NON-PRECEDENTIAL DECISION - SEE SUPERIOR COURT O.P. 65.37

STANLEY HILL TRADING AS SHREWSBURY PLUMBING AND HEATING v. THE PASCH COMPANIES, INC., AND PADDOCK 55, LP Appellants	:	IN THE SUPERIOR COURT OF PENNSYLVANIA No. 1629 MDA 2025

Appeal from the Judgment Entered November 14, 2025
In the Court of Common Pleas of York County Civil Division at No(s): 2023-SU-001510

BEFORE: KUNSELMAN, J., LANE, J., and FORD ELLIOTT, P.J.E.*

MEMORANDUM BY KUNSELMAN, J.: **FILED: SEPTEMBER 11, 2026**

After a bench trial in this breach-of-contract action, the Defendants, the Pasch Companies, Inc. and Paddock 55, LP (collectively, "the Builders"), appeal from the $224,514.65 judgment entered in favor of Stanley Hill. The evidence shows that Mr. Hill established an enforceable oral agreement. The trial court properly rejected the Builders' affirmative defense that additional contractual provisions excused their obligation to pay. It also properly applied the Contractor and Subcontractor Payment Act. Accordingly, we affirm.

Timothy Pasch owned and operated the Builders, which constructed and sold homes in The Paddock at Equine Meadows development in York County. The Builders managed all phases of construction; issued purchase orders and

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* Retired Senior Judge assigned to the Superior Court.

checks; and employed the project manager, Michael Gordon, who scheduled, oversaw, and directed subcontractor work.

Around 2017, Mr. Hill gave Mr. Gordon a quote to perform the underground, rough-in, and finish plumbing for houses in the development, which the Builders accepted. ***See*** N.T., 6/30/2025, at 14, 17. The parties agreed on a base rate for houses with basements and a separate rate for houses built on slabs. ***See id.*** at 41.

Over the next five years, Mr. Hill performed plumbing work on 76 of the Builders' houses at the development. The Builders paid Mr. Hill for the first 57 homes without dispute.

The ordinary practice of the parties was that as each home was constructed and plumbing work was needed, Kalene O'Connell, the Builders' office administrator, would prepare a written purchase order outlining the scope of the plumbing for that home. The purchase orders included the expected final cost to the Builders, based on the agreed-upon set rates for the two types of houses. Project Manager Gordon oversaw all the work at the development and directed Mr. Hill on when and where to begin work on each house as the properties were developed. ***See id.*** at 71, 154-55, 179. Mr. Hill then obtained the necessary permits for each home, mobilized his workers, and proceeded to plumb each property through final inspection.

As development neared completion and timelines and deadlines grew more pressing, Mr. Gordon directed Mr. Hill to begin work on homes even though purchase orders were still pending and had not yet been issued. ***See***

id. at 23-24, 156-57; ***See also*** N.T., 7/1/2025, at 231. Mr. Hill never began plumbing work on a house without direction from someone acting for the Builders. ***See*** N.T., 6/30/2025 at 156-57. According to Keith Lutz, York Township's Code Enforcement Officer, Mr. Hill pulled the permits for the at-issue houses in his business' name, performed the work, and satisfied inspection requirements for each house. No other plumbers sought new permits to finish or redo any of Mr. Hill's work, and the township issued no such replacement permits. ***See id.*** at 28-32. The Builders ultimately sold the completed homes to homebuyers. ***See id.*** at 50.

Of the 20 at-issue invoices, only three properties lacked corresponding purchase orders.[1] The remaining at-issue invoices billed the Builders for amounts higher than the pre-work purchase orders indicated. These price discrepancies arose because some homes required more than the standard 50 feet of copper included in the preliminary figure, some sewer mains unexpectedly required special fittings to reduce six-inch lines to four inches, and some homebuyers requested upgrades. ***See id.*** at 58, 68, 188. In those instances, the Builders approved the additional charges. ***See id.*** at 58-59, 80, 99-100, 123-24.

