NON-PRECEDENTIAL DECISION - SEE SUPERIOR COURT I.O.P. 65.37

DE LAGE LANDEN FINANCIAL SERVICES, INC.	:	IN THE SUPERIOR COURT OF PENNSYLVANIA
Appellant	:	
v.	:	
C.S.R.L. ENTERPRISES, INC.	:	
Appellee	:	No. 2006 EDA 2021

Appeal from the Judgment Entered November 29, 2021
In the Court of Common Pleas of Chester County
Civil Division at No(s): 2019-00865-CT

BEFORE: DUBOW, J., McLAUGHLIN, J., and KING, J.

MEMORANDUM BY KING, J.: **FILED JUNE 28, 2022**

Appellant, De Lage Landen Financial Services, Inc. ("DLL"), appeals from the judgment entered in the Chester County Court of Common Pleas, in favor of Appellee, C.S.R.L. Enterprises, Inc. ("CSRL"), in this breach of contract and unjust enrichment action. We affirm.

The trial court set forth the relevant factual and procedural history of the case as follows:

> This case began with an equipment lease agreement ("Lease") governed by Article 2A of the Uniform Commercial Code purportedly signed on or about January 15, 2016 by CSRL as lessee and on or about February 23, 2016 by Konica Minolta Premier Finance ("Konica Minolta" [or "Konica"]) as lessor. We credited the testimony of Sadhana Loomba that the signature that purports to belong to her on the Lease as president of CSRL does not belong to her. Accordingly, there is no lease governing the parties' relationship.
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> The face of the Lease represents that Konica Minolta leased

two Bizhub 554E machines and one HP T2500 machine to CSRL. The Bizhub information is in typeface and the HP information is handwritten. Next to the HP information is an initial. The monthly payment, to be made for 60 months, is $498. The payment information is in typeface.

Ms. Loomba testified that she, on behalf of CSRL, had requested the two Bizhub machines and that Konica had delivered the two Bizhub machines when only her employees were at the shop. During delivery, Konica also left the HP machine. Ms. Loomba phoned Konica to question the delivery of the HP machine and Konica Minolta did not address her concerns. The HP machine never worked and was moved to the corner of the shop. The Loombas could not make [the] HP machine work as they were not trained.[1] Konica Minolta ignored Ms. Loomba's request that the HP machine be removed from the shop.

The invoices received from Konica Minolta included charges for all three machines. Ms. Loomba intended to pay for the two Bizhub machines only. Ms. Loomba testified that she only paid Konica Minolta when Konica Minolta threatened to shut her equipment down by withholding toner.

> I used to pay. I never used to pay regularly just only when they shut down the machinery. So I just want my machine to be running but whatever amount they say, Konica Minolta, they say, I used to pay.
>
> When I used to call them, they used to give me an invoice number and the amount – which one I should write the check. Otherwise they shut down the machine.

The payment history with erratic payments in inconsistent amounts bears this out.

The purported Lease was assigned to DLL by a Konica Minolta entity on April 26, 2018. DLL's representative,

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[1] CSRL operated as a UPS store locate[d] in Washington state. Sadhana Loomba was the president of CSRL. She and her husband worked in the store along with other employees. The store was sold on or about April 8, 2018.

> Andrew Chesbro testified that under a private label agreement between DLL and Konica Minolta, DLL had provided the original financing for the machines that were then leased to CSRL. Under this arrangement, Konica Minolta is the vendor of the equipment and retains the servicing obligation. After Konica Minolta obtained the customer's signature on the lease, the lease was sent to DLL for a credit review. When the customer's credit is approved, DLL pays for the equipment. In the instant matter, DLL paid Konica Minolta for the two Bizhub machines and the HP machine.
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> CSRL did not return the equipment to DLL. However, there is no evidence as to the disposition of any of the equipment.

(Trial Court Opinion, 11/03/21, at 2-5) (record citations omitted).

On January 18, 2019, DLL brought this action for breach of contract and unjust enrichment against CSRL. After CSRL appealed an arbitration award in favor of DLL, the matter proceeded to a non-jury trial on April 1, 2021. Following trial, the court found against DLL on the breach of contract claim and in favor of DLL on the unjust enrichment claim.[2] The parties filed post-trial motions, which the trial court denied on July 9, 2021. On July 26, 2021, DLL then filed a "re-filed" post-trial motion, which the court denied as moot on August 23, 2021, finding that the July 9, 2021 order became final after thirty days. DLL filed an appeal on August 26, 2021.[3] On September 7, 2021,

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[2] Notwithstanding the verdict in favor of DLL on the unjust enrichment claim, the court awarded no damages to DLL on this count.

