

UNITED STATES
SECURITIES & EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D/A

Under the Securities Exchange Act of 1934
(Amendment No. 5)*

Front Yard Residential Corporation

(Name of Issuer)

Common Stock

(Title of Class of Securities)

02153W100

(CUSIP Number)

Gregory J. Ritts,
Chief Legal and Compliance Officer,
Altisource Portfolio Solutions S.A.,
40, avenue Monterey, L-2163 Luxembourg, Grand Duchy of Luxembourg
+352-2469-7900

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

May 21, 2020

(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), 13d-1(f) or 13d-1(g), check the following box.

NOTE: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See § 13d-7(b) for other parties to whom copies are to be sent.

* 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 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 I.R.S. IDENTIFICATION NO. OF ABOVE PERSON Altisource Portfolio Solutions S.A.	
2.	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP	
		(a) <input type="checkbox"/> (b) <input type="checkbox"/>
3.	SEC USE ONLY	
4.	SOURCE OF FUNDS WC	
5.	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)	
		<input type="checkbox"/>
6.	CITIZENSHIP OR PLACE OF ORGANIZATION Grand Duchy of Luxembourg	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7.	SOLE VOTING POWER 3,453,657
	8.	SHARED VOTING POWER 0
	9.	SOLE DISPOSITIVE POWER 3,453,657
	10.	SHARED DISPOSITIVE POWER 0
11.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 3,453,657	
12.	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES	
		<input type="checkbox"/>
13.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 5.9 % ⁽¹⁾	
14.	TYPE OF REPORTING PERSON CO	

⁽¹⁾ Based upon (i) the 54,112,374 shares outstanding as of May 4, 2020, as reported in the Issuer's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020 filed on May 11, 2020, plus (ii) the 4,400,000 to be issued to Amherst Residential Fund VI pursuant to the Investment Agreement (as defined in the Issuer's Current Report on Form 8-K filed on May 11, 2020).

Explanatory Note

This Amendment No. 5 (this “**Amendment No. 5**”) amends and supplements the Statement on Schedule 13D first filed with the Securities and Exchange Commission (“**SEC**”) on April 11, 2016 by Altisource Portfolio Solutions S.A., a public limited liability company (société anonyme) organized under the laws of the Grand Duchy of Luxembourg (which includes its relevant subsidiaries for purposes hereof) (“**ASPS**” or the “**Reporting Person**”), and William B. Shepro, an individual resident of the Grand Duchy of Luxembourg (who as disclosed herein is no longer a reporting person for purposes hereof), as subsequently amended by Amendment No. 1 filed on May 11, 2016, Amendment No. 2 filed on August 24, 2018, Amendment No. 3 filed on June 20, 2019 and Amendment No. 4 filed on February 19, 2020 (as amended, the “**Schedule 13D**”). The securities to which the Schedule 13D relates are the shares of common stock, par value \$0.01 per share (the “**Shares**”), of Front Yard Residential Corporation, a Maryland corporation (the “**Issuer**”). Except as otherwise provided herein, each Item of the Schedule 13D remains unchanged. Each capitalized term used herein but not defined in this Amendment No. 5 shall have the meaning ascribed to such term in the Schedule 13D.

ITEM 2. Identity and Background

Item 2 of the Schedule 13D is hereby amended and supplemented to include the following:

As disclosed in Item 5(e), William B. Shepro disposed of his entire ownership of Shares and therefore is no longer reporting person for purposes of the Schedule 13D.

ITEM 4. Purpose of the Transaction.

The Schedule 13D previously disclosed that the Reporting Person is holding the Shares reported in Item 5 in support of the Issuer’s management and its then current strategy and that it intends to vote its shares in favor of the director nominees proposed by the Board of Directors of the Issuer and to disregard any proxy solicited by third parties. As a result of the Reporting Person’s questions concerning recent decisions of the Issuer’s management described below, the statements contained in the prior disclosure are withdrawn and do not reflect the Reporting Person’s current purposes and plans with respect to its ownership of the Shares.

On April 27, 2020, the Issuer’s stockholders, including ASPS, voted for the approval of the Merger. On May 4, 2020, Parent, Merger Sub and Amherst Residential Fund VI, on the one hand, and the Issuer, on the other hand, entered into a Termination and Settlement Agreement (the “**Termination and Settlement Agreement**”), pursuant to which, among other things, the Merger Agreement (after the requisite stockholder approval of the Merger was obtained) was terminated by mutual written consent of the Issuer and Parent. As a result, ASPS’s Voting Agreement with Parent, which obligated ASPS to vote in favor of the Merger, automatically terminated pursuant to the terms thereof.