Mr. Hill submitted the invoices promptly after completing the work. ***See id.*** at 141; ***see also*** N.T., 7/1/2025, at 230-231. In the months that followed,

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[1] 16 homes had purchase orders, three did not. One additional at-issue invoice was for extra work performed and not for the full scope of plumbing on a house. That invoice also did not have a corresponding purchase order.

Mr. Hill repeatedly sought payment and sent and resent unpaid invoices. During this period, the Builders did not inform Mr. Hill that they withheld payment because of a lack of a corresponding purchase order, discrepancies between invoice and purchase order amounts, or billing delays. ***See*** N.T., 6/30/2025, at 51-52, 55. Because the Builders ignored the invoices, Mr. Hill initiated this suit.

Mr. Hill alleged that the parties' oral agreement set the base rate for the two types of houses, required him to obtain permits and provide materials and plumbing work on houses as directed by the Builders, and required the Builders to pay for satisfactory work performed. Mr. Hill further alleged that the Builders improperly withheld $132,440.43 for 20 invoices covering 19 houses and one invoice for extra work at The Paddock at Equine Meadows. Additionally, Hill alleged that Mr. Pasch orally contracted with Mr. Hill to perform plumbing work on Mr. Pasch's private residence and that Mr. Pasch withheld $3,341.15 owed for that work.

In addition to breach-of-contract damages, Mr. Hill's suit sought interest, damages, and fees under the Contractor and Subcontractor Payment Act ("CASPA"), 73 P.S. § 501 *et seq*.

In their answer and new matter, the Builders asserted an affirmative defense that their obligation to pay Mr. Hill was excused because the oral contract for plumbing work also contained three additional terms governing their obligation to pay: 1) no payment would be owed for any work completed on a house without a signed purchase order before the work commenced; 2) no payment would be owed for any work completed if Mr. Hill later submitted a final invoice that did not precisely match the amount on the signed purchase order for that house; and 3) no payment would be owed for any work completed if Mr. Hill failed to submit final invoices within a reasonable time after the work was completed.

The Builders asserted that Mr. Hill submitted three invoices for work on houses, and an additional invoice for extra work, without a corresponding purchase order, so they had no obligation to pay. The Builders also claimed that for several homes for which a purchase order was issued, the amount ultimately invoiced by Mr. Hill did not match the amount pre-approved on the purchase order, so they were not obligated to pay. Finally, the Builders asserted that many of Mr. Hill's final invoices were not submitted within a reasonable time after the work concluded, so no payment was owed.

The trial court held a two-day bench trial. At the conclusion of the trial, the court ruled in Mr. Hill's favor, awarding him $3,341.15 against Mr. Pasch individually for work performed on his private residence, and $224,514.65 against the Builders for the work at the Paddocks at Equine Meadows. The trial court calculated Mr. Hill's damages against the Builders as follows: $132,440.43 as principal damages for payment owed on all 20 outstanding invoices; $34,434.40 for 1% monthly interest for 26 months under CASPA on those 20 invoices; $27,639.82 for CASPA damages, calculated as a 1% per month penalty for 26 months only on 16 of the invoices for which a purchase order was issued; and $30,000 in attorney's fees under CASPA.[2]

The Builders filed a post-trial motion for judgment notwithstanding the verdict (JNOV) or for a new trial. On October 14, 2025, the trial court denied post-trial relief. Judgment was entered on November 14, 2025, and this timely appeal followed.

The Builders raise two questions on appeal:

> 1. Whether the trial court erred as a matter of law and/or abused its discretion in ruling that [Mr. Hill] sustained his burden of proof of an agreement between the parties, which consisted of a purchase order, an invoice that matched the amount of the purchase order and was submitted within a reasonable time after the work was performed when [Mr. Hill's] evidence of record complying with the parties' agreement was inconsistent and not credible?
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> 2. Whether the trial court erred as a matter of law, and/or abused its discretion in ruling that [Mr. Hill] was entitled to damages under [CASPA] when there was proof that the parties' agreement was breached by [Mr. Hill]?

