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

Form 8-K

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) July 21, 2010 (July 15, 2010)

Wyndham Worldwide Corporation

(Exact Name of Registrant as Specified in Its Charter)

Delaware
*(State or Other Jurisdiction
of Incorporation)*

1-32876
(Commission File No.)

20-0052541
*(I.R.S. Employer
Identification No.)*

22 Sylvan Way
Parsippany, NJ
*(Address of Principal
Executive Office)*

07054
(Zip Code)

Registrant's Telephone Number, Including Area Code: **(973) 753-6000**

None

(Former Name or Former Address if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

The information set forth in the second paragraph of Item 8.01 below is incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

Wyndham Worldwide Corporation (“Wyndham” or the “Company”) today issued a press release reporting that it reached an agreement with the IRS to settle its federal contingent tax liability. A copy of the Company’s press release is furnished as Exhibit 99.1 and is incorporated by reference.

Item 8.01. Other Events.

On July 15, 2010, Cendant Corporation (now known as Avis Budget Group, Inc.) (“Cendant”), and the Internal Revenue Service (“IRS”) agreed to settle the IRS examination of Cendant’s taxable years 2003 through 2006. During such period the Company and Cendant’s former real estate services unit Realogy Corporation (“Realogy”) were included in Cendant’s tax returns. As previously disclosed in the Company’s periodic reports, in connection with the Company’s separation from Cendant effective July 31, 2006 (“Separation Date”), the Company entered into a tax sharing agreement with Cendant and Realogy.

The agreements with the IRS close the IRS examination for tax periods prior to the Separation Date. The agreements with the IRS also include a resolution with respect to the tax treatment of Wyndham timeshare receivables, which resulted in the acceleration of unrecognized Wyndham deferred tax liabilities as of the Separation Date. In connection with reaching agreement with the IRS to resolve the contingent federal tax liabilities at issue, the Company entered into an agreement with Realogy to clarify each party’s obligations under the tax sharing agreement. Under the agreement with Realogy, among other things, the parties specified that the Company has sole responsibility for taxes and interest associated with the acceleration of timeshare receivables income previously deferred for tax purposes, while Realogy will not seek any reimbursement for the loss of a step up in basis of certain assets. Such agreement is attached as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

During the third quarter 2010, the Company expects to make payment for all such tax liabilities, including the final interest payable, to Cendant who is the taxpayer and receive payments from Realogy. The Company expects its aggregate net payments to approximate \$145 million. As of June 30, 2010, the Company’s accrual for outstanding Cendant contingent tax liabilities was \$274 million, of which \$185 million was in respect of items resolved in the agreement with the IRS and the remaining \$89 million relates to state and foreign tax legacy issues, which are expected to be resolved in the next few years. The Company thus expects to recognize income of approximately \$40 million for the residual accrual that will no longer be required for such items in its third quarter 2010 Consolidated Statement of Income.

The agreement with the IRS and the net payment of \$145 million referenced above, will also result in the reversal of approximately \$190 million in net deferred tax liabilities allocated from Cendant on the Separation Date with a corresponding increase to stockholders' equity during the third quarter 2010.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits. The following Exhibit 10.1 is filed, and the following Exhibit 99.1 is furnished with this report:

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|---|
| Exhibit 10.1 | Agreement, dated as of July 15, 2010, between Wyndham Worldwide Corporation and Realogy Corporation clarifying Tax Sharing Agreement, dated as of July 28, 2006, among Realogy Corporation, Cendant Corporation, Wyndham Worldwide Corporation and Travelport, Inc. |
| Exhibit 99.1 | Press Release of Wyndham Worldwide Corporation, dated July 21, 2010. |

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WYNDHAM WORLDWIDE CORPORATION

Date: July 21, 2010

By: /s/ Thomas G. Conforti

Thomas G. Conforti
Chief Financial Officer

WYNDHAM WORLDWIDE CORPORATION
CURRENT REPORT ON FORM 8-K
Report dated July 21, 2010
EXHIBIT INDEX

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Thomas G. Conforti
EVP & Chief Financial Officer

July 15, 2010

Anthony E. Hull
Executive Vice President, Chief Financial Officer & Treasurer
Realogy Corporation
1 Campus Drive
Parsippany, NJ 07054

**Re: Resolution of Certain Tax Sharing Agreement Issues in Connection with the IRS
2003-2006 Audit (“Audit”) of the Cendant Consolidated Group (“Cendant”)**

Dear Tony:

This letter supplements the Tax Sharing Agreement (“TSA”) dated as of July 28, 2006, as amended on July 8, 2008, by and among Cendant Corporation (currently Avis Budget Group, Inc. (“ABG”)), Realogy Corporation (“Realogy”), Wyndham Worldwide Corporation (“Wyndham”) and Travelport, Inc. in connection with the settlement of the Audit with the Internal Revenue Service (“IRS”) pursuant to (1) the Form 870 executed by ABG and the IRS (the “Form 870”) and (2) the Closing Agreement on Final Determination Covering Specific Matters among the IRS, ABG and Wyndham (the “Closing Agreement” and together with the Form 870, the “IRS Settlement”), which are being executed simultaneously with the execution and delivery of this letter. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the TSA.