The Reporting Person questions the decision of the Issuer to enter into the Termination and Settlement Agreement to terminate the Merger Agreement and not seek specific performance of the Merger Agreement or alternatively payment of the Parent Termination Fee (as defined in the Merger Agreement), and no longer supports the Issuer and its current strategy. The Reporting Person, acting directly or through its representatives, expects to communicate directly with the Issuer with respect to its concerns and its interest in seeing the Issuer effect a change in the strategic direction and, depending upon the factors mentioned below and other factors the Reporting Person may deem relevant, the Reporting Person may in the future take such other actions with respect to its investment in the Issuer as it deems appropriate including, without limitation, engaging in discussions with management and/or the Board of Directors of the Issuer concerning specific strategic decisions, developing and advancing proposals with respect to the assets, business and operations of the Issuer, communicating with other shareholders of the Issuer, or changing its intention with respect to any and all matters referred to in this Item 4.

The Reporting Person intends to review its investment in the Issuer on a continuing basis. Depending on various factors, including, without limitation, the outcome of any discussions referenced above, the Issuer's financial condition and results of operations, strategic direction, actions taken by the Issuer's management and Board of Directors, price levels of the Shares, other investment opportunities available to the Reporting Person, conditions in the securities market and general economic and industry conditions, the Reporting Person may in the future take such actions with respect to its investment in the Issuer as it deem appropriate, including, without limitation, exchanging information with the Issuer; suggesting changes in the Issuer's business, operations, capital structure, capital allocation, corporate governance, composition of the Issuer's Board of Directors and other strategic matters; acquiring additional Shares and/or other equity, debt, notes, instruments or other securities of the Issuer or disposing of some or all of such securities and instruments beneficially owned by them, in public market or privately negotiated transactions; entering into financial instruments or other agreements that increase or decrease the Reporting Person's economic exposure with respect to its investment in the Issuer and/or otherwise changing its intention with respect to any and all matters referred to in this Item 4.

On May 21, 2020, pursuant to Sections 2-512 and 2-513 of Maryland General Corporation Law, ASPS delivered a letter addressed to the chair and secretary of the Issuer demanding the right to inspect specified records of the Issuer. The foregoing letter is attached hereto as Exhibit 1 and is incorporated herein by reference.

Except as set forth herein or such as would occur upon completion of any of the actions discussed above, no Reporting Person has any present plan or proposal that would relate to or result in any of the matters set forth in subparagraphs (a) through (j) of Item 4 of Schedule 13D.

ITEM 5. Interest in Securities of the Issuer.

Item 5 of the Schedule 13D is hereby amended and supplemented to include the following:

(e) Effective as of February 24, 2020, William B. Shepro ceased to be the beneficial owner of Shares after disposing of his entire ownership thereof following the Issuer's announcement of the Merger on February 18, 2020.

ITEM 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of Issuer.

Item 6 of the Schedule 13D is hereby amended and supplemented to include the following:

Reference is made to the information concerning the termination of the Voting Agreement as described in Item 4 which is incorporated herein by reference.

ITEM 7. Materials to be Filed as Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
1.	Demand Letter, dated May 21, 2020, addressed to Chair of the Board and Secretary of Front Yard Residential Corporation

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

Dated: May 21, 2020

ALTISOURCE PORTFOLIO SOLUTIONS S.A.

By: /s/ Gregory J. Ritts

Name: Gregory J. Ritts

Title: Chief Legal and Compliance Officer

PAUL HASTINGS

1(212) 318-6039
kevinlogue@paulhastings.com
1(212) 318-6493
johnnowak@paulhastings.com

May 21, 2020

BY FEDERAL EXPRESS AND EMAIL

Rochelle R. Dobbs
Chair of the Board
Front Yard Residential Corporation
c/o Altisource Asset Management Corporation
5100 Tamarind Reef
Christiansted, United States Virgin Islands 00820

Michael G. Lubin
General Counsel and Secretary
Front Yard Residential Corporation
c/o Altisource Asset Management Corporation
5100 Tamarind Reef
Christiansted, United States Virgin Islands 00820

Re: Shareholder Request for Books and Records from Front Yard Residential Corporation, a Maryland Corporation

Dear Ms. Dobbs and Mr. Lubin:

Our firm represents Altisource Portfolio Solutions S.A. ("Altisource" or the "Stockholder"), the holder of more than 5% of common stock of Front Yard Residential Corporation ("RESI" or the "Company"). We write on behalf of the Stockholder to request that the Company make books of accounts and statements of affairs, as described in detail on the attached Exhibit A, available for inspection by the Stockholder. One purpose of this books and records demand (the "Demand") is to investigate and evaluate concerns arising from the Company's recent announcement that it had entered into a merger with Amherst Residential, LLC ("Amherst Residential") pursuant to an agreement (the "Merger Agreement") with two entities, BAF Holdings, LLC ("Parent") and BAF Sub, LLC ("Merger Sub").¹ The merger announcement was followed by a positive shareholder vote on April 27, 2020, and the subsequent mutual termination of the merger (the "Termination") on May 4, 2020. As a holder of more than 5% of the Company's shares for longer than six (6) months, Altisource is entitled to inspect the Company's books of account and stock ledger to (i) determine the value of its stock; (ii) ascertain the financial condition of the Company; and (iii) monitor and protect its investment in the Company and the Board's and officers' conduct related to these matters, including the Board's decision not to seek specific performance, or the Parent Termination Fee², by Amherst Residential under the Merger Agreement, and to enter into the Termination and

¹ Per the Merger Agreement, BAF Holdings, LLC and BAF Sub, LLC are affiliates of Amherst Single Family Residential Partners VI, LP. Amherst Residential, LLC is managing member of the Parent and a subsidiary of Amherst Holdings, LLC.

² February 17, 2020 Merger Agreement, Section 8.5(c).

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Settlement Agreement.³ The Company must make available the requested information within twenty (20) days.⁴ We would appreciate it if these documents could be made available in electronic form.

I. THE MERGER AGREEMENT AND VOTING AGREEMENT:

On May 21, 2019, RESI announced the formation of a Board Committee (the "Committee") and the retention of Deutsche Bank Securities Inc. as an independent financial advisor to explore strategic alternatives to "maximize value for shareholders."⁵

On February 17, 2020, RESI entered into the Merger Agreement.⁶ Prior to that date, RESI senior management requested that Altisource enter into a Voting and Support Agreement with a stated purpose of "induc[ing] Parent to enter into the Merger Agreement and cause the Merger to be consummated."⁷ Based on information provided by RESI and representations made by its senior management, Altisource agreed to vote in favor of the Merger Agreement, and to lock up its shares during the Voting Period, which effectively lasted from February 17, 2020 until May 4, 2020.⁸ Altisource has held more than 5% of the Company's common stock since at least April 2016.

On February 18, 2020, RESI and Amherst Residential announced that the companies had entered into a merger agreement whereby Amherst Residential would acquire RESI in a transaction valued at approximately \$2.3 billion, including debt to be assumed or refinanced.⁹ RESI shareholders were to receive \$12.50 in cash per share, representing a premium of approximately 14.2% over the per share closing price of RESI common stock on May 20, 2019.¹⁰ Prior to the announcement, RESI stock traded at approximately \$11.31.¹¹ The Merger Agreement provided that the Company would be entitled to specific performance or receive a Parent Termination Fee of \$48,000,000 if the merger failed to close for the reasons specified in the Merger Agreement.¹²

At the time of the announcement, RESI CEO George Ellison stated that the Company was "excited to join forces with Amherst [Residential] in a transaction that we believe is in the best interests of our shareholders, employees and residents," adding that "[t]he transaction will deliver the certainty of immediate cash to our shareholders at a premium[.]"¹³

³ Md. Code Ann., Corps. & Ass'ns § 2-513(a).

⁴ Md. Code Ann., Corps. & Ass'ns § 2-513(b).

⁵ Press Release, "Front Yard Residential Announces Board Refreshment and a Review of Strategic Alternatives" (May 21, 2019).

⁶ February 17, 2020 Merger Agreement.

⁷ Id.

⁸ Id., Section 2.1.

⁹ Press Release, "Front Yard Residential Enters Definitive Agreement to be Acquired by Amherst Residential for \$12.50 Per Share in Cash" (February 18, 2020).

¹⁰ Id.

¹¹ <https://ir.frontyardresidential.com/stock-information>.

¹² February 17, 2020 Merger Agreement, Sections 8.5(c) and 9.13, as applicable.

¹³ Press Release, "Front Yard Residential Enters Definitive Agreement to be Acquired by Amherst Residential for \$12.50 Per Share in Cash" (February 18, 2020).

