

Edgar Filing: PHH CORP - Form SC 13G

PHH CORP
Form SC 13G
February 14, 2005

SECURITIES & EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13G
(Rule 13d-102)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULES 13d-1(b), (c) AND (d) AND AMENDMENTS THERETO FILED
PURSUANT TO 13d-2(b)

(Amendment No. __)*

PHH Corporation
(Name of Issuer)

Common Stock
(Title of Class of Securities)

693320202
(CUSIP Number)

February 2, 2005
(Date of event which requires filing of this statement)

Check the appropriate box to designate the rule pursuant to which this
Schedule 13G is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

(Page 1 of 13 Pages)

*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 the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be
deemed to be "filed" for purposes 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).

CUSIP No. 693320202

13G

Page 2 of 13 Pages

(1) NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NO.

Edgar Filing: PHH CORP - Form SC 13G

OF ABOVE PERSONS (ENTITIES ONLY)
SAB CAPITAL PARTNERS, L.P.

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP ** (a) [X]
(b) []

(3) SEC USE ONLY

(4) CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

NUMBER OF (5) SOLE VOTING POWER -0-
SHARES

BENEFICIALLY (6) SHARED VOTING POWER 1,986,092
OWNED BY

EACH (7) SOLE DISPOSITIVE POWER -0-
REPORTING

PERSON WITH (8) SHARED DISPOSITIVE POWER 1,986,092

(9) AGGREGATE AMOUNT BENEFICIALLY OWNED
BY EACH REPORTING PERSON 1,986,092

(10) CHECK BOX IF THE AGGREGATE AMOUNT
IN ROW (9) EXCLUDES CERTAIN SHARES ** []

(11) PERCENT OF CLASS REPRESENTED
BY AMOUNT IN ROW (9) 3.8%

(12) TYPE OF REPORTING PERSON **
PN

** SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No. 693320202

13G

Page 3 of 13 Pages

(1) NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NO.
OF ABOVE PERSONS (ENTITIES ONLY)
SAB CAPITAL PARTNERS II, L.P.

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP ** (a) [X]
(b) []

(3) SEC USE ONLY

Edgar Filing: PHH CORP - Form SC 13G

(4) CITIZENSHIP OR PLACE OF ORGANIZATION
 Delaware

NUMBER OF (5) SOLE VOTING POWER
 SHARES -0-

BENEFICIALLY (6) SHARED VOTING POWER
 OWNED BY 40,379

EACH (7) SOLE DISPOSITIVE POWER
 REPORTING -0-

PERSON WITH (8) SHARED DISPOSITIVE POWER
 40,379

(9) AGGREGATE AMOUNT BENEFICIALLY OWNED
 BY EACH REPORTING PERSON
 40,379

(10) CHECK BOX IF THE AGGREGATE AMOUNT
 IN ROW (9) EXCLUDES CERTAIN SHARES ** []

(11) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)
 0.1%

(12) TYPE OF REPORTING PERSON **
 PN

** SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No. 693320202 13G Page 4 of 13 Pages

(1) NAMES OF REPORTING PERSONS
 I.R.S. IDENTIFICATION NO.
 OF ABOVE PERSONS (ENTITIES ONLY)
 SAB CAPITAL ADVISORS, L.L.C.

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP **
 (a) [X]
 (b) []

(3) SEC USE ONLY

(4) CITIZENSHIP OR PLACE OF ORGANIZATION
 Delaware

NUMBER OF (5) SOLE VOTING POWER
 SHARES -0-

BENEFICIALLY (6) SHARED VOTING POWER
 OWNED BY 2,026,471

Edgar Filing: PHH CORP - Form SC 13G

EACH (7) SOLE DISPOSITIVE POWER -0-

REPORTING -----

PERSON WITH (8) SHARED DISPOSITIVE POWER 2,026,471

(9) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 2,026,471

(10) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES ** []

(11) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 3.9%

(12) TYPE OF REPORTING PERSON ** 00

** SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No. 693320202 13G Page 5 of 13 Pages

(1) NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY) SAB OVERSEAS CAPITAL MANAGEMENT, L.P.

