



IN THE COURT OF COMMON PLEAS OF ALLEGHENY COUNTY, PENNSYLVANIA

SOUTH ALLEGHENY SCHOOL DISTRICT,	)	CIVIL DIVISION
	)	
Plaintiff,	)	
	)	Case No. GD 20-009112
v.	)	
	)	
SUN COACH LINES, LLC,	)	
	)	
Defendant.	)	
	)	

**NOTICE OF PRESENTMENT**

Please take notice that this Second Emergency Motion for Preliminary Injunction shall be presented to the Honorable Jack McVay, Jr. of the Court of Common Pleas of Allegheny County, Pennsylvania, as soon as suits the convenience of the Court.

Respectfully submitted:

**MAIELLO, BRUNGO & MAIELLO LLP**

By: /s/ Steven P. Engel

Steven P. Engel, Esquire  
Pa. I.D. No. 74524  
Southside Works  
424 South 27<sup>th</sup> Street, Suite 210  
Pittsburgh, PA 15203  
(412) 242-4400

Counsel for Plaintiff,  
*South Allegheny School District*

IN THE COURT OF COMMON PLEAS OF ALLEGHENY COUNTY, PENNSYLVANIA  
CIVIL DIVISION

SOUTH ALLEGHENY SCHOOL DISTRICT, )  
 )  
 Plaintiff, ) NO. GD-20-009112  
 )  
 v. )  
 )  
 SUN COACH LINES, LLC, )  
 )  
 Defendant. )

**PLAINTIFFS’ SECOND EMERGENCY MOTION FOR PRELIMINARY INJUNCTION**

AND NOW, comes Plaintiff, South Allegheny School District (hereinafter referred to as “the District”), by and through its attorneys, Falco A. Muscante, Esquire, Steven P. Engel, Esquire, Peter J. Halesey, Esquire, and the law firm of Maiello, Bruno & Maiello, LLP, and hereby files this Second Emergency Motion for Preliminary Injunction against Defendant, Sun Coach Lines, LLC (hereinafter referred to as “Defendant”), and in support thereof avers as follows:

1. The District hereby incorporates by reference the averments in the Complaint filed on August 25, 2020 as if fully set forth herein.

2. As the Court is aware, this matter arises from a written contract between the District and Defendant that was signed on May 2, 2018 (hereinafter referred to as “the Agreement”), under which Defendant agreed to continue to provide all school bus transportation services to the District for an additional seven (7) year term, commencing on August 1, 2016 and continuing through July 31, 2023 in return for the District’s agreement to pay Defendant in accordance with certain yearly bulk rates that were identified in the attached Exhibit “A” to the Agreement. A true and correct copy of the Agreement was attached to the Complaint as Exhibit “1.”

3. Paragraph 4 of the Agreement contained provisions, which required the District and Defendant to renegotiate the bulk rate for school bus transportation services in the event of: (1) a five percent (5%) increase or decrease in the number of students who were provided school bus transportation services by the District; or (2) the discontinuance of school bus transportation services for the District’s students *for any reason* at any time after the 2016 – 2017 school year (See ¶4 of Exhibit “1 to Complaint).

4. Importantly, the Agreement also contained a negotiated mechanism for dispute resolution, which required the parties to mediate and then, if necessary, to arbitrate any disputes if the parties were unable to agree upon a modification of the bulk rate for school bus transportation services that was satisfactory to both the District and Defendant after the occurrence of one of the triggering events identified in subparts (a) or (b) of Paragraph 4 of the Agreement (See ¶4 of Exhibit “1 to Complaint).

5. Under the terms of the Agreement, the District was obligated to remit payment to Defendant within thirty (30) days of receipt of Defendant's invoice. However, the Agreement also contained the following provision, which authorized the District to dispute charges on the Defendant's invoices and/or withhold disputed amounts:

In the event the SCHOOL DISTRICT disputes any specific amounts due CONTRACTOR on any invoice, the SCHOOL DISTRICT shall notify the CONTRACTOR of the disputed amounts in writing and set forth the reasons for such dispute within ten (10) days of receipt of invoice. Any amounts which are not disputed on any invoice shall be paid to the CONTRACTOR within the time period hereinabove stated. *Any disputed amounts will be paid to the CONTRACTOR within ten (10) days of settlement of such dispute between CONTRACTOR and SCHOOL DISTRICT.*

(See ¶7 of Exhibit "1" to Complaint)(emphasis added)

6. Commencing March 13, 2020, Pennsylvania Governor Tom Wolf issued certain executive orders (hereinafter referred to as "the Closure Orders") in an effort to limit the spread of the COVID-19 virus, which required all schools within the Commonwealth of Pennsylvania to remain closed from March 16, 2020 through the end of the 2019-2020 school year.

