

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

Caption in Compliance with D.N.J. LBR 9004-2(c)

FILED
JAMES J. WALDRON

MAY 25 2006

U.S. BANKRUPTCY COURT
NEWARK, N.J.
BY M. Stern DEPUTY

In Re:

JENNY RIVERA,

Debtor.

Case No.: 01-42625 (MS)

Chapter: 13

Hearing Date: n/a

Judge: Morris Stern

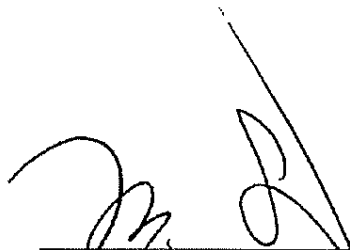
**ORDER REGARDING RULE 9011 PENALTIES
AND PERMANENTLY ENJOINING CERTAIN PRACTICES**

The relief set forth on the following pages, numbered two (2) through four (4) is hereby

ORDERED.

Date:

5/25/06



MORRIS STERN, U.S.B.J.

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This matter having been initiated by the Court *sua sponte*, and the Court having issued its Orders to Show Cause of September 12, 2005 and October 24, 2005, as well as supplementary Orders of November 9, 2005 and November 14, 2005, and hearings having been held on October 18, 2005 and December 14, 2005 (as well as an on-the-record prehearing conference of November 30, 2005), and the Court having, *inter alia*, scrutinized a certain practice of Shapiro & Diaz, LLP (hereinafter "S&D"), to wit: that law firm's filing throughout this District, over an extended period, of certifications in support of stay relief motions and *ex parte* applications for stay relief (so as to permit foreclosure proceedings to be initiated and/or continued against debtors whose bankruptcy cases were pending in this District), *those certifications having affixed to them a certifying statement and signature page which was on file with S&D in advance of the preparation of the substance of the certification, where the substance of the certification and the final form of the certification were not contemporaneously reviewed by the purported signatory at the time of the purported signing, and, indeed, it appearing that the final form of certification was never reviewed by the purported signatory prior to its filing with the Court* (the italicized foregoing description being hereinafter referred to as "the S&D Certification Practice"), and, in addition, as catalogued by S&D in its submission at the October 18, 2005 hearing (Hearing Exhibit "R, S&D" #1), at least since a date in July 2004, the on-file certifying paragraph and signature of one "Amirah Shahied" was so affixed to more than 250 certifications filed with the Bankruptcy Court in this District pursuant to the S&D Certification Practice, when, in fact, that person was no longer employed in any capacity by any party in any possible chain of authorization emanating from a mortgage owner or servicer which might be described as an S&D "client," and, in addition, EverHome Mortgage Company ("EverHome"), the secured party and purported

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client of S&D in the immediate captioned matter having submitted to this Court on October 14, 2005 a response to the Order to Show Cause specifically denying the authorization of "Amirah Shahied" to execute documents on its behalf,

And the Court having identified parties-respondents to this proceeding as including (among others), S&D; S&D attorneys, Rhondi L. Schwartz, Esq. and Nelson L. Diaz, Esq.; S&D principals, Gerald M. Shapiro, Esq. and David Kreisman, Esq.; EverHome; and EverHome's default servicer, First American National Default Outsourcing, Inc. ("FANDO"),

And the Court having considered all testimony and written submissions and issued its Opinion of even date,

And, for the reasons set forth in the Court's Opinion of even date, as to violations of Federal Rule of Bankruptcy Procedure 9011 certain monetary penalties are assessed, an injunction shall issue, and a disciplinary referral is made, it is

ORDERED, that Rhondi L. Schwartz, Esq. shall pay to the Clerk of the Court the penalty amount of \$500 for her violation of *Fed. R. Bankr. P.* 9011, and that for her conduct as described in the Court's Opinion of even date, Ms. Schwartz shall be referred to the Chief Judge of this District pursuant to L. Civ. R. 104.1(e)(2) for review of that conduct for purposes of disciplinary investigation and/or referral; and it is further

ORDERED, that S&D shall pay to the Clerk of the Court the penalty amount of \$125,000 for its violation of *Fed. R. Bankr. P.* 9011, and that, for its conduct as described in the Court's Opinion of even date, it shall be referred to the Chief Judge of this District pursuant to L. Civ. R. 104.1(e)(2) for review of that conduct for purposes of disciplinary investigation and/or referral; and it is further

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ORDERED, that Nelson Diaz, Esq. shall, for his conduct as described in the Court's Opinion of even date, be referred to the Chief Judge of this District pursuant to L. Civ. R. 104.1(e)(2) for review of that conduct for purposes of disciplinary investigation and/or referral; and it is further

ORDERED, that S&D, Rhondi L. Schwartz, Esq., Nelson Diaz, Esq., Gerald M. Shapiro, Esq., David Kreisman, Esq., any law firms or other enterprises controlled by Gerald M. Shapiro, Esq. and/or David Keisman, Esq., EverHome, and FANDO shall be permanently enjoined from engaging in this District in the S&D Certification Practice (that is, to revert to that prior practice of using a presigned certifying paragraph, and of not having the signatory to the supporting certification both review the full and final form of certification and execute that certification contemporaneously with that review, all prior to the filing of such certification with the Court), and further, from submitting supporting documentation to the Bankruptcy Court in this District for purposes of obtaining relief from the stay so that foreclosure proceedings might be initiated and/or continued, which violate the Federal Rules of Bankruptcy Procedure, and the Local Rules, Administrative and General Orders of the Bankruptcy Court of this District.

CERTIFICATE OF MAILING

IT IS HEREBY CERTIFIED that on May 25, 2006, a copy of the foregoing Order Regarding Rule 9011 Penalties and Permanently Enjoining Certain Practices and Opinion of even date were served on each of the following:

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Chapter 13 Standing Trustee
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JAMES J. WALDRON, Clerk