Common Stock to be issued to Trendwest shareholders in the merger under the Securities Act of 1933 and are also registering for resale the shares of CD Common Stock issued and to be issued to Trendwest shareholders under the stock purchase agreement under the Securities Act of 1933. These shares may be traded freely and without restriction by those stockholders not deemed to be affiliates of Trendwest as that term is defined under the Securities Act. An affiliate of a corporation, as defined by the rules promulgated under the Securities Act, is a person who directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with that corporation. Any subsequent transfer by an affiliate of Trendwest must be one permitted by the resale provisions of Rule 145 promulgated under the Securities Act or as otherwise permitted under the Securities Act. These restrictions are expected to apply to the directors and executive officers of Trendwest as well as to certain other related individuals or entities, including JELD-WEN.

THE MERGER AGREEMENT

The following is a description of the material terms of the merger agreement, but does not purport to describe all the terms of the merger agreement. The provisions of the merger agreement are complicated and not easily summarized. The full text of the merger agreement is attached as Annex A to this prospectus and is incorporated herein by reference.

SHAREHOLDERS OF TRENDWEST ARE URGED TO READ THE MERGER AGREEMENT IN ITS ENTIRETY FOR A MORE COMPLETE DESCRIPTION OF THE MERGER AND THE OTHER TRANSACTIONS CONTEMPLATED BY THE MERGER AGREEMENT BECAUSE IT IS THE LEGAL DOCUMENT THAT GOVERNS THE MERGER. IN THE EVENT OF ANY DISCREPANCY BETWEEN THE TERMS OF THE MERGER AGREEMENT AND THE FOLLOWING SUMMARY, THE MERGER AGREEMENT WILL CONTROL.

Introduction: Transactions

The Stock Purchase

Under the terms of the stock purchase agreement, on April 30, 2002, approximately 90.1% of the outstanding Trendwest common stock was purchased by Merger Sub from JELD-WEN and certain other shareholders of Trendwest. A more thorough description of the terms of the stock purchase agreement can be found below under The Stock Purchase Agreement pages 62 through 65.

The Stock Option

Under the terms of the stock option agreement, Merger Sub has the right to purchase newly issued stock from Trendwest at a price of $24.00 per share so as to assure us that we beneficially own at least 90% of the Trendwest common stock then outstanding. This option assures us that the merger will be effected via a short-form merger under Section 60.491 of the Oregon Revised Statues. A more thorough description of the terms of the stock option agreement can be found below under The Stock Option Agreement.

Form of the Merger; Charter Documents of Trendwest

Under the terms of the merger agreement, Merger Sub will be merged with and into Trendwest. Trendwest will be the surviving company in the merger and will continue its corporate existence under Oregon law as a wholly owned subsidiary of Cendant. Merger Sub will cease to be an entity as a result of the merger. The articles of incorporation and bylaws of Merger Sub in effect immediately prior to the effective time of the merger will become the articles of incorporation and bylaws of Trendwest following the merger. The name of the surviving company will be Trendwest Resorts, Inc.

Timing of Closing

We will complete the merger when all of the conditions to completion of the merger contained in the merger agreement described in the section entitled Conditions to the Merger beginning on page 60 of this prospectus are satisfied or waived. The merger will become effective upon the filing of articles of merger with the Secretary of State of the State of Oregon.

Merger Consideration

At the effective time of the merger, Trendwest common stock (other than Trendwest common stock held by Cendant or any wholly owned subsidiary of Cendant) will be converted, without any action on the part of the holder, in accordance with the exchange procedures below, into the right to receive, for each share of Trendwest common stock, the merger consideration. The merger consideration will be 1.3074 shares of CD Common

Stock (rounded to the nearest thousandth of a share), which is the greater of the JELD-WEN exchange ratio of 1.2973, determined as described in the section entitled The Stock Purchase Agreement Consideration, and the merger exchange ratio of 1.3074, determined as follows:

the merger exchange ratio was determined by dividing $24.00 by the average Cendant merger trading price, so that if the average Cendant merger trading price was in between $16.15 and $18.50, then the exchange ratio would be between 1.2973 and 1.4861;

in the event that the average Cendant merger trading price had been less than $16.15 but greater than or equal to $13.50, then the merger exchange ratio would have been equal to 1.4861; and

in the event that the average Cendant merger trading price had been less than $13.50, then the exchange ratio would have equaled the quotient of $20.062 divided by the average Cendant merger trading price.

The average Cendant merger trading price is $18.357, which is the arithmetic average of the 4:00 p.m. eastern time closing sales prices of CD Common Stock reported on the New York Stock Exchange Composite Tape for the ten consecutive NYSE trading days ending on (and including) May 21, 2002, the second trading day immediately prior to, and excluding the date that the registration statement in which this prospectus is included became effective.

The exchange ratio in the merger will also be appropriately and equitably adjusted if the number of outstanding shares of either CD Common Stock or Trendwest common stock changes as a result of any stock split, reverse stock split, stock dividend, reclassification or any similar transaction.