Builders' Brief at 4. We dispose of each issue in turn.

I. Breach of Contract

In framing their first appellate issue, the Builders assert that the trial court "erred as a matter of law and/or abused its discretion." Builders' Brief at 4. Significantly, they do not develop a distinct claim of legal error or explain

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[2] Mr. Pasch satisfied the $3,341.15 judgment against him. Accordingly, he is not a party to this appeal.

how the trial court misapplied any governing rule of law. ***See id.*** at 11-16. Instead, after stating that the trial court erred as a matter of law, the Builders' simply reassert what they believe the parties' contract terms were and, in their view, how those terms excused their payment obligations. In other words, the Builders reargue their version of the facts to this Court. Because they have failed to make a legal argument on appeal, we do not review this question as an error of law claim.

Regarding their claim that the trial court abused its discretion, the Builders argue that Mr. Hill's evidence was inconsistent and incredible, and not worthy of belief. ***See id.*** at 15-16. Therefore, we will review this issue as an abuse-of-discretion claim.

In an abuse-of-discretion claim, our scope of review is limited to the trial court's exercise of that discretion; we do not decide anew whether the non-jury decision was, in our view, against the weight of the evidence. ***See Haan v. Wells***, 103 A.3d 60, 69-70 (Pa. Super. 2014). Because the trial judge heard and observed the witnesses, we give the gravest consideration to the trial court's factual findings. ***Id.*** In a nonjury trial, the trial court, as factfinder, is free to believe all, part, or none of the evidence and exclusively resolves conflicts in the testimony and questions of credibility. ***Id.*** at 72. A new trial is warranted only when the trial court's non-jury decision is so contrary to the evidence that it shocks the trial court's own sense of justice. ***Id.*** at 70. Thus, we may grant relief only if the record reveals a palpable abuse of discretion in the trial court's decision that its factual findings did not shock its conscience.

Id. As a result, the trial court's weight-of-the-evidence ruling is one of the least assailable issues during appellate review.

Mr. Hill's cause of action is a breach-of-contract claim. Hence, he was required to prove "(1) the existence of a contract, including its essential terms, (2) a breach of a duty imposed by the contract and (3) resultant damages." ***Discover Bank***, 259 A.3d at 495. Contract formation generally requires an offer, acceptance, and consideration. ***See Estate of Caruso v. Caruso***, 322 A.3d 885, 896 (Pa. 2024). In a disputed oral contract, what was said and done by the parties, as well as what was intended by those statements and actions, are questions of fact to be resolved by the trier of fact. ***See Johnston the Florist, Inc. v. Tedco Constr. Corp.***, 657 A.2d 511, 516 (Pa. Super. 1995) (*en banc*). In construction cases involving oral contracts, the surrounding circumstances and course of dealing inform the parties' intent. ***See Prieto Corp. v. Gambone Constr. Co.***, 100 A.3d 602, 609 (Pa. Super. 2014).

Here, the evidence established the essential terms of an enforceable oral contract. The Builders orally hired Mr. Hill to perform plumbing work throughout the development. ***See*** N.T., 6/30/2025, at 14, 71. The Builders promised to pay one base rate for basement houses and another for slab houses. ***See id.*** at 41. Mr. Hill promised to obtain the required permits, supply the necessary labor, and perform the specified stages of plumbing. ***See id.*** at 16-17. Mr. Hill completed the plumbing, which passed inspection, and the Builders sold the finished houses. ***See id.*** at 32, 50. Yet, the Builders never paid Mr. Hill for his work. ***See id.*** at 49. On those facts, Mr. Hill met his burden of establishing an oral agreement, breach, and damages.