7. Following Governor Wolf's issuance of the Closure Orders, the District exercised its right to request a modification of the bulk rate during the course of the school closures that were mandated by the Closure Orders, and the District notified Defendant through separate letters dated April 30, 2020 and June 19, 2020 that the District was not obligated under the terms of the Agreement to pay for any portion of the bulk rate for the period of time while its schools were required to remain closed due to the Closure Orders. True and correct copies of those letters were attached to the Complaint as Exhibits "2" and "6".

8. On June 25, 2020, Defendant's counsel sent a letter to the School District's counsel, acknowledging that the Closure Orders required the parties to renegotiate the bulk rate and demanding mediation, because it contended that "[t]he parties are at an impasse as to whether the District owes the \$379,299.75 bulk rate covering the remainder of the 2019-2020 school year." A true and correct copy of that letter was attached to the Complaint as Exhibit "7".

9. Despite Defendant's acknowledgement and admission in Defendant's June 25<sup>th</sup> Letter that the Closure Orders required the parties to negotiate the bulk rate and its demand for mediation and the District's efforts to select a mediator and schedule an expedited mediation, Defendant withdrew its mediation demand and for approximately five (5) months refused to engage in any negotiations regarding the bulk rate, or to continue the process for the selection of a mediator.

10. As the Court is aware, on repeated occasions during that five-month period, Defendant has either expressly or implicitly threatened to suspend bus transportation services.

11. As a result, on August 25, 2020, the District filed the present action and a Motion for Preliminary Injunction with the Court seeking to enjoin Defendant from failing to or refusing to provide bus service to Plaintiff during the 2020-2021 School Year.

12. In response, Defendant filed a Counterclaim, which asked the Court to award the full bulk rate to Defendant for remainder of the 2019-2020 School Year and a declaration that was entitled to be paid the full bulk rate for the bus transportation services provided in the 2020-2021 School Year.

13. In response, the District filed Preliminary Objections in the form of a Motion to Compel Mediation and Arbitration of those claims as required under the terms of the parties Agreement.

14. During the September 24, 2020 Argument on the District’s Motion for Preliminary Injunction (hereinafter referred to as “the Argument”) and as part of Defendant’s argument that a preliminary injunction was not necessary, Defendant’s counsel repeatedly represented to the Court that “Defendant would continue to provide bus service to the School District’s students during the 2020-2021 School Year.”

15. Additionally, Defendant’s President David Sunstein has represented to this Court that Defendant intended to continue providing transportation for Plaintiff’s students for the remainder of the 2020-2021 School Year without interruption or delays. (See Declaration of David Sunstein)

16. As a result of and in reliance upon Defendant’s and its counsel’s express representations to the Court during the Argument that Defendant would continue to provide bus services, the Court advised the parties at the conclusion of the Argument that it was going to take the District’s Motion under advisement and that it did not feel inclined to sign an order that day granting the District’s proposed temporary injunction, which sought to preliminarily preclude Defendant from halting bus services.

17. From August through November, Defendant honored its contractual obligation and the promises that its President and Counsel made to the Court.

18. During that period, Defendant continued to submit invoices to the District, which continued to demand payment of the entire bulk rate.

19. On each occasion, the District notified Defendant that it was disputing the invoiced amount and the District paid a portion of the invoices or the undisputed amount as required under the terms of the Parties’ Agreement.

