

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over her and the subject matter of these proceedings, and the findings contained in Section III, paragraph 4, below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Rule 102(e) of the Commission’s Rules of Practice, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

1. Respondent, age 47, was the Controller of CUC International Inc. (“CUC”) from June 1997 through the December 1997 merger of CUC and HFS Incorporated (“HFS”) that formed Cendant Corporation (“Cendant”). From the time of the merger until March 1998, she was part of the management of the accounting unit at Cendant Membership Services, the post-merger name for the former CUC business units. Prior to becoming Controller of CUC, from 1989 to 1997, Pember was Controller of CUC’s largest division, the Comp-U-Card division. Beginning in 1996, she also held the title of Senior Vice President. She resides in Madison, Connecticut and was licensed as a certified public accountant in Connecticut until November 2001.

2. CUC, a Delaware corporation that had its headquarters in Stamford, Connecticut, was principally engaged in membership-based consumer services, such as auto, dining, shopping, and travel “clubs.” CUC’s Comp-U-Card division marketed individual memberships in these clubs. CUC was a public company whose common stock was registered with the Commission pursuant to Section 12(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and which was required to file periodic reports with the Commission pursuant to Section 13 of the Exchange Act. Its common stock was listed on the New York Stock Exchange (“NYSE”).

3. Cendant, a Delaware corporation with its headquarters in New York City, was created through the December 17, 1997, merger of CUC and HFS. Cendant provided membership-based and Internet-related consumer services and owned the rights to franchise brand names in the hotel-hospitality, residential real estate brokerage, car rental, and tax preparation businesses. Its common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and it was required to file periodic reports with the Commission pursuant to Section 13 of the Exchange Act. Its common stock was listed on the NYSE. In July 2006, Cendant spun-off its real estate and hospitality businesses, and in August 2006, the company spun-off its membership-based travel services business. In August 2006, Cendant was renamed Avis Budget Group, Inc.

4. On June 14, 2000, the Commission filed a complaint against Respondent in Securities and Exchange Commission v. Cosmo Corigliano, et al. (Civil Action Number 00-2873), in the United States District Court for the District of New Jersey. On July 25, 2000, the Commission filed an amended complaint in that action. Respondent neither admits nor denies the allegations of the amended complaint. On June 27, 2007, a final judgment was entered by consent against Respondent, permanently enjoining her from committing violations of Section 17(a) of the Securities Act of 1933, Sections 10(b) and 13(b)(5) of the Exchange Act and Exchange Act Rules 10b-5, 13b2-1, and 13b2-2, and from aiding and abetting violations of Sections 13(a), 13(b)(2)(A), 13(b)(2)(B), and 14(a) of the Exchange Act and Exchange Act Rules 12b-20, 13a-1, 13a-13, 13b2-2, and 14a-9. The final judgment ordered Respondent to pay \$100,000 in disgorgement of unjust enrichment and prohibits Respondent, pursuant to Section 21(d) of the Exchange Act, from acting as an officer or a director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act or that is required to file reports pursuant to Section 15(d) of the Exchange Act.

5. The Commission's amended complaint alleges, among other things, that during the period when Respondent was Controller of the Comp-U-Card division at CUC and subsequently Controller of CUC, she oversaw several fraudulent accounting practices that significantly overstated CUC's and later Cendant's publicly reported earnings and income from operations. As alleged in the amended complaint, Respondent oversaw the practice of fraudulently altering the accounting for membership sales revenue so that certain anticipated future revenues were recognized immediately. The amended complaint further alleges that Respondent oversaw the practice of delaying or avoiding the recognition of expenses incurred as a result of membership cancellations and sales commissions owed to third-party vendors. The amended complaint further alleges that, for several years, Respondent directed reversals of the company's merger and purchase accounting reserves to enhance CUC's and Cendant's reported earnings. The amended complaint alleges that these practices overstated CUC's and Cendant's publicly reported earnings and income from operations by hundreds of millions of dollars between 1996 and 1998. In addition, the amended complaint alleges that Respondent made materially false statements to CUC's and Cendant's public accountants and directed less senior managers to restrict and withhold material information sought by CUC's public accountant.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanction agreed to in Respondent's Offer.

Accordingly, it is hereby ORDERED, effective immediately, that:

Pember is suspended from appearing or practicing before the Commission as an accountant.

By the Commission.

Nancy M. Morris
Secretary