

PHH CORP  
Form SC 13D/A  
January 09, 2014

SECURITIES AND EXCHANGE  
COMMISSION  
Washington, D.C. 20549

SCHEDULE 13D/A

Under the Securities Exchange Act of  
1934  
(Amendment No. 2)\*

PHH Corporation  
(Name of Issuer)

Common Stock, \$0.01 par value  
(Title of Class of Securities)

693320202  
(CUSIP Number)

Marc Weingarten and David Rosewater

Schulte Roth & Zabel LLP

919 Third Avenue

New York, New York 10022  
(Name, Address and Telephone Number of  
Person  
Authorized to Receive Notices and  
Communications)

January 8, 2014  
(Date of Event Which Requires Filing of  
This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), Rule 13d-1(f) or Rule 13d-1(g), check the following box. [ ]

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

**1** NAME OF REPORTING PERSON

Orange Capital, LLC  
CHECK

**2** THE APPROPRIATE BOX IF A MEMBER (b) OF A GROUP

**3** SEC USE ONLY SOURCE OF FUNDS

**4** AF CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS

**5** REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) CITIZENSHIP OR PLACE OF ORGANIZATION

**6** Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH: **7** SOLE VOTING POWER 0 SHARED VOTING POWER

**8** 3,454,088 shares of Common Stock

**9** SOLE DISPOSITIVE POWER

**10** 0

SHARED  
DISPOSITIVE  
POWER

3,454,088  
shares of  
Common Stock

**11** AGGREGATE  
AMOUNT  
BENEFICIALLY  
OWNED BY EACH  
PERSON

3,454,088 shares of  
Common Stock

**12** CHECK IF THE  
AGGREGATE  
AMOUNT IN  
ROW (11) £  
EXCLUDES

**13** CERTAIN  
SHARES  
PERCENT OF CLASS  
REPRESENTED BY  
AMOUNT IN ROW  
(11)

**14** 6.0%  
TYPE OF REPORTING  
PERSON

OO; IA

<b>1</b>	NAME OF REPORTING PERSON
	Orange Capital Master I, Ltd.
<b>2</b>	CHECK THE APPROPRIATE BOX IF A MEMBER (b) £ OF A GROUP
<b>3</b>	SEC USE ONLY SOURCE OF FUNDS
<b>4</b>	WC CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)
<b>5</b>	CITIZENSHIP OR PLACE OF ORGANIZATION
	Cayman Islands
<b>7</b>	SOLE VOTING POWER
	0 SHARED VOTING POWER
<b>8</b>	NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:
<b>9</b>	3,454,088 shares of Common Stock SOLE DISPOSITIVE POWER
	0

SHARED  
DISPOSITIVE  
POWER

10

3,454,088  
shares of  
Common Stock

AGGREGATE  
AMOUNT  
BENEFICIALLY  
OWNED BY EACH  
PERSON

11

3,454,088 shares of  
Common Stock

CHECK IF THE  
AGGREGATE  
AMOUNT IN  
ROW (11) £  
EXCLUDES

12

CERTAIN  
SHARES  
PERCENT OF CLASS  
REPRESENTED BY  
AMOUNT IN ROW  
(11)

13

6.0%  
TYPE OF REPORTING  
PERSON

14

CO

**1** NAME OF REPORTING PERSON

Daniel Lewis

**2** CHECK THE APPROPRIATE  BOX IF A

MEMBER OF (b)  A GROUP

**3** SEC USE ONLY

SOURCE OF FUNDS

**4** AF CHECK BOX IF

DISCLOSURE OF LEGAL

**5** PROCEEDING IS

REQUIRED PURSUANT

TO ITEMS 2(d) or 2(e)

CITIZENSHIP OR PLACE OF

**6** ORGANIZATION

United States of America

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

**7** SOLE VOTING POWER

0 SHARED VOTING POWER

**8**

3,454,088 shares of

Common Stock

**9** SOLE DISPOSITIVE POWER

0 SHARED DISPOSITIVE POWER

**10**

0 SHARED DISPOSITIVE POWER

3,454,088  
shares of  
Common Stock

**11** AGGREGATE  
AMOUNT  
BENEFICIALLY  
OWNED BY EACH  
PERSON

3,454,088 shares of  
Common Stock

**12** CHECK IF THE  
AGGREGATE  
AMOUNT IN  
ROW (11) ..  
EXCLUDES  
CERTAIN  
SHARES  
PERCENT OF CLASS  
REPRESENTED BY  
**13** AMOUNT IN ROW (11)

6.0%  
TYPE OF REPORTING  
PERSON

**14** IN; HC

CUSIP No. 693320202 SCHEDULE 13D/A Page 5 of 8 Pages

This Amendment No. 2 ("Amendment No. 2") amends and supplements the statement on Schedule 13D filed with the Securities and Exchange Commission (the "SEC") on September 19, 2013 (the "Original Schedule 13D") and Amendment No. 1 to the Original Schedule 13D, filed with the SEC on October 10, 2013 ("Amendment No. 1" and together with the Original Schedule 13D and this Amendment No. 2, the "Schedule 13D") with respect to the shares of common stock, \$0.01 par value (the "Common Stock") of PHH Corporation, a Maryland corporation (the "Issuer"). Capitalized terms used herein and not otherwise defined in this Amendment No. 2 have the meanings set forth in the Schedule 13D. This Amendment No. 2 amends Items 3, 4 and 5 as set forth below.

