

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF
WEST VIRGINIA

Blackhawk Coal Sales, LLC v. XCoal Energy & Resources, et al.

Blackhawk Coal Sales · No. 2:25-cv-00492 · Decided April 27, 2026

SUMMARY

The United States District Court for the Southern District of West Virginia addresses Defendants’ partial motion to dismiss in a coal-sale contract dispute. The court permits the plaintiff to plead implied covenant and unjust enrichment claims in the alternative under Federal Rule of Civil Procedure 8, but dismisses the alter ego liability claim for failure to plausibly allege grounds for piercing the corporate veil under Pennsylvania law. The motion is therefore granted in part and denied in part.

CASE DETAILS

COURT	United States District Court for the Southern District of West Virginia
WRITING FOR THE COURT	Thomas E. Johnston
JURISDICTION	United States District Court for the Southern District of West Virginia
DECIDED	April 27, 2026
DOCKET	2:25-cv-00492
DISPOSITION	other
PROCEDURAL POSTURE	Defendants moved under Federal Rule of Civil Procedure 12(b)(6) to dismiss the claims for breach of the implied covenant of good faith and fair dealing, unjust enrichment, and alter ego liability.
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court accepts well-pleaded factual allegations as true and views them in the light most favorable to the plaintiff, disregards legal conclusions, and determines whether the facts plausibly show entitlement to relief.
PRECEDENTIAL VALUE	unknown
PARTIES	Blackhawk Coal Sales, LLC v. XCoal Energy & Resources, XCoal Energy & Resources, LLC, Ernie Thrasher

TOPICS

- motions to dismiss
- pleadings
- civil procedure
- breach of contract
- commercial litigation

PRACTICE AREAS

civil procedure

contracts

corporate law

commercial litigation

QUESTIONS PRESENTED

1. Whether Federal Rule of Civil Procedure 8 permits a plaintiff to plead breach of contract and alternative or inconsistent quasi-contract theories at the motion-to-dismiss stage.
2. Whether the complaint plausibly alleged facts warranting piercing XCoal's corporate veil under Pennsylvania's alter ego theory.

HOLDINGS

1. Federal Rule of Civil Procedure 8 permits a plaintiff to plead contract and quasi-contract claims alternatively or inconsistently, even when the claims may ultimately be duplicative or mutually exclusive for purposes of recovery.
2. The complaint failed to plausibly allege alter ego liability under Pennsylvania law because it offered conclusory allegations of control and unity of ownership, with only an inadequately supported allegation of undercapitalization and no factual allegations concerning the other relevant veil-piercing factors.

KEY QUOTATIONS

“By permitting alternative and even inconsistent claims to be pleaded, Rule 8 establishes “implicitly, but with unmistakable clarity,” Hanna, 380 U.S. at 470, that a party may allege both contract and quasi-contract causes of action.” (4)

“Under Plaintiff’s theory, a plaintiff could pierce the corporate veil of any corporation with a single owner who happens to make a poor business decision. That would completely undermine the purpose of corporate liability shielding.” (8)

FACTUAL BACKGROUND

Blackhawk alleged that XCoal contracted to purchase coal and failed to pay for coal delivered. Blackhawk also sued XCoal's general partner, XCoal Energy & Resources, LLC, and its founder and principal, Ernie Thrasher, seeking to impose liability through an alter ego theory. The complaint alleged that Thrasher controlled the entities, caused XCoal to enter contracts despite knowing it would not pay, and that XCoal was insolvent and inadequately capitalized. The complaint asserted breach of contract, breach of the implied covenant of good faith and fair dealing, unjust enrichment, and alter ego liability.

PROCEDURAL HISTORY

Blackhawk sued XCoal, XCoal Energy & Resources, LLC, and Ernie Thrasher over allegedly unpaid coal delivered under contracts. Defendants filed a partial motion to dismiss Counts II, III, and IV. The court denied dismissal of the alternative implied-covenant and unjust-enrichment claims but dismissed the alter ego claim for failure to state a plausible claim.

DISPOSITION

other

CASES CITED

- Berk v. Choy, 607 U.S. ----, 146 S. Ct. 546, 552, 223 L. Ed. 2d 463 (2026)
- Hanna v. Plumer, 380 U.S. 460, 469-474 (1965)
- Bell Atl. Corp. v. Twombly, 550 U.S. 544, 554-55, 555, 570 (2007)
- Ashcroft v. Iqbal, 556 U.S. 662, 678-79 (2009)
- King v. Rubenstein, 825 F.3d 206, 214 (4th Cir. 2016)
- Clark-Fitzpatrick, Inc. v. Long Island R.R. Co., 516 N.E.2d 190 (N.Y. 1987)
- Lieberman v. Corporacion Experiencia Unica, S.A., 226 F. Supp. 3d 451, 467-68 (E.D. Pa. 2016)
- Sereda v. Ctr. City Acquisitions, LLC, 222 A.3d 1161, 1168 (Pa. Super. 2019)
- Kaplan v. First Options of Chicago, Inc., 19 F.3d 1503, 1521 (3d Cir. 1994)
- Trustees of Nat'l Elevator Indus. Pension, Health Benefit & Educ. Funds v. Lutyk, 332 F.3d 188, 192 (3d Cir. 2003)
- Culbreth v. Amosa (Pty) Ltd., 898 F.2d 13, 15 (3d Cir. 1990)

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