At the effective time of the merger, all shares of Trendwest common stock will no longer be outstanding and will be cancelled and retired and will cease to exist. Following the effective time of the merger, each holder of Trendwest common stock (other than Trendwest, Cendant or any wholly owned subsidiary of Cendant) will cease to have any rights with respect to their shares of Trendwest common stock, except the right to receive, without interest, the merger consideration.

Conversion of Shares; Exchange Agent; Procedures for Exchange of Certificates; Fractional Shares

At the effective time of the merger, Trendwest common stock will automatically convert into the right to receive the merger consideration. At that time or promptly thereafter, Cendant will deposit with the exchange agent all of the merger consideration.

Cendant has appointed Mellon Investor Services to act as exchange agent for the merger. The exchange agent will receive the merger consideration from Cendant and distribute it to Trendwest shareholders who properly surrender their Trendwest stock certificates in accordance with the exchange agent s instructions. A transmittal letter with instructions for the surrender of stock certificates will be mailed to you as soon as reasonably practicable after completion of the merger.

After the effective time of the merger, each certificate that previously represented shares of Trendwest common stock will represent only the right to receive the merger consideration. The merger consideration will also include cash payable in lieu of fractional shares of CD Common Stock and dividends or other distributions on CD Common Stock with record dates after the effective time of the merger. However, no dividends or other distributions with respect to CD Common Stock with a record date after the effective time of the merger shall be paid to you and no cash payment in lieu of fractional shares of CD Common Stock shall be paid to you until the holder of record of your certificate(s) surrenders the certificate in accordance with the exchange agent s instructions. No interest will be paid or will accrue on the cash payable upon surrender of your certificate(s).

If there is a transfer of ownership of Trendwest common stock that is not registered in the transfer records of Trendwest, exchange and payment may be made to the transferee if the certificate representing those shares of

Trendwest common stock is presented to the exchange agent, accompanied by all documents required to evidence and effect the transfer and to evidence that any applicable stock transfer taxes have been paid.

Cendant will not issue fractional shares of CD Common Stock to you upon surrender of your certificates. In addition, no dividend or distribution of Cendant will relate to fractional share interests and the fractional share interest will not entitle you to vote or to any rights of a stockholder of Cendant. In lieu of the issuance of fractional shares, you will receive cash in an amount, less the amount of any required withholding taxes, equal to the product of the fractional part of a share that you are entitled to receive and the average Cendant merger trading price.

Effect on Stock Based Awards; Employee Stock Purchase Plan

Each outstanding stock option or other right to acquire shares of Trendwest common stock granted under the Trendwest 1997 Employee Stock Option Plan, whether or not then exercisable or vested, which is outstanding and unexercised immediately prior to the merger, will become vested immediately prior to the effective time of the merger and cease to represent a right to acquire shares of Trendwest common stock and will be assumed by Cendant and will be converted into options to purchase shares of CD Common Stock.

The number of shares of CD Common Stock to be subject to each converted option will be equal to the product of the number of shares of Trendwest common stock subject to the original option and the exchange ratio which is used to determine the merger consideration, rounded down to the nearest whole share.

The exercise price per share of CD Common Stock under each converted option will be equal to the exercise price per share of Trendwest common stock under the original option divided by the same exchange ratio which is used to determine the merger consideration, but that exercise price will be rounded up to the nearest cent. Except as set forth above, the other provisions of the converted option will remain unchanged.

Effective at or prior to the effective time of the merger, Trendwest will take all actions necessary to terminate the 1999 Employee Stock Purchase Plan and will take all steps to refund, without interest, to you, if you are a participant, any amounts it withheld from your compensation under an enrollment agreement under the 1999 Employee Stock Purchase Plan to the extent that it has not been used to purchase shares of Trendwest Common stock on an ending date (as defined in the plan).

Board of Directors and Officers of the Surviving Company

After the closing of the stock purchase, Trendwest agreed to use its best efforts to have a number of designees that Cendant designates to be elected or appointed to the Trendwest board of directors equal to the product of the percentage of shares of Trendwest common stock that we own and the number of directors (after giving effect of adding our designees). Immediately following the stock purchase, William F. Peare, Jeffrey P. Sites, Jerol E. Andres, Douglas P. Kintzinger and Roderick C. Wendt resigned as members of Trendwest s board of directors, and Trendwest s remaining directors elected James E. Buckman, Stephen P. Holmes, Samuel L. Katz, and Kevin M. Sheehan, each a designee of Cendant, to fill the resulting vacancies on Trendwest s board of directors.

After the merger, the directors of Merger Sub will be the directors of Trendwest. After the merger, the officers of Trendwest will continue to serve in their respective offices until their successors are elected or appointed or until their resignations or removal.

Representations and Warranties

Representations and Warranties by Trendwest

The merger agreement, including schedules thereto, contains a number of