20. On November 16, 2018 a virtual status conference was held in this matter at the request of the Defendant.

21. During the course of the November 16, 2020 status conference, Defendant's counsel disclosed to the Court that Defendant would discontinue bus service to Plaintiff and Plaintiff's students as of Monday, November 23, 2020 if Plaintiff did not pay Defendant the full amount in dispute between the parties, including the disputed amounts for both the 2019-2020 and 2020-2021 School Years. It made this disclosure despite the fact that: (1) Defendant had received or should have received<sup>1</sup> the School District's \$110,692.32 good faith payment of the undisputed amounts that were billed by Defendant; (2) Paragraph 8 of the Agreement provided the School District the right to dispute amounts claimed in the Defendant's invoices; (3) Paragraph 8 of the Agreement did not require payment of disputed amounts until ten (10) days *after* the settlement or resolution of such a dispute; and (4) this disclosure was directly contrary to representations or promises that Defendant and its counsel made to the Court during the Argument and the averments of Mr. Sunstein's September 21, 2020 Declaration.

22. In response to Defendant's Counsel's disclosure that Defendant was going to halt school bus transportation services to the School District on November 23, 2020, Counsel renewed the School District's request to the Court for an order which enjoined Defendant from halting school bus services. The Court, however, refused to enter the requested order, advising that counsel was free to try and "work something out after the Status Conference."

23. In accordance with the Court's direction, counsel for School District conferred with counsel for Defendant following the November 16, 2020 Status Conference in-an-attempt to avoid

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<sup>1</sup> The USPS tracking records indicate that the postal service made an attempt to deliver the letter/checks to the Defendant's office on November 16, 2020.



the discontinuance of bus transportation services. Counsel for Defendant, however, indicated that Defendant was unwilling to change its position and that Defendant would halt bus service if payment of the entire amount was not paid. In fact, Defendant refused to agree to even meet with the District to discuss a possible resolution.

24. As a result, the District's counsel was forced to file an Emergency Motion for Preliminary Injunction, which sought to enjoin Defendant from discontinuing school bus transportation services on November 23, 2020.

25. After hearing argument on both the District's Emergency Motion and its Preliminary Objection, the Court advised the Parties that it was taking the preliminary objections under advisement and that it would schedule an evidentiary hearing on the District's Emergency Motion for Preliminary Injunction to allow the District the opportunity to call witnesses and enter evidence in support of its Motion.

26. Before the evidentiary hearing could be scheduled, on December 8, 2020, counsel for Defendant was surprised<sup>2</sup> to receive a letter from Defendant's counsel withdrawing Defendant's objections to the mediation of the Parties' Dispute regarding the bulk rate or the amounts owed during the periods when the Defendant either did not provide any bus transportation services or provided a drastically reduced portion of those services.

27. On January 19, 2020, a mediation and early neutral evaluation was held in connection with the Dispute and Defendant's Counterclaim.

28. Although the Mediation did not result in a settlement, counsel for the District believed that significant progress had been made and was optimistic that a settlement could be achieved if the mediation session was continued or a second session was held.

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<sup>2</sup> It was particularly surprising to receive this letter/request after Defendant had failed/refused to comply with its contractual obligation to mediate this Dispute for almost five months.

29. The District's Counsel discussed the resumption of the mediation with counsel for the Defendant and even sent an email to Defendant's counsel with a proposed date when both the District's representatives and the Mediator were available. A true and correct copy of that email is attached hereto and incorporated herein by reference as Exhibit "1."

30. At exactly 3:00 p.m. on Friday, January 29, 2021, counsel for Defendant emailed a letter to the District's counsel notifying the District that Defendant was unilaterally terminating the Contract/Agreement and that Defendant would no longer be providing school bus transportation services to the District's students, despite: (1) Defendant's representations to the Court; (2) the District's full compliance with the terms of the Agreement; and (3) the District's efforts to negotiate an amicable resolution of the pending Dispute. A true and correct copy of this letter is attached hereto and incorporated herein by reference as Exhibit "2."