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Rochelle R. Dobbs, RESI's Chair of the Board of Directors, stated "After a thorough strategic review process, we have decided to enter into this agreement with Amherst [Residential], which we believe maximizes value for our shareholders."¹⁴

Subsequent to the announcement, RESI stock consistently traded at prices between \$11.41 and \$12.57 until mid-March, when it dropped for a short period of time, following which the share price rose again from late March through April 2020.¹⁵

II. THE DEFINITIVE PROXY STATEMENT AND SHAREHOLDER VOTE:

On March 23, 2020, RESI filed a Definitive Proxy Statement (the "Proxy Statement") that stated, *inter alia*, that the Board declared by unanimous vote that the merger was "fair to, and in the best interests of, the Company and its stockholders"; declared the merger "advisable"; and "unanimously recommend[ed] a vote 'FOR' the proposal to approve the Merger."¹⁶ The Proxy Statement indicated that, in making this recommendation, the Board took into account:

- i. that the Merger Consideration represented a 14.2% premium over the per share closing price of RESI's common stock on May 20, 2019, the date prior to RESI's announcement that it was exploring strategic alternatives;
- ii. that the Merger Consideration was Amherst Residential's best and final offer, and the highest consideration reasonably obtainable;
- iii. that the Merger Consideration presented a price per share that was unlikely to be achieved on a standalone basis in the near future;
- iv. RESI's standalone business plan, financial projections, and the associated risks of its ability to meet projections and execute strategic plans;
- v. potential strategic alternatives;
- vi. the fact that the Merger Consideration is a fixed cash amount providing RESI stockholders with certainty of value and liquidity immediately;
- vii. the opinion of RESI's financial advisor;
- viii. other potentially interested counterparties;
- ix. negotiations with Amherst Residential and the general terms and conditions of the Merger Agreement; and

¹⁴ *Id.*

¹⁵ <https://ir.frontyardresidential.com/stock-information>.

¹⁶ March 23, 2020 Definitive Proxy Statement, p. 3.

- x. the timing of completion.¹⁷

The Proxy Statement further stated that possible alternatives to the acquisition, including the possibility of continuing to operate the Company as an independent entity and the desirability and perceived risks of that alternative, were not reasonably likely to present superior opportunities for the Company to create greater value for shareholders.

On April 27, 2020, a shareholder vote approved the Merger Agreement, with 41,128,499 votes in favor of the merger and 19,257 against it.¹⁸ The stock closed at \$12.14 per share that day.¹⁹

III. THE TERMINATION OF THE MERGER AGREEMENT:

Without any warning that the merger was in jeopardy, on May 4, 2020, the Company announced that its imminent merger with Amherst Residential had been mutually abandoned and that the two companies entered into a settlement agreement (the "Settlement Agreement"), under which Amherst Residential "agreed to pay a \$25 million fee to RESI, purchase 4.4 million shares of RESI common stock in a primary issuance at \$12.50 per share for an aggregate purchase price of \$55 million, and provide a \$20 million committed two-year unsecured loan facility" to RESI.²⁰ The Settlement Agreement cites Section 8.1 of the Merger Agreement as the reason for the termination. That provision provides for mutual termination of the Merger Agreement. It is not clear why the Board did not undertake an action for specific performance or obtain payment of the Parent Termination Fee, nor how it arrived at the decision to enter into the Settlement Agreement, which has clearly destroyed tremendous value for RESI shareholders.

Of the termination, Ellison stated "While we are disappointed that the transaction with Amherst Residential will not close, we believe that we have reached an outcome that will allow the Company to focus on delivering long-term shareholder value while putting it in a strong financial position going forward...We are pleased that the business performed well in the first quarter, which has continued into April."²¹

Upon the announcement of the termination, RESI's stock price dropped precipitously, closing at \$8 on May 4, 2020, and it continued to drop below \$7.²² The stock price has remained depressed since the announcement.²³

IV. THE WALL STREET JOURNAL ARTICLE

On May 11, 2020, the Wall Street Journal published an article in which it referenced the recent merger termination with the Company. That article noted that Amherst Residential "called off its planned acquisition of 15,000-home rival Front Yard Residential Corp. over the difficulties of integrating the two

¹⁷ Id., p. 38.

¹⁸ There were 78,831 abstentions from the vote. See April 27, 2020 Proxy Vote.

¹⁹ <https://ir.frontyardresidential.com/stock-information>.

²⁰ Press Release, "Front Yard Residential Announces Termination of Merger Agreement with Amherst and Provides Business Update" (May 4, 2020).