[3] DLL purported to appeal from the denial of post-trial motions. Nevertheless, an order denying post-trial motions is not appealable until the entry of final judgment. ***See Prime Medica Assoc. v. Valley Forge Ins. Co.***, 970 A.2d

(Footnote Continued Next Page)

the court ordered DLL to file a statement of errors complained of on appeal pursuant to Pa.R.A.P. 1925(b). DLL timely filed its Rule 1925(b) statement on September 20, 2021.

DLL raises two issues on appeal:

> Did the trial court err in finding in favor of [CSRL] on [DLL's] breach of contract claim?
>
> Did the trial court err in finding in favor of [DLL] for no amount on [DLL's] alternatively pled claim for unjust enrichment/quantum meruit?

(DLL's Brief at 6).

In its first issue, DLL argues that CSRL received two Bizhub machines and one HP machine and did not attempt to reject the delivery. DLL insists that a lease was ratified between the parties because CSRL made payments for all three pieces of equipment, and only stopped payments when it sold its business. DLL claims that "even if there was a dispute as to the form of the Lease at its inception, [CSRL] subsequently ratified the Lease time after time by its continued use and enjoyment of the Equipment and by its continual monthly payments thereunder." (***Id.*** at 17). DLL emphasizes that CSRL admitted to having signed some version of the lease and claims that CSRL

1149 (Pa.Super. 2009). On November 15, 2021, this Court ordered DLL to *praecipe* for entry of final judgment. DLL complied on November 29, 2021, and judgment was entered. "[A] final judgment entered during the pendency of an appeal is sufficient to perfect appellate jurisdiction." ***Id.*** (citation omitted). We will relate forward DLL's notice of appeal as filed to the date judgment was entered on the verdict on November 29, 2021. ***See*** Pa.R.A.P. 905(a)(5).

failed to establish any pertinent differences between that lease and the lease produced at trial. DLL maintains that based on its actions, CSRL remains liable for the amount due under the lease. DLL concludes the trial court erred by ruling in favor of CSRL on DLL's breach of contract claim, and this Court must grant relief. We disagree.

Our scope and standard of review are as follows:

> Our appellate role in cases arising from non-jury trial verdicts is to determine whether the findings of the trial court are supported by competent evidence and whether the trial court committed error in any application of the law. The findings of fact of the trial judge must be given the same weight and effect on appeal as the verdict of a jury. We consider the evidence in a light most favorable to the verdict winner. We will reverse the trial court only if its findings of fact are not supported by competent evidence in the record or if its findings are premised on an error of law. However, [where] the issue ... concerns a question of law, our scope of review is plenary.

Stephan v. Waldron Elec. Heating and Cooling LLC, 100 A.3d 660, 664-65 (Pa.Super. 2014).

"[A] lease is in the nature of a contract and is to be controlled by principles of contract law." ***Gamesa Energy USA, LLC v. Ten Penn Ctr. Associates, L.P.***, 181 A.3d 1188, 1192 (Pa.Super. 2018), *aff'd*, 655 Pa. 351, 217 A.3d 1227 (2019) (citation omitted). "It is well-established that three elements are necessary to plead a cause of action for breach of contract: (1) the existence of a contract, including its essential terms, (2) a breach of the contract; and, (3) resultant damages." ***Meyer, Darragh, Buckler, Bebenek & Eck, P.L.L.C. v. Law Firm of Malone Middleman, P.C.***, 635 Pa. 427, 445,

137 A.3d 1247, 1258 (2016) (citation omitted). Furthermore, "[i]t is fundamental contract law that one cannot be liable for a breach of contract unless one is a party to that contract." ***Id.*** (quoting ***Electron Energy Corp. v. Short***, 597 A.2d 175, 177 (Pa.Super. 1991), *aff'd*, 533 Pa. 66, 618 A.2d 395 (1993)).

Pennsylvania law makes clear that a forged signature upon a lease cannot be ratified. ***Mellon Bank, N.A. v. Holub***, 583 A.2d 1157, 1160 (Pa.Super. 1990) (stating: "a forged non-negotiable instrument cannot be ratified"). ***See also Funds for Bus. Growth, Inc. v. Woodland Marble & Tile Co.***, 443 Pa. 281, 286, 278 A.2d 922, 925 (1971) (explaining: "It has long been an established principle in this Commonwealth that a forgery may not be ratified since it is a crime the adjustment of which is forbidden by public policy").

Instantly, the trial court "credited the testimony of Sadhana Loomba that the signature that purports to belong to her on the Lease as president of CSRL does not belong to her. Accordingly, there is no lease governing the parties' relationship." (Trial Court Opinion at 3). The court noted that "Ms. Loomba's printed name beneath her purported signature on the Lease is misspelled," and "the signature on the Lease does not resemble Ms. Loomba's signature on a check." (***Id.*** at 5). Because a forged instrument cannot be ratified, the trial court concluded a valid lease did not exist between the parties, so the claim for breach of contract necessarily failed. (***Id.*** at 5-6).