1. Realogy and Wyndham shall meet their respective obligations for amounts due for federal, state and local taxes, interest and penalties (if any) and amounts owing ABG under the TSA, at the sharing percentages of 62.5 percent for Realogy and 37.5 percent for Wyndham, on the aggregate amount that reflects an adjustment for all Audit issues under the Form 870, excluding adjustments relating to the additional recognition of gain on the sale of timeshare receivables (the “Timeshare Matter”).
 2. Each of Realogy and Wyndham waive and release any and all claims against the other party for amounts due under Section 8.12 of the TSA.
 3. Anything in the TSA to the contrary notwithstanding, Wyndham accepts, and shall pay when due, any and all tax liability associated with the settlement of the Timeshare Matter including (a) any federal income taxes and any interest and penalties thereon payable to the IRS, (b) any reimbursement due to ABG pursuant to Section 8.9 of the TSA for the use of net operating loss or Credit Carryovers of ABG associated with the settlement of the Timeshare Matter and (c) any and all state taxes and any interest and penalties thereon arising from the settlement of the Timeshare Matter (by consistent amendment of state tax
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returns), in the case of each of clauses (a), (b) and (c), calculated on a "with and without" basis after all other items from the Audit pursuant to the Form 870 are taken into account.

4. Wyndham releases Realogy of any and all obligations to Wyndham under Section 8.9 of the TSA for any Wyndham credits used in connection with the IRS Settlement, except as set forth in the next sentence. Realogy will reimburse Wyndham (through a cash payment to Wyndham made concurrently with the payment made by ABG to the IRS under the Form 870) for \$10 million. Realogy releases Wyndham of any and all obligations to Realogy under Section 8.9 of the TSA for any Realogy credits used in connection with the IRS Settlement.
5. All terms and conditions of the TSA remain otherwise undisturbed.

Please sign and return the enclosed copy of this letter in order to accept and agree to the terms described herein.

Very Truly Yours,

/s/ Thomas G. Conforti

Thomas G. Conforti

Executive Vice President & Chief Financial Officer

ACCEPTED AND AGREED TO:
REALOGY CORPORATION

By: /s/ Anthony E. Hull

Anthony E. Hull, Executive Vice President,
Chief Financial Officer & Treasurer

7/15/10

(Date)



www.WyndhamWorldwide.com

Wyndham Worldwide Reaches Agreement with IRS Settling Legacy Tax Issues

PARSIPPANY, N.J. (July 21, 2010)— Wyndham Worldwide Corporation (NYSE:WYN) today announced that it has reached an agreement, along with its former parent, Cendant Corporation (“Cendant”), with the Internal Revenue Service (“IRS”) that resolves and pays certain contingent and deferred tax liabilities relating to the audit of the federal income tax returns for Cendant’s taxable years 2003 through 2006, during which time Wyndham Worldwide was included in Cendant’s tax returns.

As of June 30, 2010, the Company’s accrual for outstanding Cendant contingent tax liabilities was \$274 million, of which \$185 million (net of state, foreign and other deferred tax adjustments) was related to the IRS audit. The Company expects to pay approximately \$145 million during the third quarter 2010, including estimated interest on taxes due, in connection with the settlement. As a result of this agreement, in the third quarter 2010, Wyndham Worldwide will realize an approximate \$40 million benefit to its net income, reflecting reversals of previously recorded legacy contingent tax liability accruals.

“We are pleased to have resolved this matter, which successfully concludes the IRS audit issues we inherited upon our spin-off from Cendant four years ago. With this investor uncertainty behind us, we will continue our focus on growing free cash flow and earnings,” said Tom Conforti, executive vice president and chief financial officer of Wyndham Worldwide.

Wyndham Worldwide will exclude the net income benefit from adjusted results, to which the Company refers when providing guidance and outlook to investors.

About Wyndham Worldwide Corporation

As one of the world’s largest hospitality companies, Wyndham Worldwide offers individual consumers and business-to-business customers a broad suite of hospitality products and services across various accommodation alternatives and price ranges through its premier portfolio of world-renowned brands. Wyndham Hotel Group encompasses approximately 7,090 franchised hotels and approximately 593,300 hotel rooms worldwide. Wyndham Exchange and Rentals offers leisure travelers, including its 3.8 million members, access to over 65,000 vacation properties located in

approximately 100 countries. Wyndham Vacation Ownership develops, markets and sells vacation ownership interests and provides consumer financing to owners through its network of over 155 vacation ownership resorts serving over 820,000 owners throughout North America, the Caribbean and the South Pacific. Wyndham Worldwide, headquartered in Parsippany, N.J., employs approximately 25,000 employees globally.

For more information about Wyndham Worldwide, please visit the Company's website at www.wyndhamworldwide.com.

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, conveying management's expectations as to the future based on plans, estimates and projections at the time the Company makes the statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The forward-looking statements contained in this press release include statements related to payments, interest and the accounting impact of the agreements described in this press release. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Except for the Company's ongoing obligations to disclose material information under the federal securities laws, it undertakes no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events.

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Investor and Media contact:

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