UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF TENNESSEE, EASTERN DIVISION

Wolf Creek Railroad LLC v. American Ordnance LLC

Wolf Creek Railroad · No. 1:24-cv-01242-JDB-jay · Decided February 12, 2026

SUMMARY

The United States District Court for the Western District of Tennessee grants American Ordnance LLC's Rule 12(b)(6) motion to dismiss Wolf Creek Railroad LLC's amended complaint. The court holds that the Tenant Use Agreement does not require American Ordnance to pay damages or pursue a pass-through claim under FAR Part 49 following a government convenience termination, and that the complaint therefore fails to plausibly allege breach of contract or breach of the implied covenant of good faith and fair dealing. The court also dismisses the declaratory and injunctive relief claims and denies Wolf Creek's request to amend.

CASE DETAILS

COURT	United States District Court for the Western District of Tennessee, Eastern Division
WRITING FOR THE COURT	J. Daniel Breen
JURISDICTION	United States District Court for the Western District of Tennessee
DECIDED	February 12, 2026
DOCKET	1:24-cv-01242-JDB-jay
DISPOSITION	dismissed
PROCEDURAL POSTURE	Defendant moved under Federal Rule of Civil Procedure 12(b)(6) to dismiss Plaintiff's first amended complaint. Plaintiff opposed dismissal and alternatively requested leave to file a second amended complaint.
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court tests the legal sufficiency of the complaint, accepts well-pleaded factual allegations as true, construes the complaint in the plaintiff's favor, and determines whether the allegations plausibly show entitlement to relief. The court generally limits review to the pleading and documents attached to or incorporated by reference that are central to the claim. Contract interpretation may be resolved on a motion to dismiss when the contract is unambiguous and the complaint fails to plausibly allege a breach under that interpretation.

PRECEDENTIAL VALUE	unpublished district-court order
PARTIES	Wolf Creek Railroad LLC v. American Ordnance LLC

TOPICS

motions to dismiss · breach of contract · implied covenant of good faith · government contracts · declaratory judgment

PRACTICE AREAS

contract law · civil procedure · government contracts · commercial litigation · remedies

QUESTIONS PRESENTED

1. Whether Wolf Creek plausibly alleged that American Ordnance breached the Tenant Use Agreement by refusing to pay Wolf Creek's termination-related damages or pursue a pass-through claim under Federal Acquisition Regulation Part 49.
2. Whether the agreement's termination provisions were ambiguous so that extrinsic evidence or discovery was required before dismissal.
3. Whether Wolf Creek could maintain an implied-covenant claim, declaratory-judgment claim, or request for injunctive relief after failing to state a breach-of-contract claim.
4. Whether Wolf Creek's bare request for leave to amend in its opposition constituted a motion to amend under Federal Rule of Civil Procedure 15(a).

HOLDINGS

1. Wolf Creek failed to state a breach-of-contract claim because the plain language of section 13, including section 13(d)'s incorporation of FAR Part 49, did not require American Ordnance to pay damages directly to Wolf Creek or sponsor a pass-through claim after a termination for Government convenience.
2. Section 13 was unambiguous, and its plain language governed without discovery into the parties' subjective intent.
3. The implied-covenant claim failed because Wolf Creek failed to plead a breach of contract, and the declaratory-judgment and injunctive-relief claims failed because those remedies do not create independent causes of action absent a viable substantive claim.
4. The request for leave to amend was denied because a bare request in an opposition to dismissal, without identifying the grounds for amendment, is not a motion to amend under Rule 15(a).

KEY QUOTATIONS

> *"None of these sections specifically require the prime contractor to pay damages to, or pursue a pass-through claim on behalf of, a subcontractor and Plaintiff has failed to allege or explain to the Court in its response which part, if any, of FAR Part 49 compels AO to do so."* (Count I)

> *"As previously noted, nothing in the TUA pointed to by WCR requires Defendant to pay damages or pursue a pass-through claim in the event of a termination for convenience, including § 13(d)."* (Count I)

> *"For the foregoing reasons, the motion to dismiss is GRANTED and this matter is DISMISSED in its entirety."* (Conclusion)

FACTUAL BACKGROUND

American Ordnance operated and maintained the Milan Army Ammunition Plant under a contract with the Army. In 2018, American Ordnance and Wolf Creek executed a twenty-five-year Tenant Use Agreement for Wolf Creek to operate a railyard at the facility, but the agreement permitted termination when the Government determined termination was in its best interests and stated that termination would be at no cost to American Ordnance. After the Army ended the plant's mission and directed termination of the tenant arrangement, American Ordnance terminated the agreement in 2022. Wolf Creek sought approximately $2.6 million from the Army and later demanded that American Ordnance pursue a pass-through claim, which American Ordnance refused.

