

AVIS BUDGET GROUP, INC.

Form 424B3

November 08, 2011

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Filed Pursuant to Rule 424(b)(3)  
Registration No. 333-177490

Prospectus

**\$250,000,000**

**Avis Budget Car Rental, LLC**

**Avis Budget Finance, Inc.**

**Exchange Offer for**

**9.75% Senior Notes due 2020**

Offer for outstanding 9.75% Senior Notes due 2020, in the aggregate principal amount of \$250,000,000 (which we refer to as the Old Notes ) in exchange for up to \$250,000,000 in aggregate principal amount of 9.75% Senior Notes due 2020 which have been registered under the Securities Act of 1933, as amended (which we refer to as the Exchange Notes and, together with the Old Notes, the notes ).

**Terms of the Exchange Offer:**

Expires 5:00 p.m., New York City time, December 12, 2011, unless extended.

You may withdraw tendered outstanding Old Notes any time before the expiration or termination of the exchange offer.

Not subject to any condition other than that the exchange offer does not violate applicable law or any interpretation of the staff of the Securities and Exchange Commission.

We can amend or terminate the exchange offer.

We will not receive any proceeds from the exchange offer.

The exchange of Old Notes for the Exchange Notes should not be a taxable exchange for United States federal income tax purposes. See Certain United States federal income tax considerations.

**Terms of the Exchange Notes:**

The Exchange Notes will be our senior unsecured obligations, will rank equally with all our existing and future senior unsecured debt and will be senior to all our existing and future subordinated debt. Most of our other debt is secured, including our senior credit facilities, and, as such, holders of our secured indebtedness will have a priority claim on our assets that secure our secured indebtedness. In addition, the Exchange Notes will be effectively subordinated in right of payment to all of our and the guarantors existing and future secured indebtedness to the extent of the value of the collateral securing such indebtedness and will be structurally subordinated in right of payment to all of our non-guarantor subsidiaries existing and future indebtedness and other liabilities. See Description of Exchange Notes.

The Exchange Notes will mature on March 15, 2020. The Exchange Notes will bear interest semi-annually in cash in arrears on March 15 and September 15 of each year, beginning on March 15, 2012.

We may redeem the Exchange Notes in whole or in part from time to time. See Description of Exchange Notes.

Upon a change of control, we may be required to offer to repurchase the Exchange Notes.

The terms of the Exchange Notes are substantially identical to those of the outstanding Old Notes, except the transfer restrictions, registration rights and additional interest provisions relating to the Old Notes do not apply to the Exchange Notes.

**For a discussion of the specific risks that you should consider before tendering your outstanding Old Notes in the exchange offer, see Risk factors beginning on page 13 of this prospectus.**

There is no established trading market for the Old Notes or the Exchange Notes.

Each broker-dealer that receives Exchange Notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes. A broker dealer who acquired Old Notes as a result of market making or other trading activities may use this exchange offer prospectus, as supplemented or amended from time to time, in connection with any resales of the Exchange Notes.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Exchange Notes or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

**The date of this prospectus is November 8, 2011**

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Each broker-dealer that receives Exchange Notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes. By so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. A broker dealer who acquired Old Notes as a result of market making or other trading activities may use this prospectus, as supplemented or amended from time to time, in connection with any resales of the Exchange Notes. We have agreed that, for a period of up to 180 days after the closing of the exchange offer, we will make this prospectus available for use in connection with any such resale. See Plan of distribution .

You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with information different from that contained in this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy securities other than those specifically offered hereby or an offer to sell any securities offered hereby in any jurisdiction where, or to any person whom, it is unlawful to make such offer or solicitation. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our 9.75% Senior Notes due 2020.

This prospectus incorporates important business and financial information about Avis Budget Group that is not included or delivered with this prospectus. You may obtain copies of documents that Avis Budget Group files with the Securities Exchange Commission and incorporates by reference into this prospectus free of charge in writing or by telephone from:

Avis Budget Group, Inc.

6 Sylvan Way

Parsippany, NJ 07054

Attention: Investor Relations

(973) 496-4700

To obtain timely delivery of this information, you must request the information no later than December 5, 2011.

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Avis Budget Car Rental, LLC is a Delaware limited liability company ( ABCR ) and an indirect subsidiary of Avis Budget Group, Inc., a Delaware corporation ( Avis Budget Group ). Avis Budget Finance, Inc. is a Delaware corporation ( Avis Finance ) and a wholly-owned subsidiary of ABCR. In this prospectus, unless

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otherwise indicated or the context otherwise requires, **issuer** refers to each of ABCR and Avis Finance, collectively the **issuers**, and not to any of their other subsidiaries; we, **us**, **our** and **Avis Budget Group** refer to Avis Budget Group, Inc. and its subsidiaries; **Avis** and **Budget** refer to Avis and Budget operations, respectively, prior to the consummation of the Avis Europe Acquisition (as defined below), and do not include the operations of Avis Europe plc, now known as Avis Budget EMEA, Limited (**Avis Europe**), and its subsidiaries, unless otherwise expressly stated as further discussed below; and **initial purchasers** refers to Morgan Stanley & Co. LLC, Citigroup Global Markets Inc., Credit Agricole Securities (USA) Inc., Scotia Capital (USA) Inc. and RBS Securities Inc., the initial purchasers of the Old Notes.

Our principal executive offices are located at 6 Sylvan Way, Parsippany, New Jersey 07054, and our main telephone number at that address is (973) 496-4700. Our website is located at <http://www.avisbudgetgroup.com>. The information contained on our website or that can be accessed through our website is not part of this prospectus and you should not rely on that information. The foregoing Internet websites are inactive textual references only, meaning that the information contained on the websites is not a part of this prospectus and is not incorporated in this prospectus by reference.

### **MARKET, RANKING AND OTHER INDUSTRY DATA**

This prospectus includes industry share and industry data and forecasts that we obtained from industry publications and surveys and internal company sources. Industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. We have not independently verified any of the data from third-party sources nor have we ascertained the underlying economic assumptions relied upon therein and cannot guarantee the accuracy or completeness of any such data or the related forecasts contained in this prospectus. Statements as to our industry position are based on data currently available to us. Information with respect to our brand loyalty was provided by Brand Keys, a third-party research firm specializing in brand loyalty measurement.

While we are not aware of any misstatements regarding our industry data presented herein, our estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under the headings **Special note regarding forward-looking statements** and **Risk factors** in this prospectus.

### **TRADEMARKS, SERVICE MARKS AND TRADE NAMES**

We own the trademarks, service marks and trade names that we use in connection with the operation of our business. The service marks **Avis** and **Budget**, related marks incorporating the words **Avis** or **Budget**, and related logos and marks such as **We try harder** are material to our operations. Our subsidiaries and licensees actively use these marks. All of the material marks used in our business are registered (or have applications pending for registration) with the United States Patent and Trademark Office as well as major countries worldwide where our subsidiaries and licensees are in operation. Our subsidiaries own the marks used in our business.

### **INCORPORATION OF CERTAIN DOCUMENTS**

This prospectus incorporates by reference the documents and reports listed below, which have been filed with the United States Securities and Exchange Commission (the **SEC**) (other than portions of these documents that are furnished under Item 2.02 or Item 7.01 of a Current Report on Form 8-K, unless otherwise indicated herein):

Avis Budget Group's Annual Report on Form 10-K for the year ended December 31, 2010 filed with the SEC on February 24, 2011 (the **2010 10-K**);

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Avis Budget Group's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2011 filed with the SEC on May 6, 2011 (the 2011 First Quarter 10-Q ) and Avis Budget Group's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2011 filed with the SEC on August 8, 2011 (the 2011 Second Quarter 10-Q );

Avis Budget Group's Definitive Proxy Statement under Regulation 14A in connection with our Annual Meeting of Stockholders filed with the SEC on March 25, 2011;

Avis Budget Group's Current Reports on Form 8-K and Form 8-K/A filed with the SEC on August 2, 2011, August 30, 2011, September 12, 2011, September 27, 2011, October 5, 2011, October 14, 2011, October 20, 2011, October 25, 2011 and October 26, 2011; and

information contained in reports or documents that we file with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Exchange Act after the date of this prospectus until the sale of all of the notes covered by this prospectus or the termination of this offering. The information contained on Avis Europe's website is not part of this prospectus and is not incorporated into this prospectus by reference.

We also incorporate by reference the information contained in all other documents we file with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act (other than portions of these documents that are furnished under Item 2.02 or Item 7.01 of a Current Report on Form 8-K, unless otherwise indicated therein) after the date of this prospectus and prior to the termination of the exchange offer. The information contained in any such document will be considered part of this prospectus from the date the document is filed with the SEC. You may request free copies of these filings by writing or telephoning us at the following address or telephone number, as applicable, attention Investor Relations:

Avis Budget Group, Inc.

6 Sylvan Way

Parsippany, New Jersey 07054

(973) 496-4700

**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

The forward-looking statements contained herein are subject to known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on various facts 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 our future financial performance, business strategy, projected plans and objectives. Statements preceded by, followed by or that otherwise include the words believes, expects, anticipates, intends, projects, estimates, plans, may increase, may fluctuate and similar expressions or future or conditional verbs such as will, should, would, may 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 high level of competition in the vehicle rental industry and the impact such competition may have on pricing and rental volume;

an increase in our fleet costs as a result of an increase in the cost of new vehicles, disruption in the supply of new vehicles and/or a decrease in the price at which we dispose of used vehicles either in the used vehicle market or under repurchase or guaranteed depreciation programs;



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the results of operations or financial condition of the manufacturers of our cars, which could impact their ability to perform their payment obligations under the agreements we have with them, including repurchase and/or guaranteed depreciation arrangements, and/or their willingness or ability to make cars available to us or the rental car industry as a whole on commercially reasonable terms or at all;

any reduction in travel demand, including any reduction in airline passenger traffic;

any weakness in economic conditions generally, including in the housing market, particularly during our peak season or in key market segments;

our ability to continue to achieve and maintain cost savings and successfully implement our business strategies;

our ability to obtain financing for our operations, including the funding of our vehicle fleet via the asset-backed securities and lending market consistent with current costs, and the financial condition of financial-guaranty firms that have insured a portion of our outstanding vehicle-backed debt;

an occurrence or threat of terrorism, pandemic disease, natural disasters or military conflict in the locations in which we operate;

our dependence on third-party distribution channels, third-party suppliers of other services and co-marketing arrangements with third parties;

our ability to utilize derivative instruments, and the impact of derivative instruments we currently utilize, which can be affected by fluctuations in interest rates, gasoline prices and exchange rates, changes in government regulations and other factors;

our ability to accurately estimate our future results;

a major disruption in our communication network or information systems;

our exposure to uninsured claims in excess of historical levels;

our failure or inability to comply with regulations or contractual obligations or any changes in regulations or contractual obligations, including with respect to personally identifiable information;

any impact on us from the actions of our licensees, dealers and independent contractors;

substantial increases in the cost, or decreases in the supply, of fuel, vehicle parts, energy, labor or other resources on which we depend to operate our business;

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risks related to our indebtedness, including our substantial amount of debt and our ability to incur substantially more debt;

our ability to meet the financial and other covenants contained in the agreements governing our indebtedness;

the terms of agreements among us and our former real estate, hospitality and travel distribution businesses following the separation of those businesses from us during third quarter of 2006, particularly with respect to the allocation of assets and liabilities, including contingent liabilities and guarantees, the ability of each of the separated companies to perform its obligations, including its indemnification obligations, under these agreements, and the former real estate business' right to control the process for resolving disputes related to contingent liabilities and assets;

risks associated with litigation involving our company;

risks related to tax obligations and the effect of future changes in accounting standards;

risks related to the Avis Europe Acquisition, including our ability to realize the synergies contemplated by the transaction, the incurrence of incremental indebtedness to help fund such acquisition, and our ability to promptly and effectively integrate the businesses of Avis Europe and Avis Budget Group;



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risks related to other potential acquisitions or investments including any incurrence of incremental indebtedness to help fund such transactions and our ability to promptly and effectively integrate any acquired businesses;

other business, economic, competitive, governmental, regulatory, political or technological factors affecting our operations, pricing or services; and

other risks referenced in the section titled "Risk factors" of this prospectus and in the 2010 10-K and 2011 Second Quarter 10-Q. Other factors and assumptions not identified above, including those described in the section of this prospectus titled "Risk factors," as well as those incorporated by reference to the 2010 10-K, the 2011 First Quarter 10-Q and the Second Quarter 10-Q, were also involved in the derivation of these forward looking statements, and the failure of such assumptions to be realized, as well as other factors, may also cause actual results of operations, financial condition and liquidity to differ materially from those projected. Most of these factors are difficult to predict accurately and are generally beyond our control. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate are consistent with the forward-looking statements contained in this prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

Given these risks and uncertainties, you are cautioned not to place undue reliance on these forward-looking statements. Any forward-looking statements, which we make in this prospectus, speak only as of the date of such statement, and except to the extent of our obligations under the federal securities laws, we undertake no obligation to update such statements or to publicly announce the results of any revisions to any such statements to reflect future events or developments unless required by law. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data. For any forward-looking statements contained in any document, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

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**PROSPECTUS SUMMARY**

This summary highlights material information about our business and about this offering of notes. This is a summary of material information contained elsewhere in this prospectus and incorporated by reference and is not complete and does not contain all of the information that may be important to you. For a more complete understanding of our business and this offering, you should read this entire prospectus, including the section entitled "Risk factors," as well as the consolidated financial statements, the related notes thereto and the other information incorporated by reference into this prospectus.

**Company Overview**

We operate two of the most recognized brands in the global vehicle rental industry through Avis and Budget. Avis is a leading rental car supplier positioned to serve the premium commercial and leisure segments of the travel industry and Budget is a leading rental car supplier focused primarily on more value-conscious segments of the industry. We are a leading vehicle rental operator in North America, Europe (following the acquisition of Avis Europe), Australia, New Zealand and certain other regions we serve and our licensees operate the Avis and Budget brands in other parts of the world. We generally maintain a leading share of airport car rental revenue and we operate one of the leading consumer truck rental businesses in the United States. As more fully described below, we completed the Avis Europe Acquisition on October 3, 2011.

Our car rental business enjoys significant benefits from operating two distinct brands that target different industry segments but share the same fleet, maintenance facilities, systems, technology and administrative infrastructure. We believe that Avis and Budget both enjoy complementary demand patterns with mid-week commercial demand balanced by weekend leisure demand. In 2010, we generated total revenues of \$5,185 million. The Avis, Budget and Budget Truck brands accounted for approximately 62%, 31% and 7% of our revenue, respectively, in 2010.

