IN THE COURT OF COMMON PLEAS IN THE STATE OF DELAWARE IN AND FOR KENT COUNTY

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) C.A. No. CPU5-11-000677
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April 4, 2012

George E. Evans, Esq. 913 N. Market Street, Suite 902 Wilmington, DE 19801 Attorney for the Plaintiff-Below, Appellant Maggie R. Claussell, Esq. 9 E. Loockerman Street, Suite 205 Dover, DE 19901 Attorney for the Defendant-Below, Appellee

DECISION AFTER TRIAL

Plaintiff-Below, Appellant, Gregory Taylor (hereinafter "Taylor") has filed this civil appeal with this Court for a trial *de novo* from a final decision and order of the Justice of the Peace Court pursuant to 10 *Del. C.* § 9571 and Court of Common Pleas Civil Rule 72.3. Taylor is seeking damages from Defendant-Below, Appellee, Kathie B. Pringle (hereinafter "Pringle") for her alleged breach of contract when she refused to transfer the title to a Saab to him. Pringle has denied Taylor's claim and has brought counterclaims against Taylor for his alleged failure to pay living expenses and utility bills. She also seeks an award of damages for the loss of a Cubes Amaretto Server and

for extra money she paid a jewelry store for rings that she and Taylor placed on layaway. Taylor denies owing Pringle on her claims.

Following trial for this matter and the careful consideration of the written submissions of the parties provided after trial, the Court finds for Taylor on his claims and enters judgment against Pringle in the amount of \$5,713.71 in damages plus pre and post judgment interest at the legal rate from September 30, 2010, and court costs. The Court also finds for Taylor with respect to Pringle's counterclaims and enters judgment accordingly.

FACTS

Based on all of the evidence introduced at trial, and the reasonable inferences therefrom, the Court finds the facts of this matter to be as follows by a preponderance of the evidence:

The Plaintiff-Below, Appellant, Gregory Taylor and Defendant-Below, Appellee, Kathie B. Pringle were once involved in a close relationship. It was close enough that in 2003, Pringle assisted Taylor in the purchase of a 1996 Tahoe. Because Pringle's credit rating was better than Taylor's, she could get a better interest rate for the financing of the Tahoe. Therefore, Pringle agreed to use her credit to purchase the vehicle. Pringle and Taylor agreed that he would make all of the payments on the financing and pay all of the expenses for the Tahoe, including automobile insurance. When the balance on the loan for the Tahoe was satisfied, Pringle would give Taylor the title to the vehicle, which eventually occurred. The agreement was not in writing. It was oral.

Sometime in 2004, Taylor moved into Pringle's residence. The two of them agreed that he would help with household expenses by paying Pringle \$500 per month. He paid this amount up to and through August of 2010, when he eventually moved out of the residence.

In March 2008, Taylor became interested in purchasing a 2001 Saab convertible that he found for sale. Once again, he approached Pringle for her assistance with the purchase of the Saab because her credit rating was better than his and, thus, she could get a better interest rate on the financing to purchase the vehicle. Pringle once again agreed to help Taylor. She agreed to purchase the Saab by obtaining both its financing and

insurance. Taylor agreed to make all of the payments on the financing and to pay all of the expenses related to the vehicle. Once the balance on the financing was satisfied, Pringle agreed that she would give Taylor the title to the vehicle. This agreement was also exclusively oral, with nothing being put in writing.

Taylor used the Saab and made all of the payments on the financing, along with paying all of the expenses associated with it, up until he moved out of Pringle's home in August 2010. About that time, Pringle took possession of the Saab. In September of 2010, Taylor contacted Pringle and notified her that he wanted to satisfy the balance due on the Saab with the financing company and get the title to the vehicle. Pringle decided that she wanted to keep the vehicle and told Taylor that she would not be giving the title to him. She also refused to reimburse him for any of the expenses that he had incurred for the Saab. Instead, she paid the balance left on the financing of the vehicle, which was \$3,951.29. At the time, the Saab had a fair market value of \$9,665.00.