31. Defendant's unilateral termination of the Agreement and refusal to provide school bus transportation services on or after February 1, 2021 is improper, because: (1) it violates the express terms of the Agreement between the Parties; (2) it thwarts the peaceful, orderly, quick and cost-effective procedures that were negotiated by the parties into the Agreement for settlement of disputes regarding the modification and/or elimination of the bulk rate for school bus transportation services after either an increase or decrease in the number of students who are provided school bus transportation services by the District or the District's discontinuance of school bus transportation services; (3) it is directly contrary to Defendant and its counsel's representations to the Court; (4) it is a blatant attempt to circumvent the Court's authority to make a determination regarding the enforceability of the alternative dispute procedure contained in the Agreement; and (5) it is nothing more than an attempt to use the threat of harm to the District and its students as a means to extort the payment of funds that Defendant is not entitled to receive

under the terms of the Parties negotiated Agreement or as leverage in the negotiations between the Parties.

32. If injunctive relief is not granted by the Court at this time, immediate and irreparable injury will be suffered by the District, its students and the community at large as Defendant's failure or refusal to perform or provide school bus transportation services would: (1) shut down or substantially impair the entire operations of the District; (2) cause an indefinite delay in providing live, in-classroom instruction during the school year; (3) the substantial impairment or complete elimination of the education of those students who live within the District, but who are required to be transported to other schools or educational facilities/programs by the District<sup>3</sup>; (4) result in substantial harm to the students and families in the District; and (5) result in litigation of an extensive nature.

33. The District and this Motion satisfy the standards for a preliminary injunction, because:

- a. There is a strong likelihood of success on the merits, as the express terms of the Agreement demonstrate that the District's refusal to pay the amount that was improperly demanded by Defendant for the periods when Defendant did not perform any or provided a dramatically reduced amount of transportation services (*i.e.*, from March 13, 2020 through the end of the 2019-2020 school year and the periods during the 2020-2021 school year

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<sup>3</sup> The District is required to provide busing for students who reside within the District who attend or who have elected or are required to attend alternative educational facilities, such as parochial schools, vo-tech programs and facilities that provide specialized training or education to fit the needs of students, such as, the Western Pennsylvania School for the Blind, the Western Pennsylvania School for the Deaf, Pathfinder, Propel Homestead, the Children's Institute, etc. As occurred during the initial 6-week period at the start of the 2020-2021 school year, it is possible that facilities will remain open for in-person/in-classroom instruction when the District has elected to operate only through fully virtual instruction. When this occurs (such as at the beginning of the 2020-2021 school year), the District is still required to provide transportation for those students to those facilities.

when the District to only utilized virtual or hybrid schooling) did not constitute a breach by the District and that Defendant is therefore not entitled to suspend performance. In fact, the terms of the Agreement expressly required the District and Defendant to negotiate an appropriate reduction in the bulk rate for school bus transportation services when there is five percent (5%) increase or decrease in the number of students who were provided school bus transportation services by the District or the complete discontinuance of school bus transportation services for whatever reason. The Agreement also required the parties to mediate and, if necessary, submit their dispute to the jurisdiction of AAA arbitration if they were unable to negotiate a revised bulk rate that was satisfactory to both parties. The Agreement also provided that payment of disputed amounts was not required until ten (10) days after the settlement of such disputes. As a result, when Governor Wolf's issued the Closure Orders, which closed the schools and prevented Defendant from having to provide any school bus transportation services at the end of the 2019-2020 school year, and the District made the decision to go to a virtual or hybrid learning format for at least the beginning of the 2020-2021 school year, these events triggered the District's right to request a reduction in the bulk rate, and its action when it disputed and withheld payment of the portion of Defendant's invoices that billed the full bulk rate. Thus, the occurrence of these events, when coupled with the express language of the Agreement, fully justified or authorized the District's actions and lead to the inescapable conclusion that the District was *not in breach* when it requested a modification of the bulk rate for the period when its schools were closed or school was to be conducted virtually or remotely (and Defendant did not perform or provide any services) and then withheld payment while it sought to mediate or arbitrate the dispute after the Parties could not agree upon such a modification or reduction. Moreover, this demonstrates that it was Defendant who was in breach when it refused to participate in a mediation/arbitration and unilaterally terminated the contract as of Monday,

February 1, 2021 as leverage in an effort to force the District to pay the entire bulk rate for periods when Defendant did not provide any services or provided a significantly reduced amount of services.