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP ** (a) [X] (b) []

(3) SEC USE ONLY

(4) CITIZENSHIP OR PLACE OF ORGANIZATION Delaware

NUMBER OF (5) SOLE VOTING POWER -0-

SHARES -----

BENEFICIALLY (6) SHARED VOTING POWER 2,624,329

OWNED BY -----

EACH (7) SOLE DISPOSITIVE POWER -0-

REPORTING -----

PERSON WITH (8) SHARED DISPOSITIVE POWER 2,624,329

(9) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

Edgar Filing: PHH CORP - Form SC 13G

2,624,329

(10) CHECK BOX IF THE AGGREGATE AMOUNT
IN ROW (9) EXCLUDES CERTAIN SHARES ** []

(11) PERCENT OF CLASS REPRESENTED
BY AMOUNT IN ROW (9)
5.0%

(12) TYPE OF REPORTING PERSON **
PN

** SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No. 693320202

13G

Page 6 of 13 Pages

(1) NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NO.
OF ABOVE PERSONS (ENTITIES ONLY)
SAB CAPITAL MANAGEMENT, L.L.C.

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP **
(a) [X]
(b) []

(3) SEC USE ONLY

(4) CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

NUMBER OF (5) SOLE VOTING POWER
SHARES -0-

BENEFICIALLY (6) SHARED VOTING POWER
OWNED BY 2,624,329

EACH (7) SOLE DISPOSITIVE POWER
REPORTING -0-

PERSON WITH (8) SHARED DISPOSITIVE POWER
2,624,329

(9) AGGREGATE AMOUNT BENEFICIALLY OWNED
BY EACH REPORTING PERSON
2,624,329

(10) CHECK BOX IF THE AGGREGATE AMOUNT
IN ROW (9) EXCLUDES CERTAIN SHARES ** []

(11) PERCENT OF CLASS REPRESENTED
BY AMOUNT IN ROW (9)
5.0%

(12) TYPE OF REPORTING PERSON **

Edgar Filing: PHH CORP - Form SC 13G

OO

** SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No. 693320202

13G

Page 7 of 13 Pages

(1) NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NO.
OF ABOVE PERSONS (ENTITIES ONLY) SCOTT A. BOMMER

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP **
(a) [X]
(b) []

(3) SEC USE ONLY

(4) CITIZENSHIP OR PLACE OF ORGANIZATION United States of America

NUMBER OF (5) SOLE VOTING POWER -0-
SHARES

BENEFICIALLY (6) SHARED VOTING POWER 4,650,800
OWNED BY

EACH (7) SOLE DISPOSITIVE POWER -0-
REPORTING

PERSON WITH (8) SHARED DISPOSITIVE POWER 4,650,800

(9) AGGREGATE AMOUNT BENEFICIALLY OWNED
BY EACH REPORTING PERSON 4,650,800

(10) CHECK BOX IF THE AGGREGATE AMOUNT
IN ROW (9) EXCLUDES CERTAIN SHARES ** []

(11) PERCENT OF CLASS REPRESENTED
BY AMOUNT IN ROW (9) 8.8%

(12) TYPE OF REPORTING PERSON ** IN

** SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No. 693320202

13G

Page 8 of 13 Pages

Edgar Filing: PHH CORP - Form SC 13G

Item 1(a). Name of Issuer:

The name of the issuer is PHH Corporation (the "Company").

Item 1(b). Address of Issuer's Principal Executive Offices:

1 Campus Drive, Parsippany, New Jersey 07054.

Item 2(a). Name of Person Filing:

This statement is filed by:

- (i) SAB Capital Partners, L.P., a Delaware limited partnership ("SAB"), with respect to shares of Common Stock (as defined in Item 2(d) below) directly held by it;
- (ii) SAB Capital Partners II, L.P., a Delaware limited partnership ("SAB II", and together with SAB, the "Partnerships"), with respect to shares of Common Stock directly held by it;
- (iii) SAB Capital Advisors, L.L.C., a Delaware limited liability company (the "General Partner"), which serves as the general partner of each of the Partnerships, with respect to shares of Common Stock directly held by each of the Partnerships;
- (iv) SAB Overseas Capital Management, L.P., a Delaware limited partnership (the "Investment Manager"), which serves as investment manager to, and has investment discretion over the securities held by, SAB Overseas Fund, Ltd., a Cayman Islands exempted company ("SAB Overseas"), with respect to shares of Common Stock directly held by SAB Overseas;
- (v) SAB Capital Management, L.L.C., a Delaware limited liability company (the "IMGP"), which serves as the general partner of the Investment Manager, with respect to shares of Common Stock directly held by SAB Overseas; and
- (vi) Mr. Scott A. Bommer ("Mr. Bommer"), who serves as the managing member of the General Partner and of the IMGP, with respect to shares of Common Stock directly held by the Partnerships and SAB Overseas.

The Partnerships, the General Partner, the Investment Manager, the IMGP and Mr. Bommer are hereinafter sometimes collectively referred to as the "Reporting Persons." Any disclosures herein with respect to persons other than the Reporting Persons are made on information and belief after making inquiry to the appropriate party.

CUSIP No. 693320202

13G

Page 9 of 13 Pages

Item 2(b). Address of Principal Business Office or, if None, Residence:

The address of the business office of each of the Reporting Persons is 712 Fifth Avenue, 42nd Floor, New York, N.Y. 10019.

Item 2(c). Citizenship:

Edgar Filing: PHH CORP - Form SC 13G

Each of the Partnerships, the General Partner, the Investment Manager and the IMG P is organized under the laws of the State of Delaware. Mr. Bommer is a citizen of the United States of America.

Item 2(d). Title of Class of Securities:

Common Stock, no par value (the "Common Stock")

Item 2(e). CUSIP Number:

693320202

Item 3. If this statement is filed pursuant to Rules 13d-1(b) or 13d-2(b) or (c), check whether the person filing is a:

- (a) Broker or dealer registered under Section 15 of the Act,
- (b) Bank as defined in Section 3(a)(6) of the Act,
- (c) Insurance Company as defined in Section 3(a)(19) of the Act,
- (d) Investment Company registered under Section 8 of the Investment Company Act of 1940,
- (e) Investment Adviser in accordance with Rule 13d-1(b)(1)(ii)(E),
- (f) Employee Benefit Plan or Endowment Fund in accordance with Rule 13d-1(b)(1)(ii)(F),
- (g) Parent Holding Company or control person in accordance with Rule 13d-1(b)(1)(ii)(G),
- (h) Savings Association as defined in Section 3(b) of the Federal Deposit Insurance Act,
- (i) Church Plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act of 1940,
- (j) Group, in accordance with Rule 13d-1(b)(1)(ii)(J).

If this statement is filed pursuant to 13d-1(c), check this box:

CUSIP No. 693320202

13G

Page 10 of 13 Pages

Item 4. Ownership.

A. SAB Capital Partners, L.P.

(a) Amount beneficially owned: 1,986,092

(b) Percent of class: 3.8%

The percentages used in this Item 4 and elsewhere in this Schedule 13G are calculated based upon the 52,684,400 shares of Common Stock issued and outstanding on January 31, 2005 as reflected in Cendant Corp.'s Form 4 filed on February 1, 2005.

(c) Number of shares as to which such person has:

Edgar Filing: PHH CORP - Form SC 13G

- (i) Sole power to vote or direct the vote: -0-
- (ii) Shared power to vote or direct the vote: 1,986,092
- (iii) Sole power to dispose or direct the disposition: -0-
- (iv) Shared power to dispose or direct the disposition: 1,986,092

B. SAB Capital Partners II, L.P.

- (a) Amount beneficially owned: 40,379
- (b) Percent of class: 0.1%
- (c) Number of shares as to which such person has:
 - (i) Sole power to vote or direct the vote: -0-
 - (ii) Shared power to vote or direct the vote: 40,379
 - (iii) Sole power to dispose or direct the disposition: -0-
 - (iv) Shared power to dispose or direct the disposition: 40,379