We categorize our operations in three operating segments: Domestic Car Rental, consisting of our Avis and Budget U.S. car rental operations; International Car Rental, consisting of our international Avis and Budget vehicle rental operations; and Truck Rental, consisting of our Budget truck rental operations in the United States. In 2010:

*Domestic Car Rental.* Our domestic car rental segment generated approximately 71 million rental days and average time and mileage revenue per day of \$41.70 with an average rental fleet of approximately 268,000 vehicles;

*International Car Rental.* Our international car rental segment generated approximately 13 million rental days and average time and mileage revenue per day of \$47.75 with an average rental fleet of approximately 51,000 vehicles; and

*Truck Rental.* Our truck rental segment generated approximately 4 million rental days and average time and mileage revenue per day of \$73.06 with an average rental fleet of approximately 27,000 trucks.

On average, our global rental fleet totaled more than 345,000 vehicles, and we completed more than 22 million vehicle rental transactions worldwide in 2010. In the United States, in 2010, we derived approximately 81% of our nearly \$4.0 billion in domestic car rental revenue from on-airport locations and approximately 19% of our domestic car rental revenue from off-airport locations, which we refer to as our local market business. We also license the use of the Avis and Budget trademarks to licensees in areas in which we do not operate directly. Our brands have an extended global reach that includes more than 10,000 car and truck rental locations throughout the world, including, following the acquisition of Avis Europe, approximately 3,000 company-operated car rental locations worldwide and approximately 4,600 car rental locations operated by licensees. We rent our fleet of approximately 27,000 Budget trucks through a network of approximately 2,250 dealer-operated and 200 company-operated locations throughout the continental United States.

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In 2010, while our rental day volumes increased modestly as travel demand began to rebound from the recent recession, our earnings increased substantially. We continue the implementation of our five-point cost-reduction and efficiency-improvement plan, which we introduced in November 2008, and our Performance Excellence process improvement initiative to reduce expenses. These efforts have enabled us to realize cost savings since their initial implementation through:

Reductions in operating and selling, general and administrative expenses including staff reductions in 2008, 2009 and 2010, many of which were trimmed from fixed and semi-fixed overhead;

A review of location, segment and customer profitability to identify and respond appropriately to unprofitable aspects of our businesses, which positively impacted our profit per transaction and our overall profitability but negatively impacted volume;

Targeted price increases and changes to our sales, marketing and affinity programs in order to improve revenue per day and overall profitability;

Reductions in fleet costs and further consolidation of purchasing programs; and

Further consolidation of customer-facing and back-office functions and locations across our operations.

In 2010, we not only completed more than 22 million vehicle rental transactions worldwide, but also made significant progress toward our strategic objectives. We retained approximately 99% of our commercial contracts and maintained, expanded or entered into new marketing alliances with key marketing partners, including with several major airlines. In 2010, Avis was again named the leading car rental company in customer loyalty by the Brand Keys Customer Loyalty Engagement Index and was also named North America's Leading Car Hire and World's Leading Business Car Rental Company for the fifth consecutive year by the World Travel Awards. We achieved significant increases in customer satisfaction, as measured by post-transaction surveys completed by more than 500,000 of our customers in 2010. We also continued our long-standing tradition of being an innovator in the car rental industry, piloting automated check-out kiosks, offering portable satellite radio rentals and delivering more than 7 million electronic receipts to our customers. In 2010, as a result of our continued focus on car class upgrades and sales of ancillary products and services, we increased the revenues per rental day that we generate from car class upgrades, *where2* GPS navigation unit rentals, loss damage waivers and insurance products, and other ancillary services.

In 2010, we maintained a diverse car rental fleet, in which no vehicle manufacturer represented more than 28% of our 2010 U.S. fleet purchases and we continued to adjust our fleet levels to be consistent with demand. We continue to utilize sophisticated yield-management technology to optimize our pricing and fleet planning, and we continue to analyze and streamline our operations to gain efficiencies. In addition, our approximately 28,000 employees continue to provide reliable, high-quality vehicle rental services that foster customer satisfaction and customer loyalty.

### **Business Strategy**

For 2011, our objective is to focus on growing our business profitably, strengthening our position as a leading provider of vehicle rental services and maintaining and enhancing efficiencies achieved through process improvement and other actions. We expect to achieve our goals by focusing our efforts on the following core strategic initiatives:

***Optimizing Our Two-Brand Strategy.*** We plan to continue to position our two distinct and well-recognized brands to focus on different segments of customer demand. With Avis as a premium brand preferred more by corporate and upscale leisure travelers, and Budget as a mid-tier brand



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preferred more by value-conscious travelers, we believe we are able to target a broad range of demand, particularly since the two brands share the same operational and administrative infrastructure while providing differentiated though consistently high levels of customer service. We aim to provide products, service and pricing, to use various marketing channels and to maintain marketing affiliations and corporate account contracts, which complement each brand's positioning. In 2011, we plan to invest in our brands through expanded television, print and on-line and off-line marketing, and other efforts.

***Expanding Our Revenue Sources.*** We plan to continue to focus on car class upgrades and expand our ancillary revenues by offering additional products and services to on- and off- airport customers and by increasing, where appropriate, our recovery from our customers of costs imposed on us by third parties. Opportunities for ancillary revenue growth include adding sales of additional insurance coverages and insurance-related and other ancillary products and services, such as electronic toll collection services, satellite radio and our *where2* GPS navigation product, to the rental transactions of an increasing percentage of our renters. In addition, we seek to grow off-airport revenue by continuing our efforts to identify and attract local demand and increasing our revenues in the insurance replacement sector.

***Capturing Incremental Profit Opportunities.*** We plan to continue our focus on yield management and pricing optimization and seek to increase the time and mileage rental fees we earn per rental day. We have implemented technology that strengthens our yield management and that enables us to tailor our product/price offerings to specific customer segments. We expect to continue to adjust our pricing to bolster profitability and match changes in demand. In addition, we believe the expansion of our revenue sources (discussed above) should permit us to generate incremental profits from our customer base, while at the same time enhancing our customers' vehicle rental experience. We plan to intensify our efforts to build customer loyalty, and reduce customer acquisition costs, through our *Customer Led, Service Driven* program that is intended to enhance our customers' rental experience, from reservation to return.

***Controlling Costs and Promoting Efficiencies.*** We have continued our efforts to rigorously control costs. We have taken aggressive action to reduce expenses throughout the organization, through a five-point cost-reduction and efficiency-improvement plan as described above. In addition, we continue to develop and implement our Performance Excellence process improvement initiative to increase efficiencies, reduce operating costs and create sustainable cost savings using LEAN, Six Sigma and other tools. This initiative has generated substantial savings since its implementation and should continue to provide benefits in 2011. We have also implemented technology solutions, including self-service voice reservation technology and fleet optimization technologies, to reduce costs, and we will continue to pursue innovative solutions to support our strategic initiatives.

***Mitigating Risks.*** We expect to continue to face challenges, as demand for travel services is not likely to return in 2011 to the levels experienced before the economic recession, and we operate in a highly competitive industry. We seek to mitigate our exposure to risks in numerous ways, including the actions described above, and through continued optimization of fleet levels to match changes in demand for vehicle rentals, maintenance of liquidity to fund our fleet and our operations, and adjustments in the size, nature and terms of our relationships with vehicle manufacturers.

### **Recent Developments**

#### *Avis Europe Acquisition*

On June 14, 2011, AE Consolidation Limited (which was formed by Avis Budget Group, and prior to completion of the Avis Europe Acquisition became an indirect wholly-owned subsidiary of ABCR) entered into an Implementation Agreement (the Implementation Agreement) with Avis Europe and announced that we and Avis Europe had agreed on the terms of a recommended all cash acquisition (the Avis Europe Acquisition)

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AE Consolidation for the entire issued and to be issued ordinary share capital of Avis Europe, for 315 pence per share in cash, valuing Avis Europe's existing issued and to be issued share capital at approximately £636 million (approximately \$1 billion based upon a 1.6053 exchange rate).

The Avis Europe Acquisition was effected by means of a scheme of arrangement (the Scheme) under the UK Companies Act 2006, which was subject to required court approvals and regulatory clearances, which were obtained by October 3, 2011. In August 2011, the shareholders of Avis Europe voted to approve the acquisition. The Avis Europe Acquisition was consummated on October 3, 2011.

In connection with the consummation of the Avis Europe Acquisition we expect to repay approximately \$620 million of Avis Europe indebtedness and assume Avis Europe indebtedness of approximately \$485 million outstanding as of June 30, 2011.

### *Avis Europe Company Overview*

The following information has been derived from Avis Europe's 2010 Annual Report and Avis Europe's website:

Avis Europe has been an independent company, operating the Avis brand in Europe and Asia under license from Avis Budget Group since 1986. Avis Europe is a leading car rental company in Europe, Africa, the Middle East and Asia, where it operates the globally recognized Avis and Budget brands. Avis Europe operates the Avis brand under license from Avis Budget Group across four continents via a network of over 3,100 locations in 102 countries, through wholly-owned subsidiaries in 13 countries complemented by license arrangements in a further 99 countries, according to Avis Europe's 2010 annual report. Avis Europe operates the Budget brand (the license in respect of which it acquired in 2003), across three continents through over 950 locations in 59 countries predominantly through licensees. The overall average number of vehicles in Avis Europe's fleet in 2010 was approximately 98,000.

Avis Europe's customers can be characterized into three main groups: individual, corporate and insurance/replacement. Individual customers consist of individual travelers booking directly or indirectly through travel companies, tour operators, partnership arrangements and brokers. Corporate customers book via negotiated arrangements with their employers and through vehicle replacement companies. Insurance/Replacement customers come through insurance and leasing companies, vehicle dealerships and repair shops with which Avis Europe has a direct contractual relationship. In 2010, Avis Europe's rental revenue comprised 54% from individuals, 34% from corporate and 12% from insurance/replacement. For 2010, approximately 53% and 47% of Avis Europe's rental revenue was generated from airport and non-airport locations, respectively. Over 85% of Avis Europe's rental revenue in 2010 was generated in the five major markets of France, Germany, Italy, Spain and the UK.

Avis Europe is focused on differentiating and strengthening its brands. Euromonitor research shows that the Avis and Budget brands had the second highest aggregate market revenue share in Europe in 2010 at 18%. Recent initiatives have included the re-launch of Avis Europe's customer booking websites, enhancing its online customer invoice portals, introducing an iPhone rental reservation application and the development of a BlackBerry booking solution. Overall customer satisfaction improved, mainly as a result of greater customer satisfaction with vehicle choice, availability and condition. Avis Europe has continued to monitor capacity levels closely, capitalizing on the investments made in revenue management and seeking to optimize customer mix.

Following the substantial reduction of its fixed cost base in 2009, Avis Europe continued to focus on maintaining discipline over all cost lines. During 2010, Avis Europe increased the operational integration of the corporately-owned Budget rental locations with Avis to now include Germany and Holland, further maximizing

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synergies by fully combining fleet and back office functions. Avis Europe extended its implementation of an improved systems interface for rental station staff, thereby reducing training needs and improving the customer experience.

In addition to the continued focus on its traditional markets in Western Europe, Avis Europe continues to invest in its international operations. This includes continued licensee network development (for example, the recent opening in Vietnam) and rapidly expanding Avis Europe's joint venture in China. Furthermore, Avis Europe has identified growth opportunities as consumers and businesses begin to seek to move away from existing vehicle ownership patterns, recognizing that Avis Europe is well placed to help shape the evolution of environmentally compatible mobility.

### *Strategic Rationale*

We believe that the Avis Europe Acquisition offers numerous strategic benefits, including:

***United, Global Brands:*** unifying the Avis and Budget brands globally under single corporate ownership;

***Synergies:*** allowing the combined organization to capture synergies through the use of a single corporate infrastructure and addressing global opportunities as a single provider;

***Seamless Global Service:*** allowing us to more effectively serve our vehicle-rental customers worldwide; and

***Presence in Emerging Markets:*** allowing us to increase our presence in rapidly-growing international markets, including India and China.

### *Term Loan*

On September 8, 2011, Avis Budget Holdings and ABCR, entered into an Incremental Facilities Agreement, dated as of September 8, 2011, with JPMorgan as administrative agent and certain other agents, incremental lenders and other parties thereto (the "Incremental A Agreement") to amend its Amended and Restated Credit Agreement dated as of May 3, 2011, with JPMorgan as administrative agent and the other lenders and parties thereto (as amended through the date hereof, the "Senior Credit Agreement" and, the credit facilities governed thereby, the "Senior Credit Facilities"). Pursuant to the Incremental A Agreement, the Senior Credit Agreement was amended to expand the available capacity under ABCR's revolving credit facility to \$1.4 billion and to make available to ABCR a new \$20 million tranche A incremental term loan (the "Term Loan A") which matures on the same date as the revolving credit facility. ABCR's use of proceeds from the Term Loan A was restricted to certain payments made in connection with the Avis Europe Acquisition.

On September 22, 2011, Avis Budget Holdings and ABCR entered into an Incremental Tranche B Term Facility Agreement, dated as of September 22, 2011, with JPMorgan Chase Bank, N.A. ("JPMorgan") as administrative agent and certain other agents, incremental lenders and other parties thereto (the "Incremental B Agreement") to amend the Senior Credit Agreement dated as of May 3, 2011, with JPMorgan as administrative agent and the other lenders and parties thereto. Pursuant to the Incremental B Agreement, the Senior Credit Agreement was amended to make available to ABCR a \$420 million tranche B incremental term loan (the "Term Loan B") which matures on September 22, 2018. The Term Loan B bears interest at an interest rate of, at ABCR's option, either a Eurocurrency rate, which shall not be less than 1.25%, plus a margin of 5.0% per annum or an alternate base rate, which shall not be less than 2.25%, plus a margin of 4.0% per annum. ABCR agreed to pay to the tranche B term lenders an amount equal to 2.0% each such lender's commitments under the tranche B term facility.

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### **Company History**

Avis Budget Group's operations consist of two of the most recognized brands in the global vehicle rental industry through Avis Budget Car Rental, LLC, the parent of Avis Rent A Car System, LLC, Budget Rent A Car System, Inc. and Budget Truck Rental, LLC. Founded in 1946, Avis is believed to be the first company to rent cars from airport locations. Avis expanded its geographic reach throughout the United States in the 1950s and 1960s. In 1963, Avis introduced its award winning "We try harder" advertising campaign, which is considered one of the top ten advertising campaigns of the 20th century by Advertising Age magazine. Budget was founded in 1958. The company name was chosen to appeal to the budget-minded or value-conscious vehicle rental customer. Avis possesses a long history of using proprietary information technology systems in its business, and its established, but continually updated, Wizard System remains the backbone of our operations. We acquired the Avis brand in 1996, Avis' capital stock in 2001, and the Budget brand and substantially all of the domestic and certain international assets of Budget's predecessor in 2002. Our common stock currently trades on the NASDAQ Global Select Market under the symbol "CAR".