- b. The District and its students will suffer immediate and irreparable harm that cannot be compensated by monetary damages if the Court does not enjoin Defendant's failure to provide the agreed-upon school bus transportation services to the District and its students, which could include, but is not limited to, the potential complete shutdown of the District's operations, an indefinite delay of live, in-classroom instruction during school year, the complete elimination of the education of those students who live within the District, but who are required to be transported to other schools or educational facilities/programs by the District, and substantial harm to the students and families in the District as a whole;
  
- c. Greater harm would result from the denial of the requested injunctive relief or by allowing Defendant to willfully breach and otherwise refuse to perform its obligation to provide the school bus transportation services required under the Agreement than would occur to Defendant if an injunction is imposed since: (i) Defendant will continue to receive exactly its expected payments pursuant to the Rate Schedule it proposed to the District<sup>4</sup>; (ii) Defendant will only be required to abide by the dispute provisions that it agreed to follow as part of the negotiated Agreement; and (iii) Defendant cannot articulate any harm in comparison to the complete and irreparable harm the District and its students will face if the Services are not provided;

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<sup>4</sup> Plaintiff notes that it made a good faith payment to Defendant of undisputed amounts based on its calculation of the services that were actually performed by Defendant as of October 31, 2020.

- d. The requested injunctive relief will serve only to preserve the status quo of the Parties' obligations under the Agreement by requiring the Parties to simply continue to operate under the terms of the Agreement as they have since May 2, 2018, while the properly submitted disputes regarding the re-negotiation or elimination of the bulk rate, and/or what, if any amounts were owed to Defendant for the remainder of the 2019-2020 school year after the issuance of the first of the Closure Orders and for the initial period at the beginning of the 2020-2021 school year when the District only utilized a virtual or hybrid learning format, are mediated, and, if necessary arbitrated, as required under the terms of the Agreement.
  
- e. The requested injunctive relief is not overbroad, but rather is reasonably suited to abate the offending activity in that it: (i) only seeks to prevent Defendant from resorting to self-help; (ii) only requires Defendant to submit to procedures that the Parties mutually agreed to under Paragraph 4 of the Agreement for the resolution of disputes regarding re-negotiation or adjustment of the bulk rate when there is a reduction in or elimination of the need for school bus transportation services; and (iii) simply preserves the contractually defined status quo to allow the Parties to attempt to resolve the current disputes (*i.e.*, the disputes regarding what, if any, amounts were owed to Defendant for the remainder of the 2019-2020 school year after the issuance of the first of the Closure Orders and for the initial period at the beginning of the 2020-2021 school year when the District utilized a virtual or hybrid learning format) through mediation and/or, if necessary, allow an AAA arbitration panel to make a determination, as mutually agreed-to by the Parties under Paragraph 4 of the Agreement;
  
- f. The injunction requested will not adversely affect any public interest, but rather will keep the District operating, preserve the integrity of the public education system and protect the District's students and their families from incurring the types of substantial harm that could result from the complete

shutdown of the District's operations, an indefinite delay of providing live, in classroom instruction during the school year that would likely result from Defendant's failure to provide school bus transportation services for the upcoming school year while the District seeks to secure services from an alternative supplier.

34. Due to the timing of Defendant's cessation of transportation services required under the Agreement, there is no possibility of the District being able to publicly bid and to enter into a contract with another transportation company prior to Monday, February 1, 2021.

35. Thus, the District does not have an adequate remedy at law under the circumstances contained herein, and the District, its students and the public at large will suffer immediate and irreparable harm and injury if Defendant's willful violation of the Agreement is not prevented.

36. Unless this Honorable Court acts, Defendant will continue to willfully refuse to perform its obligations to the District under the Agreement.

37. The District is, therefore, entitled to and justice requires that this Honorable Court enter an order preventing Defendant's willful violation of the terms of the Agreement enjoining Defendant from discontinuing school bus transportation services required under the Agreement.

WHEREFORE, Plaintiff, South Allegheny School District, respectfully requests that this Honorable Court grant their Emergency Motion for Preliminary Injunction and issue appropriate Order(s) providing the following relief:

- (1) An initial Order that: (a) temporarily enjoins Defendant from failing or refusing to provide school bus transportation services under the terms of Agreement until such time as the Court can conduct a complete and final hearing on the merits of the District's Motion; (b) orders Defendant to provide all services and to perform all obligations required under the terms of that Agreement until further

notice from this Court; and (c) scheduling a hearing on the merits of the District's Motion and the continuance of this injunction;

- (2) Such interim Orders as are necessary to preserve the status quo and prevent immediate and irreparable injury to the District, its students and the public at large;
- (3) Granting such other relief as the Court deems just and proper.

