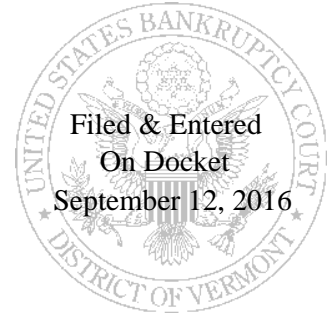


**UNITED STATES BANKRUPTCY COURT
DISTRICT OF VERMONT**



In re:
Nicholas and Amanda Gravel,
Debtors.

Chapter 13 Case
11-10112

In re:
Allen and Laurie Beaulieu,
Debtors.

Chapter 13 Case
11-10281

In re:
Matthew and Emilie Knisley,
Debtors.

Chapter 13 Case
12-10512

Appearances: Jan Sensenich and Michelle Kainen
Office of the Chapter 13 Trustee
Norwich, Vermont
For the Trustee

Alexandra Edelman
Primmer Piper Eggleston & Cramer, PC
Burlington, Vermont
For the Creditor

ORDER
GRANTING TRUSTEE'S MOTIONS TO SANCTION PHH MORTGAGE CORPORATION,
DISALLOWING PHH MORTGAGE'S POST-PETITION CHARGES, AND
DIRECTING PHH MORTGAGE TO PAY SANCTIONS TO LEGAL SERVICES LAW LINE OF VERMONT

The Chapter 13 trustee has filed a motion, in each of the three above-captioned cases, asking this Court to make a finding of contempt, disallow certain post-petition charges, and impose sanctions on PHH Mortgage Corporation based upon PHH Mortgage Corporation's failure to comply with Bankruptcy Rule 3002.1 and PHH Mortgage Corporation's violation of this Court's orders.

For the reasons set forth in a memorandum of decision of even date, the Court makes the following findings. First, the Court finds PHH Mortgage Corporation failed to comply with Bankruptcy Rule 3002.1 in all three of these cases, and that misconduct warrants the disallowance of all post-petition charges and an award of sanctions, under Rule 3002.1(i) and § 105 of the Bankruptcy Code. Second, the Court finds PHH Mortgage Corporation violated this Court's orders in the Gravel and Beaulieu cases, and that misconduct warrants the imposition of additional sanctions, under this Court's inherent powers and pursuant to § 105. Third, the Court finds it is most equitable for PHH Mortgage Corporation to pay the sanctions to a nonprofit legal services entity.

Based upon these findings, **IT IS HEREBY ORDERED** that all post-petition fees PHH Mortgage Corporation seeks in these three above-captioned cases are disallowed.

IT IS FURTHER ORDERED that PHH Mortgage Corporation pay the following sanctions:


- (1) in the Gravel case, PHH Mortgage Corporation shall pay a \$25,000 sanction for its failure to comply with Rule 3002.1(c), plus a \$200,000 sanction for its violation of the Order Declaring the Debtors Current, for a total sanction of \$225,000 (two hundred twenty-five thousand dollars);
- (2) in the Beaulieu case, PHH Mortgage Corporation shall pay a \$25,000 sanction for its failure to comply with Rule 3002.1(c), plus a \$100,000 sanction for its violation of the Order Declaring the Debtors Current, for a total sanction of \$125,000 (one hundred twenty-five thousand dollars); and
- (3) in the Knisley case, PHH Mortgage Corporation shall pay a sanction of \$25,000 (twenty-five thousand dollars) for its failure to comply with Rule 3002.1(c).

IT IS FURTHER ORDERED that since neither the Debtors in any of these cases, nor the Chapter 13 Trustee, suffered any direct financial or economic harm as a result of PHH Mortgage Corporation's misconduct, and the harm was to the integrity of the bankruptcy system as a whole,

- (a) PHH Mortgage Corporation shall pay the sum due for all sanctions imposed by this Order, in the amount of \$375,000 (three hundred seventy-five thousand dollars) to Legal Services Law Line of Vermont, located in Burlington, Vermont;
- (b) PHH Mortgage Corporation shall deliver \$375,000 to Legal Services Law Line of Vermont, at 274 N. Winooski Avenue # 2, Burlington, VT 05401, within 14 (fourteen) days of entry of this Order; and
- (c) PHH Mortgage Corporation shall file a certificate of service affirming delivery of the sanction payment, in each of the three above-captioned cases, within 3 (three) business days of delivery.

SO ORDERED.

September 12, 2016
Burlington, Vermont



Colleen A. Brown
United States Bankruptcy Judge