ABCR is a Delaware limited liability company and an indirect, wholly-owned subsidiary of Avis Budget Group. Avis Finance is a direct, wholly-owned subsidiary of ABCR and functions solely as the co-issuer of the notes and our other existing notes.

### **Exchange Offer**

On October 3, 2011, we sold, through a private placement exempt from the registration requirements of the Securities Act, \$250,000,000 of our 9.75% Senior Notes due 2020, all of which are eligible to be exchanged for Exchange Notes. We refer to these notes as "Old Notes" in this prospectus.

The Old Notes were issued in connection with the Avis Europe Acquisition, which was completed on October 3, 2011. The Old Notes were initially issued by AE Escrow Corporation (the "Escrow Issuer"), our wholly owned subsidiary, and the proceeds of the offering were deposited into a segregated escrow account. On October 10, 2011 (the "Completion Date") certain escrow conditions were satisfied, the Escrow Issuer merged with and into ABCR with ABCR as the surviving company, and ABCR and Avis Finance assumed and Avis Budget Group, Inc., our indirect parent company, Avis Budget Holdings, LLC ("Avis Budget Holdings") our direct parent company, and our existing and future direct and indirect subsidiaries that also guarantee the Senior Credit Facilities guaranteed all of the obligations of the issuers under the notes.

Simultaneously with the private placement, the Escrow Issuer and Avis Budget Group entered into a registration rights agreement with the initial purchasers of the Old Notes which, on the Completion Date, ABCR, Avis Finance and the guarantors named therein became parties thereto (the "Registration Rights Agreement"). Under the Registration Rights Agreement, as amended, we are required to use our reasonable best efforts to cause a registration statement for substantially identical notes, which will be issued in exchange for the Old Notes, to be filed with the SEC and to complete the exchange offer within 45 days after the date such registration statement is declared effective. We refer to the notes to be registered under this exchange offer registration statement as "Exchange Notes" and collectively with the Old Notes, we refer to them as the "notes" in this prospectus. You may exchange your Old Notes for Exchange Notes in this exchange offer. You should read the discussion under the headings "Summary of Exchange Offer," "Exchange Offer" and "Description of Exchange Notes" for further information regarding the Exchange Notes.



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**Securities offered**

\$250,000,000 aggregate principal amount of 9.75% Senior Notes due 2020.

**Exchange offer**

We are offering to exchange the Old Notes for a like principal amount at maturity of the Exchange Notes. Old Notes may be exchanged only in integral principal multiples of \$1,000. The exchange offer is being made pursuant to the Registration Rights Agreement which grants the initial purchasers and any subsequent holders of the Old Notes certain exchange and registration rights. This exchange offer is intended to satisfy those exchange and registration rights with respect to the Old Notes. After the exchange offer is complete, you will no longer be entitled to any exchange or registration rights with respect to your Old Notes.

**Expiration date; withdrawal of tender**

The exchange offer will expire 5:00 p.m., New York City time, on December 12, 2011, or a later time if we choose to extend this exchange offer in our sole and absolute discretion. You may withdraw your tender of Old Notes at any time prior to the expiration date. All outstanding Old Notes that are validly tendered and not validly withdrawn will be exchanged. Any Old Notes not accepted by us for exchange for any reason will be returned to you at our expense as promptly as possible after the expiration or termination of the exchange offer.

**Resales**

We believe that you can offer for resale, resell and otherwise transfer the Exchange Notes without complying with the registration and prospectus delivery requirements of the Securities Act so long as:

you acquire the Exchange Notes in the ordinary course of business;

you are not participating, do not intend to participate, and have no arrangement or understanding with any person to participate, in the distribution of the Exchange Notes;

you are not an affiliate of ours; and

you are not a broker-dealer.

If any of these conditions is not satisfied and you transfer any Exchange Notes without delivering a proper prospectus or without qualifying for a registration exemption, you may incur liability under the Securities Act. We do not assume, or indemnify you against, any such liability.

**Broker-dealer**

Each broker-dealer acquiring Exchange Notes issued for its own account in exchange for Old Notes, which it acquired through market-making activities or other trading activities, must acknowledge that it will deliver a proper prospectus when any Exchange Notes issued in the exchange offer are transferred. A broker-dealer may use this prospectus for an offer to resell, a resale or other retransfer of the Exchange Notes issued in the exchange offer.



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**Conditions to the exchange offer**

Our obligation to accept for exchange, or to issue the Exchange Notes in exchange for, any Old Notes is subject to certain customary conditions, including our determination that the exchange offer does not violate any law, statute, rule, regulation or interpretation by the Staff of the SEC or any regulatory authority or other foreign, federal, state or local government agency or court of competent jurisdiction, some of which may be waived by us. We currently expect that each of the conditions will be satisfied and that no waivers will be necessary. See Exchange Offer Conditions to the exchange offer.

**Procedures for tendering Old Notes held in the form of book-entry interests**

The Old Notes were issued as global securities and were deposited upon issuance with The Bank of Nova Scotia Trust Company of New York which issued uncertificated depositary interests in those outstanding Old Notes, which represent a 100% interest in those Old Notes, to The Depository Trust Company ( DTC ).

Beneficial interests in the outstanding Old Notes, which are held by direct or indirect participants in DTC, are shown on, and transfers of the Old Notes can only be made through, records maintained in book-entry form by DTC.

You may tender your outstanding Old Notes by instructing your broker or bank where you keep the Old Notes to tender them for you. In some cases you may be asked to submit the letter of transmittal that may accompany this prospectus. By tendering your Old Notes you will be deemed to have acknowledged and agreed to be bound by the terms set forth under Exchange Offer. Your outstanding Old Notes must be tendered in multiples of \$1,000.

In order for your tender to be considered valid, the exchange agent must receive a confirmation of book-entry transfer of your outstanding Old Notes into the exchange agent's account at DTC, under the procedure described in this prospectus under the heading Exchange Offer, on or before 5:00 p.m., New York City time, on the expiration date of the exchange offer.

**United States federal income tax considerations**

The exchange offer should not result in any income, gain or loss to the holders of Old Notes or to us for United States federal income tax purposes. See Certain United States federal income tax considerations.

**Use of proceeds**

We will not receive any proceeds from the issuance of the Exchange Notes in the exchange offer.

**Exchange agent**

The Bank of Nova Scotia Trust Company of New York is serving as the exchange agent for the exchange offer.

**Shelf registration statement**

In limited circumstances, holders of Old Notes may require us to register their Old Notes under a shelf registration statement.

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**Consequences of Not Exchanging Old Notes**

If you do not exchange your Old Notes in the exchange offer, your Old Notes will continue to be subject to the restrictions on transfer currently applicable to the Old Notes. In general, you may offer or sell your Old Notes only:

if they are registered under the Securities Act and applicable state securities laws;

if they are offered or sold under an exemption from registration under the Securities Act and applicable state securities laws; or

if they are offered or sold in a transaction not subject to the Securities Act and applicable state securities laws.

We do not currently intend to register the Old Notes under the Securities Act. Under some circumstances, however, holders of the Old Notes, including holders who are not permitted to participate in the exchange offer or who may not freely resell Exchange Notes received in the exchange offer, may require us to file, and to cause to become effective, a shelf registration statement covering resales of Old Notes by these holders. For more information regarding the consequences of not tendering your Old Notes and our obligation to file a shelf registration statement, see Exchange Offer Consequences of exchanging or failing to exchange Old Notes and Description of Exchange Notes Registration rights.

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**Description of Exchange Notes**

<b>Issuers</b>	Avis Budget Car Rental, LLC, a Delaware limited liability company, and Avis Budget Finance, Inc., a Delaware corporation.
<b>Securities</b>	\$250,000,000 in aggregate principal amount of 9.75% senior notes due 2020.
<b>Maturity</b>	The Exchange Notes will mature on March 15, 2020.
<b>Interest</b>	Interest on the notes will be payable in cash and will accrue at a rate of 9.75% per annum.
<b>Interest payment dates</b>	March 15 and September 15, commencing on March 15, 2012. Interest will accrue from October 3, 2011.
<b>Ranking</b>	<p>The Exchange Notes and the related guarantees will be the issuers' and the guarantors' senior unsecured obligations and will:</p> <ul style="list-style-type: none"> <li>rank equally in right of payment to any of our and the guarantors' existing and future senior unsecured indebtedness;</li> <li>rank senior in right of payment with all of our and the guarantors' future senior subordinated indebtedness;</li> <li>be effectively subordinated in right of payment to all of our and the guarantors' existing and future secured indebtedness to the extent of the value of the collateral securing such indebtedness; and</li> <li>be structurally subordinated in right of payment to all existing and future indebtedness and other liabilities of our non-guarantor subsidiaries.</li> </ul>
<b>Guarantees</b>	The payment of the principal, premium and interest on the Exchange Notes will be fully and unconditionally guaranteed on a senior unsecured basis by Avis Budget Group, Inc., our indirect parent company, Avis Budget Holdings, LLC our direct parent company, and our existing and future direct and indirect subsidiaries that also guarantee the Senior Credit Facilities. Certain of ABCR's vehicles in its rental fleet are owned by unrestricted subsidiaries and these subsidiaries, as well as certain other subsidiaries, will not guarantee the notes. In the future, the guarantees may be released or terminated under certain circumstances. See Description of Exchange Notes Guarantees.

**Optional redemption**

We may redeem all or part of the Exchange Notes at any time prior to September 15, 2015 at a redemption price of 100%, plus accrued and unpaid interest to the repurchase date, plus a make-whole premium. We may redeem all or part of the Exchange Notes at any time after September 15, 2015 at the redemption prices specified in Description of Exchange Notes Optional redemption. In addition at any time prior to September 15, 2014, we may redeem up to 35% of the aggregate principal amount of the Exchange Notes at a redemption price equal to 109.75% of the face amount thereof plus accrued and unpaid interest, if any, to the redemption date, with the net cash proceeds that we raise in one or more equity offerings.

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### **Change of control offer**

Upon the occurrence of specific kinds of changes of control, you will have the right, as holders of the Exchange Notes, to cause us to repurchase some or all of your Exchange Notes at 101% of their face amount, plus accrued and unpaid interest to the repurchase date. See [Description of Exchange Notes](#) [Change of control](#).

### **Asset sale offers**

If we or our restricted subsidiaries sell assets following the issue date, under certain circumstances, we will be required to use the net proceeds to make an offer to purchase Exchange Notes at an offer price in cash in an amount equal to 100% of the principal amount of the Exchange Notes plus accrued and unpaid interest to the repurchase date. See [Description of Exchange Notes](#) [Certain covenants](#) [Limitation on sales of assets and subsidiary stock](#).

### **Certain Covenants**

The indenture governing the notes (including the Exchange Notes), dated as of October 3, 2011, among the Escrow Issuer and The Bank of Nova Scotia Trust Company of New York, as trustee (as supplemented by the Supplemental Indenture, dated as of October 10, 2011, whereby ABCR, Avis Finance and the guarantors named therein became party thereto and as otherwise supplemented, amended or modified, the [Indenture](#) ), contains covenants that, among other things, limit our ability and the ability of our restricted subsidiaries to:

incur additional indebtedness or issue certain preferred membership interests;

pay dividends on or make other distributions in respect of equity interests or make other restricted payments;

create liens on certain assets to secure debt;

make certain investments;

sell certain assets;

agree to certain restrictions on the ability of our restricted subsidiaries to make payments to the issuers;

consolidate, merge, sell or otherwise dispose of all or substantially all of our assets;

enter into transactions with our affiliates; and

designate our subsidiaries as unrestricted subsidiaries

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These covenants are subject to a number of important limitations and exceptions. See Description of Exchange Notes Certain covenants.

**No prior market**

The Exchange Notes will be new securities for which there is currently no market. We cannot assure you that a liquid market for the Exchange Notes will develop or be maintained.



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**Risk factors**

You should consider carefully all of the information set forth in this prospectus and, in particular, should evaluate the specific factors set forth in the section entitled "Risk factors" for an explanation of certain risks of investing in the notes. For a description of risks related to our industry and business, you should also evaluate the specific risk factors set forth in the section entitled "Risk Factors" in the 2010 10-K, the 2011 First Quarter 10-Q and the 2011 Second Quarter 10-Q.

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**RISK FACTORS**

Participating in the exchange offer is subject to a number of risks. You should carefully consider the following risk factors as well as the other information and data included in, and incorporated by reference in, this prospectus prior to making an investment in the notes. Any of the following risks could materially and adversely affect our business, cash flows, financial condition or results of operations. In such case, you may lose all or part of your original investment in your notes. Along with the risks and uncertainties described below, you should carefully consider the risks and uncertainties described in the section entitled "Risk factors" in the 2010 10-K and the 2011 Second Quarter 10-Q and the section entitled "Liquidity risk" in the 2010 10-K, the 2011 First Quarter 10-Q and the 2011 Second Quarter 10-Q, which are incorporated by reference into this Prospectus.

**Risks related to the exchange offer and holding the Exchange Notes**

**Our substantial indebtedness could adversely affect our financial flexibility and prevent us from fulfilling our obligations under the notes.**

We have, and upon consummation of this exchange offer, we will continue to have, a significant amount of indebtedness. As of June 30, 2011, we had approximately \$8.8 billion of total indebtedness and approximately \$549 million of available letter of credit and borrowing capacity, under the Senior Credit Facilities. Our substantial level of indebtedness increases the risk that we may be unable to generate cash sufficient to pay amounts due in respect of our indebtedness. Our substantial indebtedness could have other important consequences to you and significant effects on our business.

For example, it could:

make it more difficult for us to satisfy our obligations with respect to the notes;

limit our ability to borrow additional amounts to fund working capital, capital expenditures, debt service requirements, execution of our business strategy, or acquisitions and other purposes;

require us to dedicate a substantial portion of our cash flow from operations to pay principal and interest on our debt, which would reduce the funds available to us for other purposes;

make us more vulnerable to adverse changes in general economic, industry and competitive conditions, in government regulation and in our business by limiting our flexibility in planning for, and making it more difficult for us to react quickly to, changing conditions;

expose us to risks inherent in interest rate fluctuations because some of our borrowings are at variable rates of interest, which could result in higher interest expenses in the event of increases in interest rates; and

make it more difficult to satisfy our financial obligations, including payments on the notes.

Our ability to make payments on and refinance our debt depends on our ability to generate cash flow. To some extent, this is subject to prevailing economic and competitive conditions and to certain financial, business and other factors, many of which are beyond our control. Our business may not generate cash flow from operations at levels sufficient to permit us to pay principal, premium, if any, and interest on our indebtedness, and our cash needs may increase. If we are unable to generate sufficient cash flow from operations to service our debt and meet our other cash needs, we may be forced to reduce or delay capital expenditures, sell or curtail assets or operations, seek additional capital, or seek to restructure or refinance our indebtedness. If we must sell or curtail our assets or operations, it may negatively affect our ability to generate revenue.

