Cendant Corporation ("CD & adj. CKQ/LSM/ZLG/VQX") has announced a 1-for-10 reverse common stock split, in which each outstanding share of CD Common Stock will automatically be converted into 0.10 of a share of CD Common Stock. The ex-date for the reverse common stock split is anticipated to be Tuesday, September 5, 2006. In addition, Cendant Corporation will change its name and common stock symbol to Avis Budget Group, Inc. ("CAR").

Please note that the adjusted CKQ/LSM/ZLG option contracts currently represent A) 100 shares of Cendant Corporation ("CD") Common Stock; plus (B) 25 shares of Realogy Corporation ("H") Common Stock; plus (C) 20 shares of Wyndham Worldwide Corporation ("WYN") Common Stock, and has a contract multiplier of 100.

Also, please be aware that the further adjusted VQX option contract currently represents (A) 100 shares of Cendant Corporation ("CD") Common Stock; plus (B) 5 shares of PHH Corporation ("PHH"); plus (C) 25 shares of Realogy Corporation ("H") Common Stock; plus (D) 20 shares of Wyndham Worldwide Corporation ("WYN") Common Stock, and has a contract multiplier of 100.

See CBOE Research Circular #RS06-625, dated July 18, 2006, for more information on the previous CKQ/LSM/ZLG/VQX contract adjustments.

**Contract Adjustment**

Pursuant to Article VI, Section 11 of OCC's By-Laws, all adj. CKQ/LSM/ZLG/VQX options outstanding as of Tuesday, September 5, 2006, shall be further adjusted as follows:

A) The previously adjusted CKQ/LSM/ZLG series will be further adjusted to require the per-contract delivery or receipt of: (A) 10 shares of Avis Budget Group, Inc. ("CAR") Common Stock; plus (B) 25 shares of Realogy Corporation ("H") Common Stock; plus (C) 20 shares of Wyndham Worldwide Corporation ("WYN") Common Stock. The CKQ/LSM/ZLG option symbols will remain the same. Premiums and strike-price amounts for the further adjusted CKQ/LSM/ZLG options will continue to be calculated on the basis of a multiplier of 100, i.e., for premium and strike-price extensions, 1.00 will equal $100. Strike prices will remain the same.

B) The previously adjusted VQX series will be further adjusted to require the per-contract delivery or receipt of: (A) 10 shares of Avis Budget Group, Inc. ("CAR") Common Stock; plus (B) 5 shares of PHH Corporation ("PHH"); plus (C) 25 shares of Realogy Corporation ("H") Common Stock;
plus (D) 20 shares of Wyndham Worldwide Corporation ("WYN") Common Stock. The VQX option symbol will remain the same. Premiums and strike-price amounts for the further adjusted VQX options will continue to be calculated on the basis of a multiplier of 100, i.e., for premium and strike-price extensions, 1.00 will equal $100. Strike prices will remain the same.

[Any FLEX series that may exist will be adjusted in a similar manner to the standardized option.]

**New Unadjusted Series**

To facilitate the maintenance of a fair and orderly market for Avis Budget Group, Inc options, new CAR series with a contract unit of 100 shares will be introduced on Wednesday, September 6, 2006. The CAR series will be added for September, October, November, January, and February expirations at exercise prices nearest the money, and will use the standard OPRA price symbols.

**Settlement Procedures**

The OCC will delay settlement of adj. CKQ/LSM/ZLG/VQX exercise and assignment activity until the end of "when issued" trading in Avis Budget Group, Inc. ("CAR"), if any.

**Order Entry After Adjustment**

In entering orders, it is essential for member firms to identify trades in old (adjusted) series with the option symbols CKQ/LSM/ZLG/VQX; trades in the new (unadjusted) Cendant Corporation series must have the standard option symbol CAR. Brokers should make certain that customers entering closing transactions describe the option series with the correct symbol. Negligence in this matter could lead customers to establish new positions in unadjusted series rather than closing out existing positions in adjusted series.

**Position and Exercise Limits**

The CBOE Department of Market Regulation has determined that: "The position and exercise limits following this reverse stock split will remain the same."

Questions regarding this memo can be addressed to Options Industry Services at 1-888-OPTIONS (1-888-678-4667). CBOE contract adjustment memos can also be accessed from CBOE.com at the following web address:

http://www.cboe.com/ContractAdjustments