C. SAB Capital Advisors, L.L.C.

- (a) Amount beneficially owned: 2,026,471
- (b) Percent of class: 3.9%
- (c) Number of shares as to which such person has:
 - (i) Sole power to vote or direct the vote: -0-
 - (ii) Shared power to vote or direct the vote: 2,026,471
 - (iii) Sole power to dispose or direct the disposition: -0-
 - (iv) Shared power to dispose or direct the disposition: 2,026,471

D. SAB Overseas Capital Management, L.P.

- (a) Amount beneficially owned: 2,624,329
- (b) Percent of class: 5.0%
- (c) Number of shares as to which such person has:
 - (i) Sole power to vote or direct the vote: -0-
 - (ii) Shared power to vote or direct the vote: 2,624,329
 - (iii) Sole power to dispose or direct the disposition: -0-
 - (iv) Shared power to dispose or direct the disposition: 2,624,329

CUSIP No. 693320202

13G

Page 11 of 13 Pages

E. SAB Capital Management, L.L.C. (a) Amount beneficially owned: 2,624,329 (b) Percent of class: 5.0% (c) Number of shares as to which such person has:

- (i) Sole power to vote or direct the vote: -0-
- (ii) Shared power to vote or direct the vote: 2,624,329
- (iii) Sole power to dispose or direct the disposition: -0-
- (iv) Shared power to dispose or direct the disposition: 2,624,329

F. Scott A. Bommer

- (a) Amount beneficially owned: 4,650,800
- (b) Percent of class: 8.8%
- (c) Number of shares as to which such person has:
 - (i) Sole power to vote or direct the vote: -0-
 - (ii) Shared power to vote or direct the vote: 4,650,800
 - (iii) Sole power to dispose or direct the disposition: -0-
 - (iv) Shared power to dispose or direct the disposition: 4,650,800

Item 5. Ownership of Five Percent or Less of a Class.

Not applicable.

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

Edgar Filing: PHH CORP - Form SC 13G

SAB Overseas, a client of the Investment Manager, has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the securities reported in this Schedule 13G. SAB Overseas does not hold more than five percent of the class of securities reported herein.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company.

Not applicable.

Item 8. Identification and Classification of Members of the Group.

See Item 2.

Item 9. Notice of Dissolution of Group.

Not applicable.

CUSIP No. 693320202

13G

Page 12 of 13 Pages

Item 10. Certification.

Each of the Reporting Persons hereby makes the following certification:

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

DATED: February 14, 2005

/s/ Scott A. Bommer

Scott A. Bommer,
individually and as managing member of
(a) SAB Capital Advisors, L.L.C.,
for itself and as the general partner of
(i) SAB Capital Partners, L.P. and
(ii) SAB Capital Partners II, L.P.; and
(b) SAB Capital Management, L.L.C.,
for itself and as the general partner of
SAB Overseas Capital Management, L.P.

CUSIP No. 693320202

13G

Page 13 of 13 Pages

EXHIBIT 1

Edgar Filing: PHH CORP - Form SC 13G

JOINT ACQUISITION STATEMENT PURSUANT TO RULE 13d-1(k)

The undersigned acknowledge and agree that the foregoing statement on Schedule 13G, is filed on behalf of each of the undersigned and that all subsequent amendments to this statement on Schedule 13G, shall be filed on behalf of each of the undersigned without the necessity of filing additional joint acquisition statements. The undersigned acknowledge that each shall be responsible for the timely filing of such amendments, and for the completeness and accuracy of the information concerning him or it contained therein, but shall not be responsible for the completeness and accuracy of the information concerning the others, except to the extent that he or it knows or has reason to believe that such information is inaccurate.

DATED: February 14, 2005

/s/ Scott A. Bommer

Scott A. Bommer,
individually and as managing member of
(a) SAB Capital Advisors, L.L.C.,
for itself and as the general partner of
(i) SAB Capital Partners, L.P. and
(ii) SAB Capital Partners II, L.P.; and
(b) SAB Capital Management, L.L.C.,
for itself and as the general partner of
SAB Overseas Capital Management, L.P.