Respectfully submitted,

**MAIELLO, BRUNGO & MAIELLO, LLP.**

*/s/ Steven P. Engel*

Steven P. Engel, Esquire

Pa. I.D. #74524

Falco A. Muscante, Esquire

Pa. I.D. #49560

Southside Works

424 South 27<sup>th</sup> Street, Suite #210

Pittsburgh, PA 15203

(412) 242-4400

Attorney for Plaintiff, *South Allegheny School District*



**CERTIFICATE OF COMPLIANCE**

I, the undersigned, hereby certify that this filing complies with the provisions of the Public Access Policy of the Unified Judicial System of Pennsylvania: Case Records of the Appellate and Trial Courts that require filing confidential information and documents differently than non-confidential information and documents.

*/s/ Steven P. Engel*

\_\_\_\_\_  
Steven P. Engel, Esquire

Pa. I.D. #745254

IN THE COURT OF COMMON PLEAS OF ALLEGHENY COUNTY, PENNSYLVANIA  
CIVIL DIVISION

SOUTH ALLEGHENY SCHOOL DISTRICT,	)	
	)	GD 20 –009112
Plaintiff,	)	
	)	
v.	)	
	)	
SUN COACH LINES, LLC,	)	
	)	
Defendant.	)	

**PRELIMINARY ORDER**

AND NOW, this \_\_\_\_\_ day of \_\_\_\_\_, 2021, upon consideration of Plaintiffs’ Emergency Motion for Preliminary Injunction, and without notice to Defendants or a hearing, it is hereby ORDERED and DECREED as follows:

1. The Court finds that Plaintiff’s Emergency Motion provides prima facia evidence that immediate and irreparable harm or injury could be sustained by the Plaintiff, the students within the South Allegheny School District and the public at large before a final hearing on the merits of Plaintiff’s Emergency Motion for a Preliminary Injury can occur;

2. The Emergency Motion is therefore GRANTED and Defendant is hereby enjoined from failing or refusing to provide school bus transportation services under the terms of its Agreement with South Allegheny School District and is ordered to provide all services and to perform all obligations required under the terms of that Agreement until further notice from this Court;

3. A hearing on the continuance of the injunction shall be held on \_\_\_\_\_, \_\_\_\_\_, 2020 at \_\_\_\_\_ a.m./p.m. in Courtroom \_\_\_\_\_;

4. Plaintiff shall serve a copy of the Emergency Motion for Preliminary Injunction and this Order upon Defendant and Defendant's attorney, if any, within three (3) days of the date of this Order;

5. Plaintiff is not required to file a bond at this time; and

6. This Order shall remain in effect until further Order of the Court.

BY THE COURT:

\_\_\_\_\_ J.

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing **Emergency Motion for Preliminary Injunction** was served via email this 29<sup>th</sup> day of January, 2021 on the following parties:

Ray F. Middleman, Esquire  
600 Grant Street  
44th Floor  
Pittsburgh, Pa 15219  
[rmiddleman@eckertseamans.com](mailto:rmiddleman@eckertseamans.com)

By: /s/ *Steven P. Engel*  
Steven P. Engel, Esquire  
Counsel for Plaintiff,  
*South Allegheny School District*

## Falco Muscante

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**From:** Steven Engel  
**Sent:** Friday, January 29, 2021 11:28 AM  
**To:** Derek Illar; rmiddleman@eckertseamans.com  
**Cc:** dbwhite@burnswhite.com; Falco Muscante; Peter J. Halsey; lduval@southalleggheny.org  
**Subject:** South Allegheny School District v. Sun Coach Lines

Derek and Ray,

We were encouraged by the progress made in the January 19<sup>th</sup> mediation between our clients. Although the case did not settle, we felt that significant progress was made and are optimistic that another ½ day session or mediation with Dave White could result in a final resolution of the dispute between our clients.

