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6 **IN THE UNITED STATES DISTRICT COURT**  
7 **FOR THE DISTRICT OF ARIZONA**  
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9 Stuart Steinke,

10 Plaintiff,

11 v.

12 SafeGuard World International LLC,

13 Defendant.  
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No. CV-16-03491-PHX-DLR

**ORDER**

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16 Plaintiff Stuart Steinke worked as a Regional Sales Manager for Defendant  
17 SafeGuard World International LLC (SafeGaurd) from October 2014 until he was  
18 terminated in February 2016. The offer letter SafeGaurd sent to Steinke stated that, in  
19 addition to his \$105,000 annual salary, Steinke would “be paid a guaranteed commission  
20 of \$1,500 each month for [his] first full 5 months.” After 6 months, Steinke would “be  
21 expected to start repaying 50% of [his] commission back to the company at a minimum  
22 rate of \$500 per month,” regardless of whether Steinke was actually earning commissions  
23 after that point. Further, the offer letter explained that “commissions will be paid on the  
24 first years sales order value commensurate with the [2014 fiscal year] Sales Incentive  
25 Plan[.]” Steinke alleges that he made approximately \$3.2 million in qualifying sales over  
26 the course of his employment, and that SafeGuard still owes him approximately \$60,000  
27 in unpaid commissions.

28 At issue is SafeGuard’s Motion to Dismiss Steinke’s Second Amended Complaint,

1 which asserts claims for breach of contract and violations of Arizona wage laws. (Doc.  
2 32.) The motion is fully briefed and neither party requested oral argument. For the  
3 following reasons, the motion is denied.

#### 4 **I. Legal Standard**

5 When analyzing a complaint for failure to state a claim to relief under Rule  
6 12(b)(6), the well-pled factual allegations are taken as true and construed in the light  
7 most favorable to the nonmoving party. *Cousins v. Lockyer*, 568 F.3d 1063, 1067 (9th  
8 Cir. 2009). Legal conclusions couched as factual allegations are not entitled to the  
9 assumption of truth, *Ashcroft v. Iqbal*, 556 U.S. 662, 679 (2009), and therefore are  
10 insufficient to defeat a motion to dismiss for failure to state a claim, *In re Cutera Sec.*  
11 *Litig.*, 610 F.3d 1103, 1108 (9th Cir. 2010). To avoid dismissal, the complaint must  
12 plead sufficient facts to state a claim to relief that is plausible on its face. *Bell Atl. Corp.*  
13 *v. Twombly*, 550 U.S. 544, 570 (2007). This plausibility standard “is not akin to a  
14 ‘probability requirement,’ but it asks for more than a sheer possibility that a defendant  
15 has acted unlawfully.” *Iqbal*, 556 U.S. at 678 (quoting *Twombly*, 550 U.S. at 556).

#### 16 **II. Discussion**

17 SafeGuard contends that Steinke has not sufficiently alleged a breach of contract  
18 claim. Although SafeGuard does not discuss Steinke’s statutory claim, it nonetheless  
19 requests complete rather than partial dismissal. The Court understands SafeGuard’s  
20 position to be that Steinke cannot plausibly allege a violation of wage payment laws if he  
21 cannot also plausibly allege that he is owed unpaid commissions under his breach of  
22 contract claim. Accordingly, the Court will limit its discussion to Steinke’s breach of  
23 contract allegations.

24 To state a plausible breach of contract claim, a plaintiff must allege (1) the  
25 existence of a contract, (2) a breach of that contract, and (3) resulting damages.  
26 *Thunderbird Metallurgical, Inc. v. Ariz. Testing Labs.*, 423 P.2d 124, 126 (Ariz. Ct. App.  
27 1967). Steinke has adequately alleged each of these elements.

28 First, Steinke alleges that the signed offer letter, the 2014 Sales Incentive Plan, and

1 the parties' course of conduct under those instruments collectively constitute the relevant  
2 contract governing his entitlement to commissions. SafeGuard argues that Steinke's  
3 claim should be dismissed because his allegations require the Court to speculate about the  
4 terms in the contract. The Court disagrees. Steinke attached to his Second Amended  
5 Complaint both the terms of the 2014 Sales Incentive Program and the offer letter. The  
6 Court need not speculate about the terms contained in these documents. Although the  
7 offer letter only details the 2014 incentive figures, it alludes to the possibility of  
8 commissions during the following year. Steinke also alleges that SafeGuard continued  
9 paying him commissions after December 31, 2014, indicating that the offer letter did not  
10 limit commissions to the 2014 fiscal year. Taken together, Steinke as plausibly alleged  
11 the existence of a contract to pay commissions beyond 2014.

12 Second, Steinke alleges that SafeGuard breached this contract by failing to pay  
13 him commissions on qualifying sales. SafeGuard contends that Steinke has not  
14 sufficiently alleged a breach of contract because he does not detail how and why his sales  
15 were made in accordance with the Sales Incentive Plan. The Court disagrees.

16 Steinke specifies that he grossed approximately \$3.2 million in sales that "met the  
17 eligibility requirements of the Sales Incentive Program" and "went 'live' per the Sales  
18 Incentive Program" prior to his termination. At the pleading stage, Steinke is not  
19 required to allege "detailed factual allegations" to state a plausible claim to relief.  
20 *Twombly*, 550 U.S. at 555. Steinke has no obligation to identify each and every sale he  
21 made while employed, nor is he required to mimic the exact language of the contract or  
22 use magic words to describe his sales. SafeGuard is in a better position to obtain its own  
23 sales and payroll records, and Steinke has provided sufficient information for SafeGuard  
24 to reasonably prepare a response.

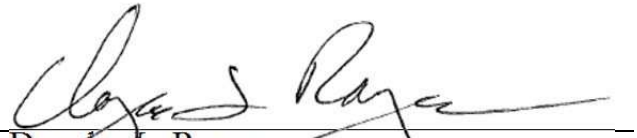
25 Finally, Steinke alleges that he suffered approximately \$60,000 in damages due to  
26 SafeGuard's breach, and that he is entitled to treble this amount under Arizona's wage  
27 laws. Accordingly, taking the well-pled facts as true and construing them in the light  
28 most favorable to Steinke, the Second Amended Complaint adequately alleges a claim for

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breach of contract.

**IT IS ORDERED** that SafeGuard’s Motion to Dismiss (Doc. 32) is **DENIED**.

Dated this 11th day of April, 2017.

  
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Douglas L. Rayes  
United States District Judge