### **Item 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION**

Item 3 of the Schedule 13D is hereby amended and restated in its entirety as follows:

The Reporting Persons used approximately \$77.6 million (including brokerage commissions) in the aggregate to purchase the shares of Common Stock reported in this Schedule 13D.

The source of the funds used to acquire the Common Stock reported herein is the working capital of Orange Fund. The shares of Common Stock reported herein are held in commingled margin accounts, which may extend margin credit to the Reporting Persons from time to time, subject to applicable federal margin regulations, stock exchange rules and credit policies. In such instances, the positions held in the margin accounts are pledged as collateral security for the repayment of debit balances in the accounts. The margin accounts bear interest at a rate based upon the broker's call rate from time to time in effect. Because other securities are held in the margin accounts, it is not possible to determine the amounts, if any, of margin used to purchase the Common Stock reported herein.

### **Item 4. PURPOSE OF TRANSACTION**

Item 4 of the Schedule 13D is hereby amended and supplemented by the addition of the following:

Subsequent to the Issuer's November 7, 2013 quarterly earnings call, the Reporting Persons held discussions with management of the Issuer regarding the following items (among other things) that relate to the four actions previously recommended by the Reporting Persons in order to improve shareholder returns: (a) the uses of the more than \$300 million of excess cash held by the Issuer; (b) strategies to amend certain outstanding bond indentures to effect a tax-efficient sale or spin-off of its Fleet Management business; and (c) certain comments or declarations made by management on the Issuer's November 7, 2013 earnings call. The Reporting Persons intend to have further discussions with the Board and management of the Issuer regarding these topics as well as other items including governance and board composition.



**Item 5 INTEREST IN THE SECURITIES OF THE ISSUER**

Paragraphs (a) – (c) of Item 5 of the Schedule 13D are hereby amended and restated in their entirety as follows:

(a) As of the date hereof, the Reporting Persons may be deemed to be the beneficial owners of 3,454,088 shares of Common Stock, constituting approximately 6.0% of the Issuer's outstanding Common Stock, based upon the 57,260,172 shares of Common Stock outstanding as of October 31, 2013, as reported in the Issuer's Quarterly Report on Form 10-Q for the period ended September 30, 2013, filed with the SEC on November 6, 2013.

Orange Capital and Mr. Lewis may each be deemed to beneficially own an aggregate of 3,454,088 shares of Common Stock, or approximately 6.0% of the outstanding Common Stock, which shares are directly held by Orange Fund.

(b) Orange Capital has shared voting power and shared dispositive power over the shares held by Orange Fund, by virtue of Orange Capital's role as the investment advisor to Orange Fund, and accordingly Orange Capital may be deemed to be a beneficial owner of such shares. Mr. Lewis has shared voting power and shared dispositive power over the shares held by Orange Fund, by virtue of his role as Managing Member of Orange Capital, and accordingly Mr. Lewis may be deemed to be a beneficial owner of such shares.

(c) Appendix A hereto (which is incorporated by reference in this Item 5 as if restated in full herein) sets forth all transactions with respect to the Common Stock effected during the past 60 days by the Reporting Persons.

SIGNATURES

After reasonable inquiry and to the best of its knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Date: January 9, 2014

ORANGE CAPITAL, LLC

By: /s/ Daniel Lewis  
Name: Daniel Lewis  
Title: Managing Member

ORANGE CAPITAL  
MASTER I, LTD.

By: /s/ Russell Hoffman  
Name: Russell Hoffman  
Title: Director

/s/ Daniel Lewis  
Daniel Lewis

**Appendix A****TRANSACTIONS IN THE COMMON STOCK EFFECTED BY THE REPORTING PERSONS DURING THE PAST 60 DAYS**

The following table sets forth all transactions with respect to the shares effected during the past 60 days by any of the Reporting Persons. Except as otherwise noted, all such transactions in the table were effected in the open market, and the table includes commissions paid in per share prices.

<u>Date of Transaction</u>	<u>Shares Purchased (Sold)</u>	<u>Price per Share (\$)</u>
11/07/2013	100,000	22.7193
11/12/2013	45,000	22.9062
11/13/2013	20,000	22.617
11/22/2013	50,000	23.6747
11/26/2013	10,000	23.4496
12/02/2013	10,000	23.85
12/03/2013	10,000	23.4085
12/05/2013	10,000	23.073
12/12/2013	56,000	23.6436
12/13/2013	12,251	23.3064
12/16/2013	38,193	23.378
12/17/2013	8,307	23.3985
12/18/2013	4,044	23.6663
12/19/2013	30,000	24.094
12/26/2013	14,097	24.206
12/27/2013	75,000	24.0776
01/02/2014	15,372	24.0066
01/03/2014	10,000	24.28
01/06/2014	34,000	24.5431
01/08/2013	35,000	24.4501