²¹ Id.

²² <https://ir.frontyardresidential.com/stock-information>.

²³ Id.

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companies during the pandemic, including back-office functions in locked-down India." That reasoning for the termination had not previously been disclosed by the Company or Amherst Residential, and no subsequent disclosure to the shareholders has been made by the Company explaining such purported reasoning, or providing any basis or support for same.

The Wall Street Journal article also noted: "Amherst still wants to add houses. President Drew Flahive said in an interview that the firm is negotiating separate house-hunting pacts with two large insurance companies." Additionally, the article quoted Mr. Flahive as stating, "The amount of interest we've gotten in the last two or three weeks in terms of setting up private-market investments has really accelerated." Mr. Flahive was also quoted as saying, "We're likely to see a really pronounced capital flow into single-family real estate."²⁴

V. DEMAND FOR BOOKS AND RECORDS:

In light of the foregoing facts, Altisource demands that the materials identified in Exhibit A be made available within twenty (20) days. Please contact John Nowak at johnnowak@paulhastings.com or at (212) 318-6493 to advise when and by what means the requested documents will be made available for inspection.

In the event the Company does not respond to this Demand or fails to permit inspection of the demanded documents within twenty (20) days of receipt of this Demand, Altisource reserves the right to seek appropriate relief to the fullest extent permitted under the law.

Sincerely,

/s/ Kevin Logue

Kevin Logue

/s/ John Nowak

John Nowak
for PAUL HASTINGS LLP

KL/JN

²⁴ A May 5, 2020 Bloomberg.com article reported on the \$200 million preferred-equity investment in Amherst Holdings LLC's single-family rental business.

Exhibit A



By this Demand, Altisource formally requests that RESI make the following books and records available by electronic means for personal inspection, within twenty (20) days of the date of this Demand, pursuant to Md. Code Ann., Corps. & Ass'ns §§ 2-512 and 2-513:

1. Stock ledgers dated as of February 17, 2020 and May 4, 2020;
2. All Board and Committee minutes from February 17, 2020 to the present;
3. All materials or presentations reviewed or considered by the Board or Committee thereof in connection with the decision to approve the merger, and to recommend the merger to shareholders;
4. All materials or presentations reviewed or considered by the Board or Committee thereof in connection with the following:
 - a. the decision not to mandate the enforcement of specific performance, or as an alternative, the payment of the Parent Termination Fee;
 - b. the decision to mutually terminate the merger;
 - c. any contemplated litigation by any of the parties in connection with the merger; and
 - d. the terms of the Settlement Agreement;
5. All financial analysis prepared for or considered by the Board relating to:
 - a. the Merger Agreement;
 - b. its decision to terminate;
 - c. its decision not to enforce specific performance;
 - d. its decision not to enforce the Parent Termination Fee (as an alternative to specific performance); and
 - e. the terms of the Settlement Agreement;
6. All materials or presentations reviewed by or considered by the Board or Committee thereof between the time period of February 17, 2020 and May 4, 2020 relating to the merger;

7. All written communications and all documents reflecting any oral communications with Amherst¹ relating to any of the following:
 - a. actual, alleged or threatened breaches of the Merger Agreement, whether made formally or informally;
 - b. termination or potential termination of the Merger Agreement;
 - c. specific performance under the Merger Agreement;
 - d. Parent Termination Fee under the Merger Agreement;
 - e. the Settlement Agreement; or
 - f. any alternatives or proposals regarding settlement or termination;
8. All written communications and all documents reflecting any oral communications between RESI, or any person or entity acting on behalf of RESI, and Amherst from the date of the signing of the Settlement Agreement to the present;
9. All materials or presentations reviewed by or considered by the Board relating to RESI's decision to suspend the dividend until further notice;
10. All materials or presentations reviewed by or considered by the Board relating to RESI's compliance with its debt covenants;
11. All written communications and all documents reflecting any oral communications between RESI, or any person or entity acting on behalf of RESI, and Amherst relating to RESI's compliance with its debt covenants; and
12. All written communications and all documents reflecting any oral communications regarding any decision by RESI to make cash or equity payments to Altisource Asset Management Corporation ("AAMC") employees.

¹ "Amherst" shall include Amherst Residential, LLC, Amherst Holdings, LLC, BAF Holdings, LLC, BAF Sub, LLC, and Amherst Single Family Residential Partners VI, LP., as well as any employees, directors, subsidiaries and affiliates of those entities and any counsel or advisors acting on behalf of those entities.