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Despite our current indebtedness levels, we may still be able to incur substantially more debt, including additional secured indebtedness. This could further exacerbate the risks associated with our substantial indebtedness. Subject to the specified limitations referred to above, (i) the indentures governing our existing notes, (ii) the Senior Credit Facilities and (iii) the Indenture governing the notes, limit, but do not prohibit us

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from incurring additional indebtedness in the future. The indentures governing our existing notes and the Senior Credit Agreement also allow us to incur certain additional secured debt and allow our subsidiaries to incur additional debt, which would be structurally senior to the notes. In addition, each of the indentures governing our existing notes and the Indenture allow us to issue additional notes under certain circumstances which will also be guaranteed by the guarantors. For an additional description of our existing indebtedness see Notes 14 and 15 in the Notes to Consolidated Financial Statements contained in the 2010 10-K and Notes 9 and 10 in the Notes to Consolidated Condensed Financial Statements in the 2011 Second Quarter 10-Q, each incorporated by reference herein. As noted above, as of June 30, 2011, the Senior Credit Facilities provided us with aggregate capacity of up to \$549 million, all of which is available for borrowings. All of those borrowings would be secured and the lenders under the Senior Credit Facilities would have a prior claim to the assets that secure such indebtedness. In addition, neither the Indenture, the Senior Credit Agreement nor the indentures governing our existing notes prohibit us from incurring obligations that do not constitute indebtedness as defined therein. See Description of Exchange Notes. If we incur new debt or other obligations, the risk associated with substantial additional indebtedness described above, including our possible inability to service our debt, will increase.

The Indenture also contains, and the agreements evidencing or governing other future indebtedness may contain, restrictive covenants that will limit our ability to engage in activities that may be in our long-term best interests. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all of our indebtedness.

**We may not be able to generate sufficient cash to service all of our indebtedness, including the notes, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.**

Our ability to make scheduled payments on or to refinance our debt obligations, including the notes, depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control. We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to fund our day-to-day operations or to pay the principal, premium, if any, and interest on our indebtedness, including the notes.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to sell assets or operations, seek additional capital or restructure or refinance our indebtedness, including the notes. We may not be able to effect any such alternative measures, if necessary, on commercially reasonable terms or at all and, even if successful, such alternative actions may not allow us to meet our scheduled debt service obligations. The Senior Credit Agreement, the Indenture and the indentures governing our existing indebtedness restrict our ability to dispose of assets and use the proceeds from any such dispositions and may also restrict our ability to raise debt or equity capital to be used to repay other indebtedness when it becomes due. We may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due. See the section titled Description of Exchange Notes.

In addition, we conduct our operations through our subsidiaries, certain of which, including Avis Europe and its subsidiaries and our subsidiaries organized to raise vehicle debt, will not be guarantors of the notes or our other indebtedness. Accordingly, repayment of our indebtedness, including the notes, is dependent on the generation of cash flow by our subsidiaries and their ability to make such cash available to us, by dividend, debt repayment or otherwise. Unless they are guarantors of the notes, our subsidiaries do not have any obligation to pay amounts due on the notes or to make funds available for that purpose. Our subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our indebtedness, including the notes. Each subsidiary is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. Although the Indenture and the

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agreements governing certain of our other existing indebtedness limit the ability of certain of our subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are subject to certain qualifications and exceptions. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness, including the notes.

Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, would materially and adversely affect our financial position and results of operations and our ability to satisfy our obligations under the notes.

If we cannot make scheduled payments on our debt, we will be in default and, as a result, holders of notes and holders of our existing notes could declare all outstanding principal and interest to be due and payable, the lenders under the Senior Credit Facilities could terminate their commitments to loan money, our secured lenders could foreclose against the assets securing such borrowings and we could be forced into bankruptcy or liquidation, in each case, which could result in you losing your investment in the notes.

### **Restrictive covenants in the Indenture may limit our current and future operations, particularly our ability to respond to changes in our business or to pursue our business strategies.**

The terms of certain of our indebtedness, including the Indenture, the indentures governing our existing indebtedness and the Senior Credit Agreement contains, and any future indebtedness of ours may contain, a number of restrictive covenants that impose significant operating and financial restrictions, including restrictions on our ability to take actions that we believe may be in our interest. The Indenture, among other things, limits our ability to:

incur additional indebtedness and guarantee indebtedness;

pay dividends on or make distributions in respect of capital stock or make certain other restricted payments or investments;

enter into agreements that restrict distributions from restricted subsidiaries;

sell or otherwise dispose of assets, including capital stock of restricted subsidiaries;

enter into transactions with affiliates;

create or incur liens;

enter into sale/leaseback transactions;

merge, consolidate or sell substantially all of our assets;

make investments and acquire assets;

make certain payments on indebtedness;

amend or otherwise alter debt and other material agreements;

issue certain preferred membership interests or similar equity securities; and

conduct certain business operations other than a limited list of activities.

You should read the discussions under the headings *Description of Exchange Notes* *Certain covenants* for further information about these covenants. A breach of the covenants or restrictions under the Indenture or other agreements could result in a default under the applicable indebtedness. Such default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. In the event our lenders and noteholders accelerate the repayment of our borrowings, we cannot assure that we and our subsidiaries would have sufficient assets to repay such indebtedness.

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The restrictions contained in the Indenture and the agreements governing our other indebtedness could adversely affect our ability to:

finance our operations;

make needed capital expenditures;

make strategic acquisitions or investments or enter into alliances;

withstand a future downturn in our business or the economy in general;

engage in business activities, including future opportunities, that may be in our interest; and

plan for or react to market conditions or otherwise execute our business strategies.

Our financial results, our substantial indebtedness and our credit ratings could adversely affect the availability and terms of future financing.

**Your right to receive payments on the notes is effectively subordinated to the right of lenders who have a security interest in our assets to the extent of the value of those assets.**

Our obligations under the notes and the guarantors' obligations under their guarantees of the notes will be unsecured, but our obligations under the Senior Credit Facilities and each guarantor's obligations under the Senior Credit Facilities are secured by a security interest in substantially all of ABCR's and the guarantors' assets. We and the guarantors may incur additional secured indebtedness in the future in amounts which may be substantial. If we are declared bankrupt or insolvent, or if we default under the Senior Credit Facilities, the funds borrowed thereunder, together with accrued interest, could become immediately due and payable. If we were unable to repay such indebtedness, the lenders under the Senior Credit Facilities could foreclose on the pledged assets to the exclusion of holders of the notes, even if an event of default exists under the Indenture at such time. Furthermore, if the lenders foreclose and sell the pledged equity interests in any guarantor in a transaction permitted under the terms of the Indenture, then such guarantor will be released from its guarantee of the notes automatically and immediately upon such sale. In any such event, because the notes are not secured by any of such assets or by the equity interests in any such guarantor, it is possible that there would be no assets from which your claims could be satisfied or, if any assets existed, they might be insufficient to satisfy your claims in full.

**Not all of our subsidiaries are guarantors and therefore the notes will be structurally subordinated in right of payment to the indebtedness and other liabilities of our existing and future subsidiaries that do not guarantee the notes. Your right to receive payments on the notes could be adversely affected if any of these non-guarantor subsidiaries declare bankruptcy, liquidate or reorganize.**

The guarantors will include Avis Budget Group, Avis Budget Holdings and our subsidiaries that guarantee our obligations under the Senior Credit Facilities. None of our foreign subsidiaries, including Avis Europe and its subsidiaries, will guarantee the notes. Certain of ABCR's vehicles in its rental fleet are owned by unrestricted subsidiaries and these subsidiaries, as well as certain other subsidiaries, will also not guarantee the notes.

The notes and guarantees will be structurally subordinated to all of the liabilities of any of the Issuers' subsidiaries that do not guarantee the notes and would be required to be paid before the holders of the notes have a claim, if any, against those subsidiaries and their assets. Therefore, if there was a dissolution, bankruptcy, liquidation or reorganization of any such subsidiary, the holders of notes would not receive any amounts with respect to the notes from the assets of such subsidiary until after the payment in full of the claims of creditors, including trade creditors and preferred stockholders, of such subsidiary.

In addition, the equity interests of other equity holders in any non-guarantor subsidiary in any dividend or other distribution made by these entities would need to be satisfied on a proportionate basis with us. These less than wholly-owned subsidiaries may also be subject to restrictions

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on their ability to distribute cash to us in their financing or other agreements and, as a result, we may not be able to access their cash flow to service our debt obligations, including in respect of the notes.



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Our non-guarantor subsidiaries accounted for approximately \$1.2 billion of our total revenues for the six months ended June 30, 2011, excluding certain expenses relating to AESOP Leasing Company and equity in earnings eliminations. As of June 30, 2011, our non-guarantor subsidiaries accounted for approximately \$9.2 billion of our total assets excluding certain intercompany balances and equity eliminations, and approximately \$6.9 billion of our total liabilities, excluding certain intercompany balances, related taxes and equity eliminations.

Our ability to meet our obligations under our debt, in part, depends on the earnings and cash flows of our subsidiaries and the ability of our subsidiaries to pay dividends or advance or repay funds to us.

We conduct a significant portion of our business operations through our subsidiaries. In servicing payments to be made on the notes, we will rely, in part, on cash flows from these subsidiaries, mainly dividend payments. The ability of these subsidiaries to make dividend payments to us will be affected by, among other factors, the obligations of these entities to their creditors, requirements of corporate and other law, and restrictions contained in agreements entered into by or relating to these entities. In addition, our foreign subsidiaries may be subject to currency controls, repatriation restrictions, withholding obligations on payments to us and other limits.

Avis Finance has no assets or operations and you should not rely upon Avis Finance to make payments on the notes.

**Federal and state fraudulent transfer laws may permit a court to void the notes and/or the note guarantees and, if that occurs, you may not receive any payments on the notes.**

Federal and state fraudulent transfer and conveyance statutes may apply to the issuance of the notes and the incurrence of the guarantees of such notes. Under federal bankruptcy law and comparable provisions of state fraudulent transfer or conveyance laws, which may vary from state to state, the notes or the note guarantees thereof could be voided as a fraudulent transfer or conveyance if we or any of the guarantors, as applicable, (a) issued the notes or incurred the note guarantees with the intent of hindering, delaying or defrauding creditors, or (b) received less than reasonably equivalent value or fair consideration in return for either issuing the notes or incurring the note guarantees and, in the case of (b) only, one of the following is also true at the time thereof:

we or any of the guarantors, as applicable, were insolvent or rendered insolvent by reason of the issuance of the notes or the incurrence of the note guarantees;

the issuance of the notes or the incurrence of the note guarantees left us or any of the guarantors, as applicable, with an unreasonably small amount of capital or assets to carry on the business;

we or any of the guarantors intended to, or believed that we or such guarantor would, incur debts beyond our or such guarantor's ability to pay as they mature; or

we or any of the guarantors were a defendant in an action for money damages, or had a judgment for money damages docketed against us or such guarantor if, in either case, after final judgment, the judgment is unsatisfied.

As a general matter, value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or a valid antecedent debt is secured or satisfied. A court would likely find that a guarantor did not receive reasonably equivalent value or fair consideration for its note guarantee, to the extent such guarantor did not obtain a reasonably equivalent benefit directly or indirectly from the issuance of the notes.

We cannot be certain as to the standards a court would use to determine whether or not we or the guarantors were insolvent at the relevant time or, regardless of the standard that a court uses, whether the notes or the note guarantees would be subordinated to our or any of our guarantors other debt. In general, however, a court would deem an entity insolvent if:

the sum of its debts, including contingent and unliquidated liabilities, was greater than the fair saleable value of all of its assets;



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the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

it could not pay its debts as they became due.

If a court were to find that the issuance of the notes or the incurrence of a note guarantee was a fraudulent transfer or conveyance, the court could void the payment obligations under the notes or such note guarantee or subordinate the notes or such note guarantee to presently existing and future indebtedness of ours or of the related guarantor, or require the holders of notes to repay any amounts received with respect to such note guarantee. In the event of a finding that a fraudulent transfer or conveyance occurred, you may not receive any repayment on the notes. Further, the avoidance of the notes could result in an event of default with respect to our and our subsidiaries' other debt that could result in acceleration of such debt.

Finally, as a court of equity, the bankruptcy court may subordinate the claims in respect of the notes to other claims against us under the principle of equitable subordination, if the court determines that: (i) the holder of notes engaged in some type of inequitable conduct; (ii) such inequitable conduct resulted in injury to our other creditors or conferred an unfair advantage upon the holder of notes; and (iii) equitable subordination is not inconsistent with the provisions of title 11 of the United States Code, as amended.

### **We may be unable to repurchase the notes upon a change of control or asset sale.**

Upon the occurrence of specified kinds of change of control events, holders of the notes will have the right to require us to repurchase all or any part of their outstanding notes at a price equal to 101% of the principal amount of the notes, together with accrued and unpaid interest, if any, to the date of repurchase. Similarly, under certain circumstances, we may be required to make an offer to repurchase notes if we make certain asset sales.

However, it is possible that we will not have sufficient funds when required under the Indenture to make the required repurchase of the notes. If we fail to repurchase notes in that circumstance, we will be in default under the Indenture. If we are required to repurchase a significant portion of the notes, we may require third-party financing. We cannot be sure that we would be able to obtain third-party financing on acceptable terms, or at all.

One of the circumstances under which a change of control may occur is upon the sale or disposition of all or substantially all of our assets. However, the phrase "all or substantially all" will likely be interpreted under applicable state law and will be dependent upon particular facts and circumstances. As a result, there may be a degree of uncertainty in ascertaining whether a sale or disposition of "all or substantially all" of our capital stock, membership interests or assets has occurred, in which case, the ability of a holder of the notes to obtain the benefit of an offer to repurchase all or a portion of the notes held by such holder may be impaired.

The agreements governing our other indebtedness, including future agreements, may contain prohibitions of certain events, including events that would constitute a change of control or an asset sale and including repurchases of or other prepayments in respect of the notes. The exercise by the holders of notes of their right to require us to repurchase the notes pursuant to a change of control offer or an asset sale offer could cause a default under these other agreements, even if the change of control or asset sale, if applicable, itself does not, due to the financial effect of such repurchases on us. In the event a change of control offer or an asset sale offer is required to be made at a time when we are prohibited from purchasing notes, we could attempt to refinance the borrowings that contain such prohibition. If we do not obtain a consent or repay those borrowings, we will remain prohibited from purchasing notes. In that case, our failure to purchase tendered notes would constitute an event of default under the Indenture which could, in turn, constitute a default under our other indebtedness. Finally, our ability to pay cash to the holders of notes upon a repurchase may be limited by our then existing financial resources.