In response, the Builders asserted an affirmative defense, contending that the oral contract also included purchase-orders, invoice-matching, and timeliness requirements. An affirmative defense is "a defendant's assertion of facts and arguments that, if true, will defeat the plaintiff's or prosecution's claim, even if all the allegations in the complaint are true. The defendant bears the burden of proving an affirmative defense." Black's Law Dictionary (12th ed. 2024). "An affirmative defense is distinguished from a denial of the facts which make up plaintiff's cause of action in that a defense will require averment of facts extrinsic to the plaintiff's claim for relief." ***Lewis v. Spitler***, 403 A.2d 994, 998 (Pa. Super. 1979).

The Builders fully litigated their affirmative defense at trial. Whether the three alleged terms were part of the oral contract between the Builders and Mr. Hill was a question of fact for the trial court, "for which our standard of review is deferential to the factfinder." ***Glover v. Junior***, 333 A.3d 323, 339 (Pa. 2025). At trial, both parties presented evidence supporting their respective versions. The Builders offered testimony from Mr. Pasch, Mr. Gordon, and Ms. O'Connell to attempt to prove that the oral agreement between the parties included the three claimed contractual provisions. Mr. Hill testified that those provisions did not exist.

Regarding the Builders' claim that the contract required a signed purchase order for the work, Mr. Hill testified, "We had never had the agreement of that. [Mr. Pasch] said he wanted to track the jobs for purchase orders but there was never an agreement that you wouldn't get paid or I would have never gotten the house - - started the house until I had the purchase order in my hand." ***See*** N.T., 6/30/2025, at 112; ***see also id.*** at 72.

Next, regarding the Builders' claim that the contract included a provision requiring invoices to be submitted within a reasonable time after the conclusion of work, Mr. Hill denied that the parties agreed to any such provision and testified that the only agreement reached was that the Builders were obligated to make payment within 30 days of the issuance of final invoices. ***See id.*** at 47.

Finally, regarding final invoices billed at prices that did not precisely match the pre-work purchase order amounts for the properties where purchase orders were issued, Mr. Hill provided extensive testimony throughout the trial indicating that final invoices with amounts higher than the pre-work purchase orders were due to additional work approved by the Builders. Specifically, Mr. Hill testified as follows:

> A: And I called him and I said, Tim, this is $142 per unit [of extra fittings] so, you know, we -- I think I just asked him for the cost and it wasn't even any markup. I said I need the costs for these extra fittings.
>
> Q: Okay. And you talked to Tim personally about that?
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> A: Yes. I remember that I talked to Tim personally about that.
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> Q: Did he agree to it?
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> A: He did. And he actually paid them, at least he did for a while.

Id. at 58-59 (cleaned up).

Mr. Hill further testified:

> Q: Okay. I think you explained it before but can you explain it again since we're here of why those four charges of [$142.70] were necessary?
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> A: They were the -- for the connections to modify the sewer from six inch[es] to four inch[es]. And Tim and I agreed verbally that he would pay for those fittings.

Id. at 79-80.

The Parties clearly disagreed on whether the three provisions the Builders asserted were, in fact, part of their contract. Each side presented competent evidence supporting its version of events. The trial court, sitting as the finder of fact, was free to believe all, part, or none of any witness's testimony. ***See Haan***, *supra*. Accordingly, this Court may not reweigh the evidence or substitute its judgment for that of the trial court.

Thus, viewing the evidence in the light most favorable to the verdict winner, and giving the gravest consideration to the trial court's findings, we find that Mr. Hill sufficiently proved the existence of an oral agreement as a matter of law and that the record contains sufficient evidence to permit the factfinder to reject the Builders' affirmative defense claims regarding the three additional contract provisions. Our review of the record reveals nothing manifestly unreasonable about that determination. Accordingly, the trial court did not abuse its discretion.

The Builders' first issue merits no relief.

