

IN THE COURT OF COMMON PLEAS FOR PHILADELPHIA COUNTY
FIRST JUDICIAL DISTRICT OF PENNSYLVANIA
TRIAL DIVISION - CIVIL

SSN HOTEL MANAGEMENT, LLC, : SEPTEMBER TERM, 2011
: :
Plaintiff, : NO. 00296
: :
v. : COMMERCE PROGRAM
: :
SUSQUEHANNA BANK, : Control No. 12121829
: :
Defendants. :

DOCKETED
APR 10 2013
C. HART
CIVIL ADMINISTRATION

ORDER

AND NOW, this 9th day of April, 2013, upon consideration of defendant Susquehanna Bank's Motion for Summary Judgment, the response thereto, and all other matters of record, and in accord with the Opinion issued simultaneously, it is **ORDERED** that the Motion is **GRANTED** and **JUDGMENT** is entered in favor of defendant Susquehanna Bank and against plaintiff SSN Hotel Management, LLC on plaintiff's sole remaining claim for Interference with Prospective Contractual Relations.

BY THE COURT,



PATRICIA A. McINERNEY, J.

Ssn Hotel Management, L-ORDOP



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OPINION

Plaintiff SSN Hotel Management, LLC (“SSN”) is a disappointed prospective purchaser of a distressed hotel (the “Property”) which was owned by Lititz Properties, LLC (“Lititz”). Lititz is a wholly owned subsidiary of defendant Susquehanna Bank (the “Bank”). In this action, SSN claims the Bank tortiously interfered with SSN’s prospective contract to purchase the Property from Lititz by authorizing Lititz to sell it to another prospective purchaser for a lower price than SSN offered. The Bank has moved for summary judgment on this claim, which motion is presently before the court.

In order to prevail on its claim for tortious interference with prospective contractual relations, SSN must prove:

- (1) That it had a prospective contractual relationship with Lititz;
- (2) The Bank had a purpose or intent to harm SSN by preventing the relation from occurring;
- (3) The absence of privilege or justification on the part of the Bank; and
- (4) The occasioning of actual damage to SSN resulting from the Bank’s conduct.¹

¹ See Phillips v. Selig, 959 A.2d 420, 428 (Pa. Super. 2008).

SSN has failed to prove it had a prospective contract with Lititz which would have matured into an actual contract to buy the Property but for the Bank's alleged interference. SSN was one of three final bidders on the Property. The Vice-President of Lititz, Mr. Rahal, who was also a Vice-President of the Bank, weighed the offers of all three bidders. He considered not only the price each offered, but also the ease and timeliness of the transaction and the likelihood that each would close on the sale.² SSN does not offer any evidence that Mr. Rahal considered other, improper, factors in deciding to which bidder Lititz should award the contract.³

Mr. Rahal chose a bidder other than SSN, and the Bank approved his choice by authorizing the sale to the other bidder. SSN does not offer any evidence that Mr. Rahal decided to sell to SSN but was dissuaded from doing so by someone employed solely by the Bank, who did not also represent Lititz. It would be absurd to find that Mr. Rahal, acting on behalf of the Bank, interfered with his own decision-making while he was acting on behalf of Lititz.

The case relied upon by SSN, Shared Communications Services v. Bell Atlantic Properties,⁴ is inapposite here. In that case, a parent corporation was found to have interfered with its subsidiary's contract with a third party because the parent wanted its subsidiary to enter into a contract with another of the parent's subsidiaries, rather than with the third party. Unlike the Bank and Lititz, which share corporate officers who promote both parties' shared interests, the parent and the breaching subsidiary in Shared Communications each had their own separate

² SSN admits Mr. Rahal considered these factors. *See* Response to Motion for Summary Judgment, ¶ 13.

³ At the time, SSN's principal was engaged in litigation with the Bank with regards to a prior transaction and Mr. Rahal apparently took this into consideration. To the extent the Bank and Lititz feared additional litigation arising out of a sale of the Property to SSN, such fears were legitimate business concerns, not improper retaliatory conduct as SSN claims. Judging from this litigation, such fears appear to have been justified.

⁴ 692 A.2d 570 (1997).

management personnel who were charged with implementing different corporate goals.⁵ The court found that the parent's interests were not identical to those of the breaching subsidiary; instead the parent's interests aligned with those of the subsidiary's corporate sibling who benefited from the parent's interference. In this case, there is no evidence that the Bank had any connection with, or interest in, the winning bidder on the Property, nor is there any evidence that the Bank had any goals or interests different than those of Lititz in approving the sale of the Property to a third party.

The undisputed evidence shows that the interests of the Bank and its subsidiary Lititz were identical, and their shared employee, Mr. Rahal, took their joint interests into consideration when deciding which bid to accept. Lititz was under no compulsion to accept SSN's offer, and there is no evidence that the Bank acted improperly in connection with Lititz's decision to sell the Property to someone other than SSN. Therefore, the Bank did not tortiously interfere with any prospective contract SSN may have had with Lititz.

CONCLUSION

For all the foregoing reasons, the Bank's Motion for Summary Judgment is granted, and judgment is entered against SSN and in favor of the Bank on SSN's sole remaining claim against the Bank.

BY THE COURT,


PATRICIA A. McINERNEY, J.

⁵ See *id.* at 574.