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**There is no established trading market for the notes and there is no guarantee that an active trading market for the notes will develop. You may not be able to sell the notes readily or at all or at or above the price that you paid.**

The Exchange Notes are a new issue of securities and there is no established trading market for them, or for the Old Notes. We do not intend to apply for the notes to be listed on any securities exchange or to arrange for quotation on any automated dealer quotation system. You may not be able to sell your notes at a particular time or at favorable prices. As a result, we cannot assure you as to the liquidity of any trading market for the Exchange Notes. Accordingly, you may be required to bear the financial risk of your investment in the notes indefinitely. If a trading market were to develop, future trading prices of the Exchange Notes may be volatile and will depend on many factors, including:

the number of holders of Exchange Notes;

our operating performance and financial condition;

our ability to complete the offer to exchange the Old Notes for the Exchange Notes;

the interest of securities dealers in making a market for the Exchange Notes; and

the market for similar securities.

The market for non-investment grade debt historically has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Exchange Notes. The market for the Exchange Notes, if any, may be subject to similar disruptions that could adversely affect their value. In addition, subsequent to their initial issuance, to tendering holders of the Old Notes in the exchange offer, the Exchange Notes, the notes may trade at a discount from their initial offering price, depending upon prevailing interest rates, the market for similar notes, our performance and other factors.

**A lowering or withdrawal of the ratings assigned to our debt securities by rating agencies may increase our future borrowing costs and reduce our access to capital.**

There can be no assurances that any rating assigned to our debt security will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by a rating agency if, in that rating agency's judgment, future circumstances relating to the basis of the rating, such as adverse changes, so warrant. A lowering or withdrawal of the ratings assigned to our debt securities by rating agencies may increase our future borrowing costs and reduce our access to capital, which could have a material adverse impact on our financial condition and results of operations.

**Holders of Old Notes who fail to exchange their Old Notes in the exchange offer will continue to be subject to restrictions on transfer.**

If you do not exchange your Old Notes for Exchange Notes in the exchange offer, you will continue to be subject to the restrictions on transfer applicable to the Old Notes. The restrictions on transfer of your Old Notes

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arise because we issued the Old Notes under exemptions from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws. In general, you may only offer or sell the Old Notes if they are registered under the Securities Act and applicable state securities laws, or offered and sold under an exemption from these requirements. We do not plan to register the Old Notes under the Securities Act. For further information regarding the consequences of tendering your Old Notes in the exchange offer, see the discussion below under the caption Exchange Offer Consequences of failure to exchange.

**You must comply with the exchange offer procedures in order to receive new, freely tradable Exchange Notes.**

Delivery of Exchange Notes in exchange for Old Notes tendered and accepted for exchange pursuant to the exchange offer will be made only after timely receipt by the exchange agent of book-entry transfer of Old Notes into the exchange agent's account at DTC, as depositary, including an agent's message (as defined herein). We are not required to notify you of defects or irregularities in tenders of Old Notes for exchange. Exchange Notes that are not tendered or that are tendered but we do not accept for exchange will, following consummation of the exchange offer, continue to be subject to the existing transfer restrictions under the Securities Act and, upon consummation of the exchange offer, certain registration and other rights under the Registration Rights Agreement will terminate. See Exchange Offer Procedures for tendering Old Notes and Exchange Offer Consequences of failure to exchange.

**Some holders who exchange their Old Notes may be deemed to be underwriters, and these holders will be required to comply with the registration and prospectus delivery requirements in connection with any resale transaction.**

If you exchange your Old Notes in the exchange offer for the purpose of participating in a distribution of the Exchange Notes, you may be deemed to have received restricted securities and, if so, will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

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**USE OF PROCEEDS**

This exchange offer is intended to satisfy our obligations under the Registration Rights Agreement. We will not receive any cash proceeds from the issuance of the Exchange Notes. The Old Notes properly tendered and exchanged for Exchange Notes will be retired and cancelled. Accordingly, no additional debt will result from the exchange. We have agreed to bear the expense of the exchange offer.

**Table of Contents****RATIO OF EARNINGS TO FIXED CHARGES**

The following table sets for our ratio of earnings to fixed charges on a historical basis for the periods indicated<sup>(1)</sup>:

2010	2009	Year ended December 31, 2008	2007	2006	Six months ended June 30, 2011	2010
1.14x					1.4x	

(1) Dashes in the following table represent a ratio of earnings to fixed charges less than 1.0. For the purposes of computing the ratio of earnings to fixed charges, earnings consist of income (loss) before provision for income taxes plus fixed charges. Fixed charges consist of interest expense on all indebtedness (including amortization of deferred financing costs) and the portion of operating lease rental expense that is representative of the interest factor. For the years ended December 31, 2009, 2008, 2007 and 2006, earnings were less than fixed charges by \$77 million, \$1,343 million, \$992 million and \$677 million, respectively. For the six months ended June 30, 2010, earnings were less than fixed charges by \$37 million.

**Table of Contents****SELECTED HISTORICAL FINANCIAL INFORMATION**

The following table presents selected historical consolidated financial data derived from our financial statements incorporated by reference in this prospectus. The information set forth below should be read in conjunction with our audited financial statements, including the related notes thereto, and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in the 2010 10-K, and our unaudited financial statements, including the related notes thereto, and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in the 2011 Second Quarter 10-Q.

	As of and for the year ended December 31,					As of and for the six months ended June 30,	
	2010	2009	2008	2007	2006	2011	2010
(In millions, except per share data)							
<b>Results of operations</b>							
Net revenues	\$ 5,185	\$ 5,131	\$ 5,984	\$ 5,986	\$ 5,689	\$ 2,646	\$ 2,446
Income (loss) from continuing operations	\$ 54	\$ (47)	\$ (1,124)	\$ (947)	\$ (451)	\$ 59	\$ (12)
Income (loss) from discontinued operations, net of tax				31	(1,479)		
Cumulative effect of accounting changes, net of tax					(64)		
Net income (loss)	\$ 54	\$ (47)	\$ (1,124)	\$ (916)	\$ (1,994)	\$ 59	\$ (12)
<b>Per share data</b>							
Income (loss) from continuing operations							
Basic	\$ 0.53	\$ (0.46)	\$ (11.04)	\$ (9.18)	\$ (4.48)	\$ 0.56	\$ (0.12)
Diluted	0.49	(0.46)	(11.04)	(9.18)	(4.48)	0.49	(0.12)
Income (loss) from discontinued operations							
Basic	\$	\$	\$	\$ 0.30	\$ (14.71)	\$	\$
Diluted				0.30	(14.71)		
Cumulative effect of accounting changes							
Basic	\$	\$	\$	\$	\$ (0.63)	\$	\$
Diluted					(0.63)		
Net income (loss)							
Basic	\$ 0.53	\$ (0.46)	\$ (11.04)	\$ (8.88)	\$ (19.82)	\$ 0.56	\$ (0.12)
Diluted	0.49	(0.46)	(11.04)	(8.88)	(19.82)	0.49	(0.12)
Cash dividend declared(a)	\$	\$	\$	\$	\$ 1.10	\$	\$
<b>Financial position</b>							
Total assets	\$ 10,327	\$ 10,093	\$ 11,318	\$ 12,474	\$ 13,271	\$ 12,441	\$ 10,327
Assets under vehicle programs	6,865	6,522	7,826	7,981	7,700	8,656	6,865
Long-term debt, including current portion	2,502	2,131	1,789	1,797	1,842	2,498	2,502
Debt under vehicle programs(b)	4,515	4,374	6,034	5,596	5,270	6,287	4,515
Stockholders' equity	410	222	93	1,465	2,443	532	410

- (a) Cash dividends declared have been adjusted to reflect the 1-for-10 reverse stock split of our common stock which became effective in September 2006.
- (b) Includes related-party debt due to Avis Budget Rental Car Funding (AESOP), LLC. See Note 15 in the Notes to Consolidated Financial Statements contained in the 2010 10-K.



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In presenting the financial data above in conformity with GAAP, we are required to make estimates and assumptions that affect the amounts reported. See Management's Discussion and Analysis of Financial Condition and Results of Operations Accounting Policies Critical Accounting Policies in the 2010 10-K for a detailed discussion of the accounting policies that we believe require subjective and complex judgments that could potentially affect reported results.

### ***Restructuring and Other Items***

During 2010, we recorded \$11 million of restructuring charges related to initiatives within our Domestic Car Rental segment. In 2009 and 2008, we recorded \$20 million and \$28 million, respectively, of charges related to restructuring initiatives within each of our segments. In 2006, we recorded \$10 million of restructuring charges related to restructuring initiatives within our Truck Rental and Domestic Car Rental segments. See Note 4 in the Notes to Consolidated Financial Statements contained in the 2010 10-K.

During 2010, we recorded \$52 million of expense related to the early extinguishment of a portion of our corporate debt and associated interest rate swaps.

In 2009, we recorded an approximately \$33 million (\$20 million, net of tax) non-cash charge primarily for the impairment of our investment in Carey Holdings, Inc. ( Carey ), to reflect the other-than-temporary decline of the investment's fair value below its carrying value. In 2008, we recorded a \$1,262 million (\$1,053 million, net of tax) non-cash charge to reflect (i) the impairment of goodwill, (ii) the impairment of the Company's tradenames assets and (iii) the impairment of our investment in Carey. These charges reflect the decline in their fair value below their carrying value, primarily as a result of reduced market valuations for vehicle services and other companies, as well as reduced profit forecasts due to soft economic conditions and increased financing costs. In 2007, we recorded a \$1,195 million (\$1,073 million, net of tax) non-cash charge for the impairment of goodwill at each of our reporting units to reflect the decline in their fair value as evidenced by a decline in the market value of our common stock. See Note 2 in the Notes to Consolidated Financial Statements contained in the 2010 10-K. In 2006, we recorded a non-cash impairment charge of approximately \$1.3 billion within discontinued operations to reflect the difference between Travelport's carrying value and its estimated fair value, less costs to dispose.

In 2006, we incurred separation-related costs of \$574 million in connection with the spin-offs of Realogy and Wyndham and the sale of Travelport. During 2010, 2009, 2008 and 2007, separation-related costs incurred were insignificant. These costs consisted primarily of legal, accounting, other professional and consulting fees, various employee expenses and for 2006, included costs associated with the retirement of corporate debt.

Income (loss) from discontinued operations, net of tax, includes the after tax results of the following disposed businesses for all periods presented (through their dates of disposition): (i) Travelport, which we sold in August 2006, and (ii) Realogy and Wyndham, which were spun-off on July 31, 2006. Income (loss) from discontinued operations, net of tax, also includes a tax benefit realized as a result of certain elections made in connection with the disposition of Travelport on income tax returns filed during 2007 and the after tax losses on the sale of Travelport and the spin-offs of Realogy and Wyndham in 2006.

In 2006, we incurred \$40 million of litigation and related costs primarily in connection with the 1998 discovery of accounting irregularities in the former business units of CUC International, Inc. In 2010, 2009, and 2008 and 2007, these costs were immaterial.

In 2006, we recorded a \$103 million (\$64 million, net of tax) non-cash charge to reflect the cumulative effect of accounting changes related to (i) real estate time-share transactions at our former Hospitality Services and Timeshare Resorts segment and (ii) stock-based compensation awards.

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**EXCHANGE OFFER**

**Purpose of the exchange offer**

The exchange offer is designed to provide holders of Old Notes with an opportunity to acquire Exchange Notes which, unlike the Old Notes, will be freely transferable at all times, subject to any restrictions on transfer imposed by state blue sky laws and provided that the holder is not our affiliate within the meaning of the Securities Act and represents that the Exchange Notes are being acquired in the ordinary course of the holder's business and the holder is not engaged in, and does not intend to engage in, a distribution of the Exchange Notes.

The Old Notes were originally issued and sold on October 3, 2011, to the initial purchasers, pursuant to the purchase agreement dated September 21, 2011. The Old Notes were issued and sold in transactions not registered under the Securities Act in reliance upon the exemption provided by Section 4(2) of the Securities Act. The concurrent resale of the Old Notes by the initial purchasers to investors was done in reliance upon the exemptions provided by Rule 144A and Regulation S promulgated under the Securities Act. The Old Notes may not be reoffered, resold or transferred other than (i) to us or our subsidiaries, (ii) to a qualified institutional buyer in compliance with Rule 144A promulgated under the Securities Act, (iii) outside the United States to a non-U.S. person within the meaning of Regulation S under the Securities Act, (iv) pursuant to the exemption from registration provided by Rule 144 promulgated under the Securities Act (if available) or (v) pursuant to an effective registration statement under the Securities Act.

In connection with the original issuance and sale of the Old Notes, we entered into the Registration Rights Agreement, pursuant to which we agreed to file with the SEC a registration statement covering the exchange by us of the Exchange Notes for the Old Notes, pursuant to the exchange offer. The Registration Rights Agreement provides that we will file with the SEC an exchange offer registration statement on an appropriate form under the Securities Act and offer to holders of Old Notes who are able to make certain representations the opportunity to exchange their Old Notes for Exchange Notes.

Under existing interpretations by the Staff of the SEC as set forth in no-action letters issued to third parties in other transactions, the Exchange Notes would, in general, be freely transferable after the exchange offer without further registration under the Securities Act; provided, however, that in the case of broker-dealers participating in the exchange offer, a prospectus meeting the requirements of the Securities Act must be delivered by such broker-dealers in connection with resales of the Exchange Notes. We have agreed to furnish a prospectus meeting the requirements of the Securities Act to any such broker-dealer for use in connection with any resale of any Exchange Notes acquired in the exchange offer. A broker-dealer that delivers such a prospectus to purchasers in connection with such resales will be subject to certain of the civil liability provisions under the Securities Act and will be bound by the provisions of the Registration Rights Agreement (including certain indemnification rights and obligations).

We do not intend to seek our own interpretation regarding the exchange offer, and we cannot assure you that the staff of the SEC would make a similar determination with respect to the Exchange Notes as it has in other interpretations to third parties.

Each holder of Old Notes that exchanges such Old Notes for Exchange Notes in the exchange offer will be deemed to have made certain representations, including representations that (i) any Exchange Notes to be received by it will be acquired in the ordinary course of its business, (ii) it has no arrangement or understanding with any person to participate in the distribution (within the meaning of the Securities Act) of Exchange Notes and (iii) it is not our affiliate as defined in Rule 405 under the Securities Act, or if it is an affiliate, it will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable.

If the holder is not a broker-dealer, it will be required to represent that it is not engaged in, and does not intend to engage in, the distribution of Old Notes or Exchange Notes. If the holder is a broker-dealer that will receive Exchange Notes for its own account in exchange for Old Notes that were acquired as a result of market-making activities or other trading activities, it will be required to acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes.