II. CASPA

In their second appellate issue, the Builders claim that the trial court erred as a matter of law and/or abused its discretion in ruling that Mr. Hill was entitled to damages under CASPA when, according to the Builders' view, there was proof that the parties' agreement was breached by Mr. Hill. In this appellate question, the Builders articulate a reviewable question of law by asserting that CASPA is not properly applied if the plaintiff bringing the suit breached terms of the parties' agreement. ***See*** Builders' Brief at 17. Our standard of review of a question of law is *de novo,* and our scope of review is plenary. ***See Tedesco Excavating & Paving, Inc. v. FWH Development, LLC***, 356 A.3d 219, 224 (Pa. Super. 2026) (*en banc*).

CASPA's purpose is "to protect contractors and subcontractors and to encourage fair dealing among parties to a construction contract." ***See Zimmerman v. Harrisburg Fudd I, L.P.***, 984 A.2d 497, 500-01 (Pa. Super. 2009) (cleaned up). When CASPA applies, "interest, penalty, attorney fees, and litigation expenses may be imposed on an owner . . . who fails to make payment to a contract . . . in compliance with the statute." ***Id.*** at 501 (footnote omitted).

CASPA defines a "construction contract" to include an agreement, "whether written or oral," to perform work on real property. 73 P.S. § 502. Under CASPA, "[p]erformance by a contractor or a subcontractor in accordance with the provisions of a contract shall entitle [it] to payment from the party with whom [it has] contracted." 73 P.S. § 504. The Builders argue that this provision, which requires the subcontractor to perform ***in accordance with the provisions of a contract***, bars Mr. Hill from recovery because, in the Builders' view, Mr. Hill violated essential terms of the contract. However, as explained above in our analysis of the Builders' first appellate issue, those terms were not part of the oral agreement; therefore, Mr. Hill could not have breached them. Thus, he is entitled to recover under CASPA.

CASPA also precludes the Builders' unilateral decision to withhold all payments for the at-issue houses. Under CASPA, an owner may withhold for deficiency items but "shall pay" for any invoiced items satisfactorily completed. ***Zimmerman,*** 984 A.2d at 500-01; 73 P.S. § 506(a). Thus, even if the Builders had a good-faith dispute over the missing purchase orders or the discrepancy between the issued purchase order amount and the final invoice, they had no statutory basis to retain the entire balance. The Builders should have paid the amounts authorized by their own purchase orders and litigated the difference.

Instead, the Builders paid nothing on the final invoices. They withheld even the $106,307.56 reflected in their own signed purchase orders, despite the work passing inspection and the houses being sold. The trial court reasonably found no good-faith basis for withholding that amount. CASPA requires 1% monthly interest on overdue payments (73 P.S. § 505(d)) and an additional 1% monthly penalty on amounts wrongfully withheld (73 P.S. § 512(a)). The trial court's award imposed the penalty only on the purchase-order-approved portion, not on the entire principal damages.

CASPA also authorizes the award of reasonable attorney's fees and expenses to the substantially prevailing party. 73 P.S. § 512(b); ***see also John B. Conomos, Inc. v. Sun Co.***, 831 A.2d 696, 711 (Pa. Super. 2003). Whether a party substantially prevailed is committed to the trial court's discretion. ***See Zavatchen v. RHF Holdings, Inc.***, 907 A.2d 607, 608 (Pa. Super. 2006). The trial court did not abuse its discretion by finding Mr. Hill the substantially prevailing party or by awarding $30,000.00 in fees. Indeed, Mr. Hill introduced billing for legal fees exceeding $50,000.00, but the trial court reduced the fee award and limited the CASPA penalty.

The trial court correctly applied ordinary contract principles, and its factual findings are supported by competent evidence. The Builders' claimed contractual provisions were not part of the oral agreement. Because Mr. Hill did not breach the oral agreement, CASPA fully applies. We dismiss the Builders' second appellate issue as meritless.

Judgment affirmed.

Judgment Entered.

Benjamin D. Kohler, Esq.
Prothonotary

Date: 09/11/2026