

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

**WILLIAM CADDICK and STEPHEN
HOPKINS, individually and on behalf of
all similarly situated individuals,**

Plaintiffs,

v.

TASTY BAKING COMPANY,

Defendant.

Case No. 2:19-cv-02106-JDW

ORDER

AND NOW, this 17th day of December, 2019, upon consideration of Defendant's Partial Motion for Judgment on the Pleadings (ECF No. 21), and pursuant to Federal Rule of Civil Procedure 12(c), the Court finds as follows:

1. Plaintiffs William Caddick and Stephen Hopkins are distributors of baked goods for Defendant Tasty Baking Company. Caddick and Hopkins allege that Tasty classified them as independent contractors when it should have classified them as employees. Caddick and Hopkins have brought claims for unpaid overtime under the Fair Labor Standards Act ("FLSA"), for improper pay deductions under the Pennsylvania Wage Payment and Collection Law ("WPCL"), and for recovery of certain expenses that they incurred in the course of their relationship with Tasty under the theory of unjust enrichment. Tasty filed this Motion for Judgment on the Pleadings only with respect to Caddick and Hopkins' WPCL and unjust enrichment claims;

2. This Court shall grant a Rule 12(c) motion "if, on the basis of the pleadings, the movant is entitled to judgment as a matter of law." *Fed Cetera, LLC v. Nat'l Credit Servs., Inc.*, 938 F.3d 466, 470 n.7 (3d Cir. 2019) (quotation omitted). A Rule 12(c) motion "is analyzed under

the same standards that apply to a Rule 12(b)(6) motion[.]" construing all allegations and inferences in the light most favorable to the nonmoving party. *Wolfington v. Reconstructive Orthopedic Assocs. II PC*, 935 F.3d 187, 195 (3d Cir. 2019) (quotation omitted);

3. For the WPCL to apply, the parties must enter into an employer-employee relationship and the employee must be paid a wage, as the statute defines that term. *See Gladstone Technology Partners, LLC v. Dahl*, 222 F. Supp.3d 432, 440 (E.D.Pa. 2016);

4. The WPCL defines "wages" as "all earnings of an employe[e], regardless of whether determined on time, task, piece, commission or other method of calculation . . ." 43 P.S. § 260.2a;

5. The WPCL prohibits pay deductions except for those "provided by law, or as authorized by regulation of the Department of Labor and Industry . . ." 43 P.S. § 260.3;

6. In the Motion, Tasty argues that it has no contractual obligation to pay earned wages to Caddick and Hopkins;

7. An employee earns a wage when he earns compensation that is offered to him for employment services, and not for some reason entirely unrelated to his employment. *See Gladstone Technology Partners*, 222 F. Supp.3d at 440; *see also Braun v. Wal-Mart Stores, Inc.*, 24 A.3d 875, 956 (Pa. Super. Ct. 2011), *aff'd* 106 A.3d 656 (2014) (quoting *Kafando v. Erie Ceramic Arts Co.*, 764 A.2d 59, 62-63 (Pa. Super. Ct. 2000));

8. Here, Caddick and Hopkins allege that Tasty paid them for the services that they performed for Tasty by permitting them to keep the difference in the prices that they paid Tasty and the prices that retailers paid for Tasty's products. That allegation states a plausible claim that Tasty's arrangement with its distributors falls within the WPCL's broad definition of "wages";

9. Caddick and Hopkins also allege that Tasty took a number of deductions from their pay and that the WPCL does not authorize those deductions (ECF No. 1, ¶¶ 21, 47);

10. Taken together, Caddick and Hopkins have therefore stated a plausible claim that Tasty violated the WPCL by deducting from the wages that it paid to Caddick and Hopkins the amounts listed in Paragraph 21 of the Complaint;

11. Tasty has also moved for judgment on the pleadings with respect to Caddick and Hopkins' unjust enrichment claim. Caddick and Hopkins allege that Tasty was unjustly enriched when it imposed operating expenses upon its distributors, including gasoline expenses, vehicle expenses, and insurance;

12. The elements of unjust enrichment under Pennsylvania law 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." *AmeriPro Search, Inc. v. Fleming Steel Co.*, 787 A.2d 988, 991 (Pa. Super. Ct. 2001);

13. The existence of a contract does not bar the application of restitution-based recovery theories as to disputes beyond the subject matter of the parties' contract. *Hershey Foods Corp. v. Ralph Chapek, Inc.*, 828 F.2d 989, 999 (3d Cir. 1987);

14. Here, however, Caddick and Hopkins have not alleged that they provided services beyond the scope of their respective agreements with Tasty. Instead, they allege that Tasty has gone beyond the scope of their contractual relationship in charging them fees that they did not agree to pay. There is no allegation that Caddick and Hopkins did anything outside the scope of their distributor agreement to confer a benefit on Tasty. The allegations about the specific expenses that Tasty withheld from its distributors is properly understood as a breach of contract

claim, rather than a claim for unjust enrichment. Accordingly, the Court will dismiss the unjust enrichment claim.

THEREFORE, in light of the foregoing, it is **ORDERED** that Defendant Tasty Baking Company's Motion for Judgment on the Pleadings (ECF No. 21) is **GRANTED IN PART AND DENIED IN PART**.

It is **FURTHER ORDERED** that, pursuant to Fed. R. Civ. P. 12(c), **JUDGMENT** is **ENTERED** in favor of Defendant Tasty Baking Co. and against Plaintiffs William Caddick and Stephen Hopkins on Count III of the Complaint.

BY THE COURT:

/s/ Joshua D. Wolson
JOSHUA D. WOLSON, J.