PROCEDURAL HISTORY

Wolf Creek alleged breach of contract, breach of the implied covenant of good faith and fair dealing, and alternative claims for declaratory and injunctive relief arising from American Ordnance's termination of a tenant-use agreement for the Milan Army Ammunition Plant. The court concluded that the agreement did not require American Ordnance to pay damages directly to Wolf Creek or sponsor a pass-through claim, dismissed all claims under Rule 12(b)(6), denied the request to amend, and directed the Clerk to enter judgment.

DISPOSITION

dismissed

CASES CITED

- Gasperini v. Ctr. for Humanities, Inc., 518 U.S. 415, 427 (1996)
- Andujar v. Hub Grp. Trucking, Inc., 161 F.4th 1014, 1018 (6th Cir. 2025)
- Greer v. Strange Honey Farm, LLC, 114 F.4th 605, 613 (6th Cir. 2024)
- Bell Atl. Corp. v. Twombly, 550 U.S. 544, 555 (2007)
- RMI Titanium Co. v. Westinghouse Elec. Corp., 78 F.3d 1125, 1134 (6th Cir. 1996)
- Gentherm, Inc. v. Sargent & Greenleaf, Inc., 797 F. Supp. 3d 755, 759 (E.D. Mich. 2025)
- Adams v. Lexington-Fayette Urban Cnty. Gov't, 154 F.4th 501, 507 (6th Cir. 2025)
- Cook v. Ohio Nat'l Life Ins. Co., 961 F.3d 850, 855 (6th Cir. 2020)
- Mattera v. Baffert, 100 F.4th 734, 739 (6th Cir. 2024)
- Ashcroft v. Iqbal, 556 U.S. 662, 678-679 (2009)
- Gordian Med., Inc. v. Accurate Healthcare, Inc., No. 3:24-cv-01021, 2025 WL 2813888, at *4, *6-*7 (M.D. Tenn. Sept. 30, 2025)

- Hester v. Chester Cnty., Tennessee, 162 F.4th 780, 784 (6th Cir. 2025)
- Fed. Ins. Co. v. Winters, 354 S.W.3d 287, 291 (Tenn. 2011)
- Dick Broad. Co., Inc. of Tennessee v. Oak Ridge FM, Inc., 395 S.W.3d 653, 659-660 (Tenn. 2013)
- Whitworth v. City of Memphis, 689 S.W.3d 579, 588 (Tenn. Ct. App. 2023)
- Barnes & Robinson Co., Inc. v. OneSource Facility Servs., Inc., 195 S.W.3d 637, 643 (Tenn. Ct. App. 2006)
- Planters Gin Co. v. Fed. Compress & Warehouse Co., Inc., 78 S.W.3d 885, 890 (Tenn. 2002)
- IUE-CWA & Gen. Elec. Co., 745 F. App'x 583, 587 (6th Cir. 2018)
- A & P Excavating & Materials, LLC v. Geiger, 622 S.W.3d 237, 248 (Tenn. Ct. App. 2021)
- Fisher v. Revell, 343 S.W.3d 776, 779-780 (Tenn. Ct. App. 2009)
- Brooks v. Wells Fargo Bank, N.A., No. 3:12-0821, 2014 WL 345737, at *4 (M.D. Tenn. Jan. 30, 2014)
- Davis v. United States, 499 F.3d 590, 594 (6th Cir. 2007)
- Doe v. Univ. of Dayton, Case No. 3:17-cv-134, 2018 WL 1393894, at *11 (S.D. Ohio Mar. 20, 2018)
- Kaplan v. Univ. of Louisville, 10 F.4th 569, 587 (6th Cir. 2021)
- Louisiana Sch. Emps. Ret. Sys. v. Ernst & Young, LLP, 622 F.3d 471, 486 (6th Cir. 2010)
- Begala v. PNC Bank, Ohio, Nat'l Ass'n, 214 F.3d 776, 784 (6th Cir. 2000)
- Irwin Cnty. v. United States, 170 Fed. Cl. 355, 365 (Fed. Cl. 2024)
- Wolf Creek R.R. LLC v. United States, Case No. 2024-1873 (Fed. Cir. Nov. 25, 2025)