The record supports the court's determination that Ms. Loomba's signature on the lease was forged. Thus, we agree with the trial court that a forged lease could not have been ratified by CSRL's acceptance or use of the machines, or by payments made by CSRL in accordance with the lease terms. ***See Mellon Bank, supra***. Because DLL did not establish the existence of a valid contract, the record supports the court's decision to deny relief on DLL's breach of contract claim. ***See Meyer, Darragh, Buckler, Bebenek & Eck, P.L.L.C., supra***; ***Gamesa Energy USA, LLC, supra***.

In its second issue, DLL argues the trial court erred when it did not award damages that DLL incurred in connection with the two Bizhub machines which CSRL acknowledges it contracted to lease. DLL contends that because the parties agree CSRL intended to lease the Bizhub machines, CSRL was required to make monthly payments for the entirety of the lease's 60-month term. DLL also contends it was entitled to contract-based damages and remedies concerning the Bizhub machines including the remaining payments on the contract and attorneys' fees and costs.

Even if this Court concludes no contract exists for any of the machines, DLL insists CSRL has still been unjustly enriched in connection with the Bizhub machines. DLL maintains the trial evidence showed CSRL paid $13,511.09[4]

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[4] Both DLL and the trial court concluded that CSRL paid $13,511.09. CSRL's brief states that it paid $13,509.09. This minor discrepancy does not affect our disposition.

for the Bizhub machines, which is less than the $19,341.81 that DLL paid Konica-Minolta for CSRL to use the machines during that time.

This Court has explained:

> The elements of unjust enrichment are benefits conferred on defendant by plaintiff, appreciation of such benefits by defendant, and acceptance and retention of such benefits under such circumstances that it would be inequitable for defendant to retain the benefit without payment of value. Whether the doctrine applies depends on the unique factual circumstances of each case. In determining if the doctrine applies, we focus not on the intention of the parties, but rather on whether the defendant has been unjustly enriched.
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> Moreover, the most significant element of the doctrine is whether the enrichment of the defendant is unjust. The doctrine does not apply simply because the defendant may have benefited as a result of the actions of the plaintiff.

Stoeckinger v. Presidential Fin. Corp. of Delaware Valley, 948 A.2d 828, 833 (Pa.Super. 2008) (citation omitted).

Instantly, the trial court reasoned:

> DLL claimed damages under the Lease for the two Bizhub machines totaling $24,283.25. However, this claim includes items such as late fees, attorney's fees, interest, insurance, booked residual value, and payments over the full term of the contract; these are damages that would only exist for breach of the Lease. DLL provided a monthly rental value for the two Bizhub machines in the Supplement Certification; this value was set at $407.62, which includes rental value and taxes. CSRL paid a total of $13,511.09, which amounts to thirty-three months of payment for the two Bizhub machines. At most, CSRL had the benefit of the two Bizhub machines from January 2016 [until] April 2018 or twenty-[seven] months.

(Trial Court Opinion at 7-8) (record citation omitted). Based on the evidence

presented at trial, the court found in favor of DLL on the unjust enrichment claim where CSRL had the benefit of using two Bizhub machines for 27 months. Nevertheless, the court declined to award any damages to DLL where CSRL paid for 33 months of use for the Bizhub machines.[5]

We agree with the trial court's decision not to award damages to DLL for this claim.[6] Unjust enrichment damages are not based on the damages incurred by DLL, but rather, are based on the benefit conferred on CSRL. ***See Stoeckinger, supra***. Therefore, the trial court appropriately based its calculation of damages on the monthly rental value of the two Bizhub machines for twenty-seven months, rather than the cost to DLL to finance the machines. We see no reason to disrupt the court's analysis. ***See Stephan, supra***.

Judgment affirmed.

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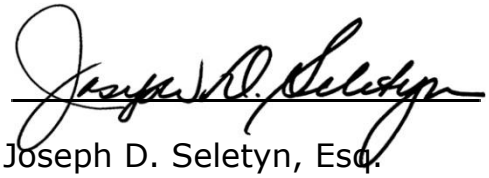
[5] The court's opinion states that DLL was not entitled to any damages on a claim for *quantum meruit*. (Trial Court Opinion at 8). "While the remedy of *quantum meruit* provides for restitution based on the reasonable value of services performed or provided, unjust enrichment requires the defendant to pay to the plaintiff the value of the benefit conferred." ***Artisan Builders, Inc. v. Jang***, 271 A.3d 889, 892 (Pa.Super. 2022) (citation and quotation marks omitted). Because the quasi-contract in question concerned a lease of equipment, the damages calculation would be the same when considering either *quantum meruit* damages based on services provided by DLL or unjust enrichment damages based on the benefit received by CSRL. ***See id.*** at 896.

[6] We note that CSRL did not file a cross-appeal challenging the verdict in favor of DLL on this count.

Judgment Entered.



Joseph D. Seletyn, Esq.
Prothonotary

Date: 6/28/2022