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

ANH NGOC LUONG, : OCTOBER TERM, 2016

:

Plaintiff, : NO. 02356

v. :

COMMERCE PROGRAM

MANOJ N. RANASINGHE, et al.,

Control No. 17032708

Defendant.

ORDER

AND NOW, this 2nd day of June, 2017, upon consideration of defendant Manoj N.

Ranasinghe's Petition to Strike or Open Confessed Judgment, the response thereto, and after a hearing on the Motion, and in accord with the Opinion issued simultaneously, it is **ORDERED** that said Motion is **GRANTED in part** as follows:

- 1. The address of defendant shall be corrected on the court's docket to reflect his residence at 38 Flagship Circle, Staten Island, New York 10309, and all future notices shall be served upon him at that address; and
- 2. The amount of the **JUDGMENT** is **MODIFIED** to reflect defendants' payment, and the Judgment in favor of plaintiff and against defendants shall henceforth appear on the Judgment Index in the amount of \$78,108.33.

The remainder of the Petition is **DENIED**.

BY THE COURT,

DOCKETED

JUN - 2 2017

R. POSTELL COMMERCE PROGRAM PATRICIA A. McINERNEY, J.

Luong Vs Ranasinghe Eta-ORDRC



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OPINION

On August 27, 2015, plaintiff sold her business, A&H Used Auto Parts, Inc., to defendants, Mr. Ranasinghe and Mr. Barnes, pursuant to a Stock Sale Agreement, a Promissory Note, and a Lease, among other documents. Under the terms of the sale, defendants paid \$30,000 at closing, and were to pay an additional \$70,000 under the Note, which contained a Confession of Judgment provision.

The evidence shows that, at closing, plaintiff gave defendants the keys to the business premises. Defendants subsequently paid a couple months' rent and made one monthly payment of \$2,000 under the Note. Defendants also sold as scrap all of the equipment and parts located at the business premises. Defendants then vacated the premises, stopped paying rent, made no further payments under the Note, and sublet the premises to another business without plaintiff landlord's permission.

Plaintiff confessed judgment for the full \$70,000 in the Note, plus interest and attorneys' fees and costs (the "Judgment"). Plaintiff then attempted to execute on that Judgment against Mr. Ranasinghe's bank account at TD Bank. Since the account had no money in it, nothing was paid to plaintiff. When Mr. Ranasinghe received notice of the Garnishment Order from his bank, he promptly filed, pro se, a Petition to Strike or Open the Judgment.

In his Petition, Mr. Ranasinghe alleged he was improperly served with notice of the confessed Judgment. It is clear from the evidence that plaintiff sent notice to Mr. Ranasinghe at the wrong address on Staten Island. However, Mr. Ranasinghe ultimately received notice of the confessed Judgment, from his bank, and he offered no evidence that he was prejudiced by receiving notice late. He has since been afforded every opportunity to appear and defend himself in this action, so Due Process is satisfied. The court will however correct his address on the docket, so that he receives notice of all further filings and proceedings.

Mr. Ranasinghe also claimed in his Petition that defendants never received any share certificates for the business from plaintiff at closing. However, plaintiff credibly testified at the hearing that there were never any share certificates to deliver. Since plaintiff clearly agreed in the Stock Purchase Agreement that all her interest in the corporate entity be transferred to defendants, they could then have purchased a corporate kit and issued share certificates to themselves if they so desired.

At the hearing, Mr. Ranasinghe claimed that the equipment and parts that came with the business were unusable, but he did not point to any provision in the transfer documents where plaintiff warranted their quality. He also asserted that plaintiff failed to work with them at the business for several months after the sale, but there was no credible evidence that she agreed to do so as part of the sale. Instead, the documents reflect that plaintiff agreed not to compete with defendants and defendants agreed to manage the business themselves.

 $^{^{1}}$ "A party waives all defenses and objections which are not included in the petition or answer." Pa. R. Civ. P. 2959(c).

Finally, the evidence at the hearing showed that defendants made one payment under the Note, so the court will modify the Judgment amount to reflect that payment.

BY THE COURT,

PATRICIA A. McINERNEY, J