As a result, I reached out to Dave White to determine his availability for the resumption of the mediation. It is my understanding from my communications with Dave White that his next available open date is February 15, 2021. We have already spoken with the District's representatives and have been advised that they are available on that date. Please speak with your client and let us know as soon as possible that date will work so we can reserve that date for another ½ day session.

Thanks,

Steven P. Engel, Esquire  
**MAIELLO BRUNGO & MAIELLO, LLP**  
Southside Works  
424 South 27<sup>th</sup> Street, Suite 210  
Pittsburgh, PA 15203  
P: (412) 242-4400  
F: (412) 242-4377  
Direct: (412) 436-2012



Eckert Seamans Cherin & Mellott, LLC  
U.S. Steel Tower  
600 Grant Street, 44th Floor  
Pittsburgh, PA 15219

TEL 412 566 6000  
FAX 412 566 6099  
www.eckertseamans.com

Ray Middleman  
rmiddleman@eckertseamans.com  
412.566.6000 (office)

January 29, 2021

Steven P. Engle, Esquire  
Maiello, Brungo & Maiello, LLP  
Southside Works, Suite 210  
424 South 27<sup>th</sup> Street  
Pittsburgh, Pennsylvania 15203  
spe@mbm-law.net

Re: *South Allegheny School District v. Sun Coach Lines, LLC*  
Docket Number GD-20-009112

Mr. Engle,

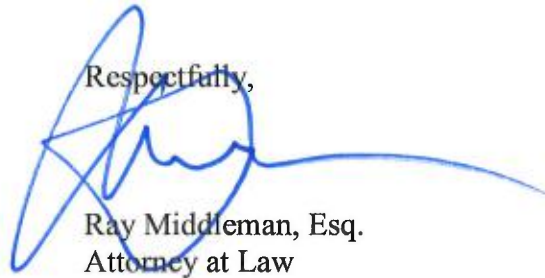
On August 6, 2020 and on multiple occasions thereafter, we have informed the South Allegheny School District (the "School District") that it is in default under the terms of the Bulk-Rate Transportation Agreement because it has failed and/or refused to remit the balance owed for the 2019/2020 School Year. We thereafter have informed the School District that it has compounded its original default by perpetuating its failure and/or refusal to provide full payment to Sun Coach Lines, LLC under the Bulk-Rate Transportation Agreement throughout the 2020/2021 School Year.

The obligation to remit full and prompt payment for the already discounted yearly bulk rate amount owed is a material term under the Bulk-Rate Transportation Agreement and the continued failure and/or the refusal to cure this breach compels the termination of the Transportation Agreement. The School District has, over the course of several months, rebuked and frustrated multiple efforts to resolve this matter in an amicable manner. Most recently the School District acted to prematurely adjourn the parties' mediation and then failed to provide a response to our counteroffer as promised. The total amount owed to Sun Coach, which now exceeds \$800,000, has placed an economic hardship upon my client, and it cannot continue its operations for South Allegheny because the School District has failed to make its contractually obligated payments. There is no reasonable interpretation of the parties' Bulk Rate/Requirements Contract which compels my client to perform services without full payment of the monthly installments.

In light of the foregoing, I write to notify you that Sun Coach Lines, LLC considers the Transportation Agreement to be terminated effective immediately by virtue of the School District's material breach.

We wish the students and their families the very best under circumstances created by your client's failure to honor its obligations.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Ray Middleman', with a long horizontal flourish extending to the right.

Ray Middleman, Esq.  
Attorney at Law

**VERIFICATION**

I, Dr. Lisa Duval, Superintendent of the South Allegheny School District, verify that the factual allegations set forth in the foregoing document are based upon facts of which I have personal knowledge; that the language of the document is that of counsel and not my own; that the facts set forth in the foregoing document are true and correct to the best of my knowledge, information and belief; and that I am authorized to execute this Verification on behalf of the South Allegheny School District.

I understand that the statements made herein are made subject to the penalties of 18 Pa. Cons. Stat. Ann. Sec. 4904 relating to unsworn falsification to authorities.

A handwritten signature in blue ink, appearing to read "Dr. Lisa Duval", is written over a horizontal line.