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### **Terms of the exchange offer; period for tendering outstanding Old Notes**

Upon the terms and subject to the conditions set forth in this prospectus, we will accept any and all Old Notes that were acquired pursuant to Rule 144A or Regulation S validly tendered and not withdrawn prior to 5:00 p.m., New York City time, on the expiration date of the exchange offer. We will issue \$1,000 principal amount of Exchange Notes in exchange for each \$1,000 principal amount of Old Notes accepted in the exchange offer. Holders may tender some or all of their Old Notes pursuant to the exchange offer. However, Old Notes may be tendered only in integral multiples of \$1,000.

The form and terms of the Exchange Notes are the same as the form and terms of the outstanding Old Notes except that:

- (1) the Exchange Notes will be registered under the Securities Act and will not have legends restricting their transfer;
- (2) the Exchange Notes will not contain the registration rights and liquidated damages provisions contained in the outstanding Old Notes; and
- (3) interest on the Exchange Notes will accrue from the last interest date on which interest was paid on your Old Notes.

The Exchange Notes will evidence the same debt as the Old Notes and will be entitled to the benefits of the Indenture.

We intend to conduct the exchange offer in accordance with the applicable requirements of the Securities Exchange Act of 1934, as amended, referred to herein as the Exchange Act, and the rules and regulations of the SEC.

We will be deemed to have accepted validly tendered Old Notes when, as and if we have given oral or written notice of our acceptance to the exchange agent. The exchange agent will act as agent for the tendering holders for the purpose of receiving the Exchange Notes from us.

If any tendered Old Notes are not accepted for exchange because of an invalid tender or the occurrence of specified other events set forth in this prospectus, the certificates for any unaccepted Old Notes will be promptly returned, without expense, to the tendering holder.

Holders who tender Old Notes in the exchange offer will not be required to pay brokerage commissions or fees or transfer taxes with respect to the exchange of Old Notes pursuant to the exchange offer. We will pay all charges and expenses, other than transfer taxes in certain circumstances, in connection with the exchange offer. See [Fees and expenses](#) and [Transfer taxes](#) below.

The exchange offer will remain open for at least 20 full business days. The term [expiration date](#) will mean 5:00 p.m., New York City time, on December 12, 2011, unless we, in our sole discretion, extend the exchange offer, in which case the term [expiration date](#) will mean the latest date and time to which the exchange offer is extended.

To extend the exchange offer, prior to 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date, we will:

- (1) notify the exchange agent of any extension by oral notice (promptly confirmed in writing) or written notice, and
- (2) mail to the registered holders an announcement of any extension, and issue a notice by press release or other public announcement before such expiration date.

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We reserve the right, in our sole discretion:

- (1) if any of the conditions below under the heading "Conditions to the exchange offer" shall have not been satisfied,
  - (a) to delay accepting any Old Notes,
  - (b) to extend the exchange offer, or
  - (c) to terminate the exchange offer, or
- (2) to amend the terms of the exchange offer in any manner, provided however, that if we amend the exchange offer to make a material change, including the waiver of a material condition, we will extend the exchange offer, if necessary, to keep the exchange offer open for at least five business days after such amendment or waiver; provided further, that if we amend the exchange offer to change the percentage of Notes being exchanged or the consideration being offered, we will extend the exchange offer, if necessary, to keep the exchange offer open for at least ten business days after such amendment or waiver.

Any delay in acceptance, extension, termination or amendment will be followed as promptly as practicable by oral or written notice to the registered holders.

### **Procedures for tendering Old Notes through brokers and banks**

Since the Old Notes are represented by global book-entry notes, DTC, as depositary, or its nominee is treated as the registered holder of the Old Notes and will be the only entity that can tender your Old Notes for Exchange Notes. Therefore, to tender Old Notes subject to this exchange offer and to obtain Exchange Notes, you must instruct the institution where you keep your Old Notes to tender your Old Notes on your behalf so that they are received on or prior to the expiration of this exchange offer.

The letter of transmittal that may accompany this prospectus may be used by you to give such instructions.

**YOU SHOULD CONSULT YOUR ACCOUNT REPRESENTATIVE AT THE BROKER OR BANK WHERE YOU KEEP YOUR OLD NOTES TO DETERMINE THE PREFERRED PROCEDURE.**

**IF YOU WISH TO ACCEPT THIS EXCHANGE OFFER, PLEASE INSTRUCT YOUR BROKER OR ACCOUNT REPRESENTATIVE IN TIME FOR YOUR OLD NOTES TO BE TENDERED BEFORE THE 5:00 PM (NEW YORK CITY TIME) DEADLINE ON DECEMBER 12, 2011.**

### **Deemed representations**

To participate in the exchange offer, we require that you represent to us that:

- (1) you or any other person acquiring Exchange Notes in exchange for your Old Notes in the exchange offer is acquiring them in the ordinary course of business;
- (2) neither you nor any other person acquiring Exchange Notes in exchange for your Old Notes in the exchange offer is engaging in or intends to engage in a distribution of the Exchange Notes within the meaning of the federal securities laws;
- (3) neither you nor any other person acquiring Exchange Notes in exchange for your Old Notes has an arrangement or understanding with any person to participate in the distribution of Exchange Notes issued in the exchange offer;
- (4) neither you nor any other person acquiring Exchange Notes in exchange for your Old Notes is our "affiliate" as defined under Rule 405 of the Securities Act; and

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(5) if you or another person acquiring Exchange Notes in exchange for your Old Notes is a broker-dealer and you acquired the Old Notes as a result of market-making activities or other trading activities, you acknowledge that you will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of the Exchange Notes.

### **BY TENDERING YOUR OLD NOTES YOU ARE DEEMED TO HAVE MADE THESE REPRESENTATIONS.**

Broker-dealers who cannot make the representations in item (5) of the paragraph above cannot use this exchange offer prospectus in connection with resales of the Exchange Notes issued in the exchange offer.

If you are our affiliate, as defined under Rule 405 of the Securities Act, if you are a broker-dealer who acquired your Old Notes in the initial offering and not as a result of market-making or trading activities, or if you are engaged in or intend to engage in or have an arrangement or understanding with any person to participate in a distribution of Exchange Notes acquired in the exchange offer, you or that person:

(1) may not rely on the applicable interpretations of the Staff of the SEC and therefore may not participate in the exchange offer; and

(2) must comply with the registration and prospectus delivery requirements of the Securities Act or an exemption therefrom when reselling the Old Notes.

You may tender some or all of your Old Notes in this exchange offer. However, your Old Notes may be tendered only in integral multiples of \$1,000.

When you tender your outstanding Old Notes and we accept them, the tender will be a binding agreement between you and us as described in this prospectus.

The method of delivery of outstanding Old Notes and all other required documents to the exchange agent is at your election and risk.

We will decide all questions about the validity, form, eligibility, acceptance and withdrawal of tendered Old Notes, and our reasonable determination will be final and binding on you. We reserve the absolute right to:

(1) reject any and all tenders of any particular Old Note not properly tendered;

(2) refuse to accept any Old Note if, in our reasonable judgment or the judgment of our counsel, the acceptance would be unlawful; and

(3) waive any defects or irregularities or conditions of the exchange offer as to any particular Old Notes before the expiration of the offer.

Our interpretation of the terms and conditions of the exchange offer will be final and binding on all parties. You must cure any defects or irregularities in connection with tenders of Old Notes as we will reasonably determine. Neither us, the exchange agent nor any other person will incur any liability for failure to notify you or any defect or irregularity with respect to your tender of Old Notes. If we waive any terms or conditions pursuant to (3) above with respect to a noteholder, we will extend the same waiver to all noteholders with respect to that term or condition being waived.

### **Procedures for brokers and custodian banks; DTC ATOP Account**

In order to accept this exchange offer on behalf of a holder of Old Notes you must submit or cause your DTC participant to submit an Agent's Message as described below.

The exchange agent, on our behalf will seek to establish an Automated Tender Offer Program ( ATOP ) account with respect to the outstanding Old Notes at DTC promptly after the delivery of this prospectus. Any

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financial institution that is a DTC participant, including your broker or bank, may make book-entry tender of outstanding Old Notes by causing the book-entry transfer of such Old Notes into our ATOP account in accordance with DTC's procedures for such transfers. Concurrently with the delivery of Old Notes, an Agent's Message in connection with such book-entry transfer must be transmitted by DTC to, and received by, the exchange agent on or prior to 5:00 pm, New York City Time on the expiration date. The confirmation of a book entry transfer into the ATOP account as described above is referred to herein as a Book-Entry Confirmation.

The term Agent's Message means a message transmitted by the DTC participants to DTC, and thereafter transmitted by DTC to the exchange agent, forming a part of the Book-Entry Confirmation which states that DTC has received an express acknowledgment from the participant in DTC described in such Agent's Message stating that such participant and beneficial holder agree to be bound by the terms of this exchange offer.

Each Agent's Message must include the following information:

- (1) Name of the beneficial owner tendering such Old Notes;
- (2) Account number of the beneficial owner tendering such Old Notes;
- (3) Principal amount of Old Notes tendered by such beneficial owner; and
- (4) A confirmation that the beneficial holder of the Old Notes tendered has made the representations for our benefit set forth under Deemed representations above.

**BY SENDING AN AGENT'S MESSAGE THE DTC PARTICIPANT IS DEEMED TO HAVE CERTIFIED THAT THE BENEFICIAL HOLDER FOR WHOM NOTES ARE BEING TENDERED HAS BEEN PROVIDED WITH A COPY OF THIS PROSPECTUS.**

The delivery of Old Notes through DTC, and any transmission of an Agent's Message through ATOP, is at the election and risk of the person tendering Old Notes. We will ask the exchange agent to instruct DTC to promptly return those Old Notes, if any, that were tendered through ATOP but were not accepted by us, to the DTC participant that tendered such Old Notes on behalf of holders of the Old Notes.

### **Acceptance of Outstanding Old Notes for Exchange; Delivery of Exchange Notes**

We will accept validly tendered Old Notes when the conditions to the exchange offer have been satisfied or we have waived them. We will have accepted your validly tendered Old Notes when we have given oral or written notice to the exchange agent. The exchange agent will act as agent for the tendering holders for the purpose of receiving the Exchange Notes from us. If we do not accept any tendered Old Notes for exchange by book-entry transfer because of an invalid tender or other valid reason, we will credit the Notes to an account maintained with DTC promptly after the exchange offer terminates or expires.

**THE AGENT'S MESSAGE MUST BE TRANSMITTED TO THE EXCHANGE AGENT ON OR BEFORE 5:00 PM, NEW YORK CITY TIME, ON THE EXPIRATION DATE.**

### **Withdrawal rights**

You may withdraw your tender of outstanding notes at any time before 5:00 p.m., New York City time, on the expiration date.

For a withdrawal to be effective, you should contact your bank or broker where your Old Notes are held and have them send an ATOP notice of withdrawal so that it is received by the exchange agent before 5:00 p.m., New York City time, on the expiration date. Such notice of withdrawal must:

- (1) specify the name of the person that tendered the Old Notes to be withdrawn;
- (2) identify the Old Notes to be withdrawn, including the CUSIP number and principal amount at maturity of the Old Notes; specify the name and number of an account at the DTC to which your withdrawn Old Notes can be credited.

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We will decide all questions as to the validity, form and eligibility of the notices and our determination will be final and binding on all parties. Any tendered Old Notes that you withdraw will not be considered to have been validly tendered. We will promptly return any outstanding Old Notes that have been tendered but not exchanged, or credit them to the DTC account. You may re-tender properly withdrawn Old Notes by following one of the procedures described above before the expiration date.

### **Conditions on the exchange offer**

Notwithstanding any other provision of the exchange offer, or any extension of the exchange offer, we will not be required to accept for exchange, or to issue Exchange Notes in exchange for, any outstanding Old Notes and may terminate the exchange offer (whether or not any Old Notes have been accepted for exchange) or amend the exchange offer, if any of the following conditions has occurred or exists or has not been satisfied, or has not been waived by us in our sole reasonable discretion, prior to the expiration date:

there is threatened, instituted or pending any action or proceeding before, or any injunction, order or decree issued by, any court or governmental agency or other governmental regulatory or administrative agency or commission:

- (1) seeking to restrain or prohibit the making or completion of the exchange offer or any other transaction contemplated by the exchange offer, or assessing or seeking any damages as a result of this transaction; or
- (2) resulting in a material delay in our ability to accept for exchange or exchange some or all of the Old Notes in the exchange offer; or
- (3) any statute, rule, regulation, order or injunction has been sought, proposed, introduced, enacted, promulgated or deemed applicable to the exchange offer or any of the transactions contemplated by the exchange offer by any governmental authority, domestic or foreign; or

any action has been taken, proposed or threatened, by any governmental authority, domestic or foreign, that, in our sole reasonable judgment, would directly or indirectly result in any of the consequences referred to in clauses (1), (2) or (3) above or, in our sole reasonable judgment, would result in the holders of Exchange Notes having obligations with respect to resales and transfers of Exchange Notes which are greater than those described in the interpretation of the SEC referred to above, or would otherwise make it inadvisable to proceed with the exchange offer; or the following has occurred:

- (1) any general suspension of or general limitation on prices for, or trading in, securities on any national securities exchange or in the over-the-counter market; or
- (2) any limitation by a governmental authority which adversely affects our ability to complete the transactions contemplated by the exchange offer; or
- (3) a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States or any limitation by any governmental agency or authority which adversely affects the extension of credit; or
- (4) a commencement of a war, armed hostilities or other similar international calamity directly or indirectly involving the United States, or, in the case of any of the preceding events existing at the time of the commencement of the exchange offer, a material acceleration or worsening of these calamities; or

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any change, or any development involving a prospective change, has occurred or been threatened in our business, financial condition, operations or prospects and those of our subsidiaries taken as a whole that is or may be adverse to us, or we have become aware of facts that have or may have an adverse impact on the value of the Old Notes or the Exchange Notes, which in our sole reasonable judgment in any case makes it inadvisable to proceed with the exchange offer and/or with such acceptance for exchange or with such exchange; or



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there shall occur a change in the current interpretation by the Staff of the SEC which permits the Exchange Notes issued pursuant to the exchange offer in exchange for Old Notes to be offered for resale, resold and otherwise transferred by holders thereof (other than broker-dealers and any such holder which is our affiliate within the meaning of Rule 405 promulgated under the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that such Exchange Notes are acquired in the ordinary course of such holders' business and such holders have no arrangement or understanding with any person to participate in the distribution of such Exchange Notes; or

any law, statute, rule or regulation shall have been adopted or enacted which, in our reasonable judgment, would impair our ability to proceed with the exchange offer; or

a stop order shall have been issued by the SEC or any state securities authority suspending the effectiveness of the registration statement, or proceedings shall have been initiated or, to our knowledge, threatened for that purpose, or any governmental approval has not been obtained, which approval we shall, in our sole reasonable discretion, deem necessary for the consummation of the exchange offer as contemplated hereby; or

we have received an opinion of counsel experienced in such matters to the effect that there exists any actual or threatened legal impediment (including a default or prospective default under an agreement, indenture or other instrument or obligation to which we are a party or by which we are bound) to the consummation of the transactions contemplated by the exchange offer.

If we determine in our sole reasonable discretion that any of the foregoing events or conditions has occurred or exists or has not been satisfied, we may, subject to applicable law, terminate the exchange offer (whether or not any Old Notes have been accepted for exchange) or may waive any such condition or otherwise amend the terms of the exchange offer in any respect. If such waiver or amendment constitutes a material change to the exchange offer, we will promptly disclose such waiver or amendment by means of a prospectus supplement that will be distributed to the registered holders of the Old Notes and will extend the exchange offer to the extent required by Rule 14e-1 promulgated under the Exchange Act.

These conditions are for our sole benefit and we may assert them regardless of the circumstances giving rise to any of these conditions, or we may waive them, in whole or in part, in our sole reasonable discretion, provided that we will not waive any condition with respect to an individual holder of Old Notes unless we waive that condition for all such holders. Any reasonable determination made by us concerning an event, development or circumstance described or referred to above will be final and binding on all parties. Our failure at any time to exercise any of the foregoing rights will not be a waiver of our rights and each such right will be deemed an ongoing right which may be asserted at any time before the expiration of the exchange offer.

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### **Exchange agent**

We have appointed The Bank of Nova Scotia Trust Company of New York as the exchange agent for the exchange offer. You should direct questions, requests for assistance, and requests for additional copies of this prospectus and the letter of transmittal that may accompany this prospectus to the exchange agent addressed as follows:

#### **THE BANK OF NOVA SCOTIA TRUST COMPANY OF NEW YORK, EXCHANGE AGENT**

*By registered or certified mail, overnight delivery:*

One Liberty Plaza

23rd Floor

New York, NY 10006

Attention: Patricia Keane

*For Information Call:*

(212) 225-5427

*For facsimile transmission (for eligible institutions only):*

(212) 225-5436

*Confirm by Telephone:*

(212) 225-5427

**Delivery to an address other than set forth above will not constitute a valid delivery.**

### **Fees and expenses**

The principal solicitation is being made through DTC by The Bank of Nova Scotia Trust Company of New York, as exchange agent. We will pay the exchange agent customary fees for its services, reimburse the exchange agent for its reasonable out-of-pocket expenses incurred in connection with the provisions of these services and pay other registration expenses, including registration and filing fees, fees and expenses of compliance with federal securities and state blue sky securities laws, printing expenses, messenger and delivery services and telephone, fees and disbursements to our counsel, application and filing fees and any fees and disbursements to our independent certified public accountants. We will not make any payment to brokers, dealers, or others soliciting acceptances of the exchange offer except for reimbursement of mailing expenses.

Additional solicitations may be made by telephone, facsimile or in person by our and our affiliates' officers employees and by persons so engaged by the exchange agent.

### **Accounting treatment**

The Exchange Notes will be recorded at the same carrying value as the existing Old Notes, as reflected in our accounting records on the date of exchange. Accordingly, we will recognize no gain or loss for accounting purposes. The expenses of the exchange offer will be capitalized and expensed over the term of the Exchange Notes.

### **Transfer taxes**

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If you tender outstanding Old Notes for exchange you will not be obligated to pay any transfer taxes. However, if you instruct us to register Exchange Notes in the name of, or request that your Old Notes not tendered or not accepted in the exchange offer be returned to, a person other than the registered tendering holder, you will be responsible for paying any transfer tax owed.

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YOU MAY SUFFER ADVERSE CONSEQUENCES IF YOU FAIL TO EXCHANGE OUTSTANDING OLD NOTES.

If you do not tender your outstanding Old Notes, you will not have any further registration rights, except for the rights described in the Registration Rights Agreement and described above, and your Old Notes will continue to be subject to the provisions of the indenture governing the Old Notes regarding transfer and exchange of the Old Notes and the restrictions on transfer of the Old Notes imposed by the Securities Act and states securities law when we complete the exchange offer. These transfer restrictions are required because the Old Notes were issued under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, if you do not tender your Old Notes in the exchange offer, your ability to sell your Old Notes could be adversely affected. Once we have completed the exchange offer, holders who have not tendered notes will not continue to be entitled to any increase in interest rate that the indenture governing the Old Notes provides for if we do not complete the exchange offer.

### **Consequences of failure to exchange**

The Old Notes that are not exchanged for Exchange Notes pursuant to the exchange offer will remain restricted securities. Accordingly, the Old Notes may be resold only:

- (1) to us upon redemption thereof or otherwise;
- (2) so long as the outstanding securities are eligible for resale pursuant to Rule 144A, to a person inside the United States who is a qualified institutional buyer within the meaning of Rule 144A under the Securities Act in a transaction meeting the requirements of Rule 144A, in accordance with Rule 144 under the Securities Act, or pursuant to another exemption from the registration requirements of the Securities Act, which other exemption is based upon an opinion of counsel reasonably acceptable to us;
- (3) outside the United States to a foreign person in a transaction meeting the requirements of Rule 904 under the Securities Act; or
- (4) pursuant to an effective registration statement under the Securities Act, in each case in accordance with any applicable securities laws of any state of the United States.

### **Shelf registration**

The Registration Rights Agreement also requires that we file a shelf registration statement if:

- (1) we cannot file a registration statement for the exchange offer because the exchange offer is not permitted by law or SEC policy;
- (2) a law or SEC policy prohibits a holder from participating in the exchange offer;
- (3) a holder cannot resell the Exchange Notes it acquires in the exchange offer without delivering a prospectus and this prospectus is not appropriate or available for resales by the holder; or
- (4) a holder is a broker-dealer and holds notes acquired directly from us or one of our affiliates.

We will also register the Exchange Notes under the securities laws of jurisdictions that holders may request before offering or selling notes in a public offering. We do not intend to register Exchange Notes in any jurisdiction unless a holder requests that we do so.

Old Notes may be subject to restrictions on transfer until:

- (1) a person other than a broker-dealer has exchanged the Old Notes in the exchange offer;
- (2) a broker-dealer has exchanged the Old Notes in the exchange offer and sells them to a purchaser that receives a prospectus from the broker, dealer on or before the sale;
- (3) the Old Notes are sold under an effective shelf registration statement that we have filed; or
- (4) the Old Notes are sold to the public under Rule 144 of the Securities Act.



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**DESCRIPTION OF EXCHANGE NOTES**

The Exchange Notes are to be issued under the Indenture. The Indenture under which the Exchange Notes are to be issued is the same indenture under which the Old Notes were issued. Any Old Note that remains outstanding after the completion of the exchange offer, together with the Exchange Notes issued in connection with the exchange offer, will be treated as a single class of securities under the Indenture.

The Indenture contains provisions that define your rights and govern the obligations of the Company under the notes. Copies of the form of the Indenture and the notes will be made available to prospective purchasers of the notes upon request, when available.

Upon issuance, the notes were the obligations of the Escrow Issuer and not the obligations of ABCR or Avis Finance and were not guaranteed by the Guarantors (as defined below). On the Completion Date, (i) the Escrow Issuer merged with and into ABCR, with ABCR surviving the merger, (ii) each of ABCR and Avis Finance assumed all the obligations of the Escrow Issuer under the notes and the Indenture as co-issuers and (iii) the Guarantors became parties to the Indenture and guaranteed the notes. Avis Europe and its material subsidiaries became Restricted Subsidiaries; however, Avis Europe and its subsidiaries, as Foreign Subsidiaries, do not guarantee the notes.

The following is a summary of certain provisions of the Indenture and the notes. It does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the Indenture, including the definitions of certain terms therein and those terms to be made a part thereof by the TIA. The capitalized terms defined in Certain definitions below are used in this Description of Exchange Notes as so defined. In this Description of Exchange Notes, any reference to a Holder or a noteholder refers to the registered holders of the notes (initially only Cede & Co., as nominee of DTC); and reference to the Company is to ABCR and not any of its subsidiaries. Any reference to the Issuers is to ABCR and Avis Finance, as co-issuers and not to any of their subsidiaries.

**Brief description of the notes**

The notes will:

be general, unsubordinated obligations of the Issuers;

be unsecured;

be structurally subordinated to all existing and future Indebtedness and other liabilities (including trade payables) of the Company's Subsidiaries (other than Subsidiaries that are or become Subsidiary Guarantors pursuant to the provisions described below under Guarantees );

be limited to an aggregate principal amount of \$250.0 million, subject to our ability to issue Additional Notes;

mature on March 15, 2020;

bear interest at the applicable rate per annum shown on the front cover of this prospectus from October 3, 2011, or from the most recent date to which interest has been paid or provided for;

be issued in denominations of \$2,000 and any integral multiple of \$1,000 in excess thereof;

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be represented by one or more registered notes in global form, but in certain circumstances may be represented by notes in definitive form. See Book entry, delivery and form ;

be *pari passu* in right of payment with all existing and future unsubordinated indebtedness of the Issuers; and

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be unconditionally guaranteed on an unsubordinated basis by Avis Budget Group, Inc. ( Indirect Parent ), Avis Budget Holdings, LLC, and each of the Company s current and future Domestic Subsidiaries that guarantees payment by the Company of any Indebtedness of the Company under the Senior Credit Facilities.

Because the notes are unsecured, in the event of bankruptcy, liquidation, reorganization or other winding up of the Company or the Guarantors or upon default in payment with respect to, or the acceleration of, any Indebtedness under the Senior Credit Facilities or other senior secured indebtedness, the assets of our company and the guarantors that secure other senior secured indebtedness will be available to pay obligations on the notes and the guarantees only after all Indebtedness under such other secured indebtedness has been repaid in full from such assets.

### **Principal, maturity and interest**

The notes were issued initially in an aggregate principal amount of \$250.0 million. The notes will mature on March 15, 2020. Each note will bear interest at the applicable rate per annum shown on the front cover of this prospectus from October 3, 2011, or from the most recent date to which interest has been paid or provided for.

Interest on the notes will be payable semiannually in cash to Holders of record at the close of business on March 1 and September 1 immediately preceding the interest payment date on March 15 and September 15 of each year, commencing March 15 2012. Interest will be paid on the basis of a 360-day year consisting of twelve 30-day months and accrue from the date of original issuance.

Additional securities may be issued under the Indenture in one or more series from time to time ( Additional Notes ), subject to the limitations set forth under Certain covenants Limitation on indebtedness, which will vote as a class with the notes and will be treated as a single class with the notes for all purposes under the Indenture.

### *Other terms*

Principal of, premium, if any, and interest on, the notes will be payable, and the notes may be exchanged or transferred, at the office or agency of the Company maintained for such purposes (which initially shall be the corporate trust office of the Trustee), except that, at the option of the Company, payment of interest may be made by check mailed to the address of the registered holders of the notes as such address appears in the Note register.

The notes will be issued only in fully registered form, without coupons. The notes will be issued only in minimum denominations of \$2,000 (the Minimum Denomination ) and integral multiples of \$1,000 in excess of \$2,000.

### **Optional redemption**

The notes will be redeemable, at the Company s option, at any time prior to maturity at varying redemption prices in accordance with the applicable provisions set forth below.

The notes will be redeemable, at the Company s option, in whole or in part, at any time and from time to time on or after September 15, 2015, and prior to maturity at the applicable redemption price set forth below. Such redemption may be made upon notice mailed by first-class mail to each Holder s registered address, not less than 30 nor more than 60 days prior to the redemption date. The Company may provide in such notice that payment of the redemption price and the performance of the Company s obligations with respect to such redemption may be performed by another Person. Any such redemption and notice may, in the Company s discretion, be subject to the satisfaction of one or more conditions precedent, including but not limited to the occurrence of a Change of Control. The notes will be so redeemable at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest, if any, to, but not including,



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the relevant redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on September 15 of each of the years set forth below:

Redemption Period	Price
2015	104.875%
2016	102.438%
2017 and thereafter	100.000%

In addition, the Indenture provides that at any time and from time to time on or prior to September 15, 2014, the Company at its option may redeem notes in an aggregate principal amount equal to up to 35% of the original aggregate principal amount of the notes (including the principal amount of any Additional Notes), with funds in an aggregate amount (the Redemption Amount) not exceeding the aggregate proceeds of one or more Equity Offerings (as defined below), at a redemption price (expressed as a percentage of principal amount thereof) of 109.75% for the notes plus accrued and unpaid interest, if any, to, but not including, the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided, however*, that if notes are redeemed, an aggregate principal amount of notes equal to at least 65% of the original aggregate principal amount of notes must remain outstanding after each such redemption of notes.

Equity Offering means a sale of Capital Stock (x) that is a sale of Capital Stock of the Company (other than Disqualified Stock), or (y) proceeds of which in an amount equal to or exceeding the Redemption Amount are contributed to the equity capital of the Company or any of its Restricted Subsidiaries. Such redemption may be made upon notice mailed by first-class mail to each Holder's registered address, not less than 30 nor more than 60 days prior to the redemption date (but in no event more than 180 days after the completion of the related Equity Offering). The Company may provide in such notice that payment of the redemption price and performance of the Company's obligations with respect to such redemption may be performed by another Person. Any such notice may be given prior to the completion of the related Equity Offering, and any such redemption or notice may, at the Company's discretion, be subject to the satisfaction of one or more conditions precedent, including but not limited to the completion of the related Equity Offering.

At any time prior to September 15, 2015, the notes may also be redeemed or purchased (by the Company or any other Person) in whole or in part, at the Company's option, at a price (the Redemption Price) equal to 100% of the principal amount thereof plus the Applicable Premium as of, and accrued but unpaid interest, if any, to, the date of redemption or purchase (the Redemption Date) (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date). Such redemption or purchase may be made upon notice mailed by first-class mail to each Holder's registered address, not less than 30 nor more than 60 days prior to the Redemption Date. The Company may provide in such notice that payment of the Redemption Price and performance of the Company's obligations with respect to such redemption or purchase may be performed by another Person. Any such redemption, purchase or notice may, at the Company's discretion, be subject to the satisfaction of one or more conditions precedent, including but not limited to the occurrence of a Change of Control.

Applicable Premium means, with respect to a note at any Redemption Date, the greater of (i) 1.0% of the principal amount of such note and (ii) the excess of (A) the present value at such Redemption Date of (1) the redemption price of such note on September 15, 2015, such redemption price being that described in the second paragraph of this Optional redemption section plus (2) all required remaining scheduled interest payments due on such note through such date, computed using a discount rate equal to the Treasury Rate plus 50 basis points, over (B) the principal amount of such note on such Redemption Date; as calculated by the Company or on behalf of the Company by such Person as the Company shall designate; *provided* that such calculation shall not be a duty or obligation of the Trustee.

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**Treasury Rate** means, with respect to a Redemption Date, the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) that has become publicly available at least two Business Days prior to such Redemption Date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from such Redemption Date to September 15, 2015; *provided, however*, that if the period from the Redemption Date to such date is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from the Redemption Date to such date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

### **Selection**

In the case of any partial redemption, selection of the notes for redemption will be made by the Trustee on a pro rata basis, or, to the extent a pro rata basis is not permitted, by such other method as such Trustee shall deem to be fair and appropriate, although no note of the Minimum Denomination in original principal amount or less will be redeemed in part. If any note is to be redeemed in part only, the notice of redemption relating to such note shall state the portion of the principal amount thereof to be redeemed. A new note in principal amount equal to the unredeemed portion thereof will be issued in the name of the Holder thereof upon cancellation of the original note.

### **Guarantees**

The notes are guaranteed by Avis Budget Group, Inc., our indirect parent company, Avis Budget Holdings, LLC, our direct parent company (collectively with Indirect Parent, the **Parent Guarantors** ), and by each Domestic Subsidiary that guarantees payment by the Company of any Indebtedness of the Company under the Senior Credit Facilities (collectively, the **Subsidiary Guarantors** and, together with the Parent Guarantors, the **Guarantors** ). In addition, the Company will cause each Domestic Subsidiary that guarantees payment by the Company of any Indebtedness of the Company under the Senior Credit Facilities to execute and deliver to the Trustee a supplemental indenture or other instrument pursuant to which such Domestic Subsidiary will guarantee payment of the notes, whereupon such Domestic Subsidiary will become a Subsidiary Guarantor for all purposes under the Indenture. In addition, the Company may cause any Subsidiary or other Person that is not a Subsidiary Guarantor to guarantee payment of the notes and become a Guarantor.

None of the Company's Foreign Subsidiaries, including Avis Europe and its subsidiaries, will guarantee the notes. In addition, the Company's subsidiaries that own certain of our rental fleet are Unrestricted Subsidiaries and these subsidiaries, as well as certain other subsidiaries, will not guarantee the notes. In the event of a bankruptcy, liquidation or reorganization of any of the non-guarantor Subsidiaries, such subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to the Company. Our non-guarantor subsidiaries accounted for approximately \$1.2 billion of our total revenues for the six months ended June 30, 2011, excluding certain expenses relating to AESOP Leasing Company and equity in earnings eliminations. As of June 30, 2011, our non-guarantor subsidiaries accounted for approximately \$9.2 billion of our total assets excluding certain intercompany balances and equity eliminations, and approximately \$6.9 billion of our total liabilities, excluding certain intercompany balances, related taxes and equity eliminations.

Each Guarantor, as primary obligor and not merely as surety, will jointly and severally, irrevocably, fully and unconditionally Guarantee, on an unsecured unsubordinated basis the punctual payment when due, whether at Stated Maturity, by acceleration or otherwise, of all monetary obligations of the Company under the Indenture and the notes, whether for principal of or interest on the notes, expenses, indemnification or otherwise (all such obligations guaranteed by the Subsidiary Guarantors being herein called the **Subsidiary Guaranteed Obligations** ).

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Each Guarantor will agree to pay, in addition to the amount stated above, any and all reasonable out-of-pocket expenses (including reasonable counsel fees and expenses) incurred by the Trustee or the applicable Holders in enforcing any rights under a Guarantee.

The obligations of each Guarantor will be limited to the maximum amount, as will, after giving effect to all other contingent and fixed liabilities of such Guarantor (including but not limited to any Guarantee by it of any Bank Indebtedness), result in the obligations of such Guarantor under the Guarantee not constituting a fraudulent conveyance or fraudulent transfer under applicable law, or being void or unenforceable under any law relating to insolvency of debtors.

Each Guarantee shall be a continuing Guarantee and shall (i) remain in full force and effect until payment in full of the principal amount of all outstanding notes (whether by payment at maturity, purchase, redemption, defeasance, retirement or other acquisition) and all other applicable obligations then due and owing unless earlier terminated as described below, (ii) be binding upon such Guarantor and (iii) inure to the benefit of and be enforceable by the Trustee, the Holders and their permitted successors, transferees and assigns.

Notwithstanding the preceding paragraph, the Parent Guarantors and each Subsidiary Guarantor will automatically and unconditionally be released from all obligations under their Guarantees, and such Guarantees shall thereupon terminate and be discharged and of no further force or effect, (i) in the case of a Subsidiary Guarantor, concurrently with any direct or indirect sale or disposition (by merger or otherwise) of any Subsidiary Guarantor or any interest therein not prohibited by the terms of the Indenture (including the covenant described under Certain covenants Limitation on sales of assets and subsidiary stock and Merger and consolidation ) by the Company or a Restricted Subsidiary or any other transaction, following which such Subsidiary Guarantor is no longer a Restricted Subsidiary of the Company, (ii) at any time that such Guarantor is released from all of its obligations under all of its Guarantees of payment by the Company of any Indebtedness of the Company under the Senior Credit Facilities (it being understood that a release subject to contingent reinstatement is still a release, and that if any such Guarantee is so reinstated, such Guarantee shall also be reinstated), provided that the release of obligations described in this clause (ii) shall not apply to Avis Budget Group, Inc., (iii) upon the merger or consolidation of any Guarantor with and into the Company or another Guarantor that is the surviving Person in such merger or consolidation, or upon the liquidation of such Guarantor following or contemporaneously with the transfer of all of its assets to the Company or another Guarantor, provided that the release of obligations described in this clause (iii) shall not apply to Avis Budget Group, Inc., (iv) concurrently with a Subsidiary Guarantor becoming an Unrestricted Subsidiary, (v) upon legal or covenant defeasance of the Company's obligations, or satisfaction and discharge of the Indenture, or (vi) subject to customary contingent reinstatement provisions, upon payment in full of the aggregate principal amount of all notes then outstanding. In addition, the Company will have the right, upon 5 days' notice to the Trustee, to cause any Subsidiary Guarantor that has not guaranteed payment by the Company of any Indebtedness of the Company under the Senior Credit Facilities to be unconditionally released from all obligations under its Subsidiary Guarantee, and such Subsidiary Guarantee shall thereupon terminate and be discharged and of no further force or effect. Upon any such occurrence specified in this paragraph, the Trustee shall execute any documents reasonably required in order to evidence such release, discharge and termination in respect of such Subsidiary Guarantee.

Neither the Company nor any such Guarantor shall be required to make a notation on the notes to reflect any such Guarantee or any such release, termination or discharge.

## **Ranking**

The indebtedness evidenced by the notes (a) will be unsecured unsubordinated indebtedness of the Issuers, (b) will rank *pari passu* in right of payment with all existing and future unsubordinated indebtedness of the Issuers and (c) will be senior in right of payment to all existing and future Subordinated Obligations of the Issuers to the extent set forth in the instrument containing the applicable subordination agreement. The notes are unsecured. In the event of a bankruptcy or insolvency, the Company's secured lenders will have a prior secured claim to any collateral securing the debt owed to them.

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Each Subsidiary Guarantee will (a) be unsecured unsubordinated indebtedness of the applicable Subsidiary Guarantor, (b) will rank *pari passu* in right of payment with all existing and future unsubordinated indebtedness of such Person and (c) will be senior in right of payment to all existing and future Guarantor Subordinated Obligations of such Person to the extent set forth in the instrument containing the applicable subordination agreement. Each Subsidiary Guarantee is unsecured. In the event of a bankruptcy or insolvency, the secured lenders of each Subsidiary Guarantor will have a prior secured claim to any collateral securing the debt owed to them.

A substantial part of the operations of the Company are conducted through its Subsidiaries. Claims of creditors of such Subsidiaries, including trade creditors, and claims of preferred shareholders (if any) of such Subsidiaries will have priority with respect to the assets and earnings of such Subsidiaries over the claims of creditors of the Company, including holders of the notes, unless such Subsidiary is a Subsidiary Guarantor with respect to the notes. The notes, therefore, will be structurally subordinated to creditors (including trade creditors) and preferred shareholders (if any) of other Subsidiaries of the Company (other than Subsidiaries that become Subsidiary Guarantors). Certain of the operations of a Subsidiary Guarantor may be conducted through Subsidiaries thereof that are not also Subsidiary Guarantors. Claims of creditors of such Subsidiaries, including trade creditors, and claims of preferred shareholders (if any) of such Subsidiaries will have priority with respect to the assets and earnings of such Subsidiaries over the claims of creditors of such Subsidiary Guarantor, including claims under its Subsidiary Guarantee. Such Subsidiary Guarantee, if any, therefore, will be structurally subordinated to creditors (including trade creditors) and preferred shareholders (if any) of such Subsidiaries. Under the Indenture, the Company and its Subsidiaries, including non-guarantor Subsidiaries, are permitted to incur additional Indebtedness (including preferred stock) in the future, the amount of which may be significant, subject to the limitations contained in the Indenture.

### **Change of control**

Upon the occurrence after the Issue Date of a Change of Control (as defined below), each Holder of notes will have the right to require the Company to repurchase all or any part of such notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but not including, the date of repurchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided, however*, that the Company shall not be obligated to repurchase notes pursuant to this covenant in the event that it has exercised its right to redeem all of the notes as described under Optional redemption.

The term Change of Control means:

- (i) any person (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), other than one or more Permitted Holders or a Parent, becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Company, provided that (x) so long as the Company is a Subsidiary of any Parent, no person shall be deemed to be or become a beneficial owner of more than 50% of the total voting power of the Voting Stock of the Company unless such person shall be or become a beneficial owner of more than 50% of the total voting power of the Voting Stock of such Parent and (y) any Voting Stock of which any Permitted Holder is the beneficial owner shall not in any case be included in any Voting Stock of which any such person is the beneficial owner ;
- (ii) the Company or the Parent merges or consolidates with or into, or sells or transfers (in one or a series of related transactions) all or substantially all of the assets of the Company and its Restricted Subsidiaries, taken as a whole, to, another Person (other than one or more Permitted Holders) and any person (as defined in clause (i) above), other than one or more Permitted Holders or any Parent, is or becomes the beneficial owner (as so defined), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the surviving Person in such merger or consolidation, or the transferee Person in such sale or transfer of assets, as the case may be, provided that (x) so long as such surviving or transferee Person is a

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Subsidiary of a parent Person, no person shall be deemed to be or become a beneficial owner of more than 50% of the total voting power of the Voting Stock of such surviving or transferee Person unless such person shall be or become a beneficial owner of more than 50% of the total voting power of the Voting Stock of such parent Person and (y) any Voting Stock of which any Permitted Holder is the beneficial owner shall not in any case be included in any Voting Stock of which any such person is the beneficial owner; or

(iii) during any period of two consecutive years (during which period the Company has been a party to the Indenture), individuals who at the beginning of such period were members of the Board (together with any new members thereof whose election by such Board or whose nomination for election by holders of Capital Stock of the Company was approved by one or more Permitted Holders or by a vote of a majority of the members of such Board then still in office who were either members thereof at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of such Board then in office.

In the event that, at the time of such Change of Control, the terms of any Bank Indebtedness restrict or prohibit the repurchase of the notes pursuant to this covenant, then prior to the mailing of the notice to applicable Holders provided for in the immediately following paragraph but in any event not later than 30 days following the date the Company obtains actual knowledge of any Change of Control (unless the Company has exercised its right to redeem all the notes as described under Optional redemption), the Company shall, or shall cause one or more of its Subsidiaries to, (i) repay in full all such Bank Indebtedness subject to such terms or offer to repay in full all such Bank Indebtedness and repay the Bank Indebtedness of each lender who has accepted such offer or (ii) obtain the requisite consent under the agreements governing such Bank Indebtedness to permit the repurchase of the notes as provided for in the immediately following paragraph. The Company shall first comply with the provisions of the immediately preceding sentence before it shall be required to repurchase notes pursuant to the provisions described below. The Company's failure to comply with such provisions or the provisions of the immediately following paragraph shall constitute an Event of Default described in clause (iv) and not in clause (ii) under Defaults below.

Unless the Company has exercised its right to redeem all the notes as described under Optional redemption, the Company shall, not later than 30 days following the date the Company obtains actual knowledge of any Change of Control having occurred, mail a notice (a Change of Control Offer) to each Holder with a copy to the Trustee stating: (1) that a Change of Control has occurred or may occur and that such Holder has, or upon such occurrence will have, the right to require the Company to purchase such Holder's notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but not including, the date of purchase (subject to the right of Holders of record on a record date to receive interest on the relevant interest payment date); (2) the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed); (3) the instructions determined by the Company, consistent with this covenant, that a Holder must follow in order to have its notes purchased; and (4) if such notice is mailed prior to the occurrence of a Change of Control, that such offer is conditioned on the occurrence of such Change of Control. No note will be repurchased in part if less than the Minimum Denomination in original principal amount of such note would be left outstanding.

The Company will not be required to make a Change of Control Offer upon a Change of Control if (i) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Company and purchases all notes validly tendered and not withdrawn under such Change of Control Offer, or (ii) notice of redemption has been given pursuant to the Indenture as described under the caption Optional redemption, unless and until there is a default in the payment of the applicable redemption price.

To the extent that the provisions of any securities laws or regulations conflict with provisions of this Change of Control covenant, the Company may comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue thereof.

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The Change of Control purchase feature is a result of negotiations between the Company and the Initial Purchasers. The Parent Guarantors and the Company have no present plans to engage in a transaction involving a Change of Control, although it is possible that the Parent Guarantors and/or the Company could decide to do so in the future. Subject to the limitations discussed below, the Parent Guarantors and/or the Company could, in the future, enter into certain transactions, including acquisitions, refinancings or recapitalizations, that would not constitute a Change of Control under the Indenture, but that could increase the amount of Indebtedness outstanding at such time or otherwise affect the Company's capital structure or credit ratings. Restrictions on the ability of the Company to Incur additional Indebtedness are contained in the covenants described under Certain covenants Limitation on indebtedness and Certain covenants Limitation on liens. Such restrictions can only be waived with the consent of the Holders of a majority in principal amount of the notes then outstanding. Except for the limitations contained in such covenants, however, the Indenture does not contain any covenants or provisions that may afford Holders protection in the event of a highly leveraged transaction.

The occurrence of a Change of Control would constitute a default under the Senior Credit Agreement. Agreements governing future Indebtedness of the Company may contain prohibitions of certain events that would constitute a Change of Control or require such Indebtedness to be repurchased or repaid upon a Change of Control. The Senior Credit Agreement is expected to, and the agreements governing future Indebtedness of the Company may, prohibit the Company from repurchasing the notes upon a Change of Control unless the Indebtedness governed by such Senior Credit Agreement or the agreements governing such future Indebtedness, as the case may be, has been re