Taylor and Pringle also purchased other expensive items for each other during their time together. For Christmas in 2008, Taylor gave Pringle a gas range stove and Pringle gave Taylor a Cubes Amaretto Server. When Taylor moved out of Pringle's house, she kept the stove and he took his server. Additionally, during their relationship, Taylor and Pringle discussed getting married. Taylor went to a jewelry store and chose an engagement ring and a unity ring (wedding band) for Pringle. He placed a \$525.00 deposit on the rings and put them on layaway. He took Pringle to the jewelry store and showed her the rings which she liked. While at the store, she chose a ring for Taylor and placed it on layaway. The rings were purchased during a promotion at the jewelry store. The couple needed to make payments on the rings and if they satisfied the purchase price within a year, there would be no interest charged. Eventually, when the couple's relationship was in trouble, Taylor stopped making payments, so Pringle went to the jewelry store and paid the balance due on the rings in the amount of \$1,404.50. She kept two of the rings and traded the engagement ring up for a new ring.

Taylor and Pringle have now brought suit against each other. Taylor is seeking damages from Pringle for her alleged breach of contract when she refused to transfer the Saab to him when he was ready to satisfy the balance due on its financing.¹

Pringle has counterclaimed for damages from Taylor for his alleged failure to pay half of their living expenses while they lived together for the period of May 2010 through August 2010 and for half of the utility bills for August 2010. She also seeks an award of damages for the loss of the Cubes Amaretto Server and for the extra money she paid the jewelry store for the rings she and Taylor placed on layaway.

Pringle denies that she owes anything to Taylor as a result of any alleged breach of any oral agreement she had with him regarding the Saab.² She also contends that any such agreement would be unenforceable as violating Delaware's Statute of Frauds, since it was not in writing and the agreement was not to be performed within the space of one year from its making. Taylor also denies owing Pringle anything on her claims.

DISCUSSION

I. Taylor's Claim for Breach of Contract for the Saab

Taylor has proven the existence of an oral agreement (hereinafter "agreement") for the purchase of the Saab by a preponderance of the evidence. Pursuant to the agreement, Pringle purchased and financed the Saab and Taylor made all the payments on the financing and paid all other expenses for the vehicle. When the balance due on the financing for the Saab was satisfied, Pringle was obligated to turn the title of the vehicle over to Taylor. This agreement was actually the second agreement of this type in which the parties engaged. Taylor has proven that he remained current on the payments for the Saab through August 2010. After moving out of Pringle's home, he contacted Pringle in

¹ In his closing argument, Taylor also seeks the reimbursement of his \$525.00 deposit for the rings that he and Pringle purchased. He contends that he is entitled to the reimbursement of this amount since she kept the rings. However, his closing argument is the first time that he makes such a claim. There was no such demand in his Complaint and the reimbursement of the deposit was not raised as an issue in the Pre-Trial Stipulation for this case. Therefore, this claim was waived prior to trial and his request for reimbursement is denied.

² Pringle actually denies that any such agreement existed at all. However, the Court, in its finding of facts, has found that Taylor has proven that such an agreement existed.

September 2010 and advised her that he was ready to satisfy the balance owed on the Saab. However, rather than giving Taylor the opportunity to complete performance, Pringle took possession of the Saab and breached their agreement by selling the Saab to someone else.

The standard remedy for breach of contract is expectation damages or "the amount of money that would put the promisee in the same position as if the promisor had performed the contract." *Duncan v. Theratx, Inc.*, 775 A.2d 1019, 1022 (Del. 2001). In order to return Taylor to the position he would have been in had he been permitted to satisfy the outstanding balance on the Saab's loan, he is entitled to the fair market value of the vehicle at the time of Pringle's breach of the agreement less the balance owed on the loan. After subtracting the balance left on the financing of the vehicle, which was \$3,951.29, from the fair market value of the Saab at the time of Pringle's breach of the agreement, which was \$9,665.00, the Court finds Taylor is entitled to \$5,713.71 in damages for Pringle's breach of the agreement, plus pre and post judgment interest at the legal rate from September 30, 2010, and court costs.

Pringle contends that any agreement she had with Taylor regarding the purchase of the Saab violates Delaware's Statute of Frauds. Under 6 Del. C. § 2714, Delaware's Statute of Frauds, oral agreements exceeding \$25.00 that are not to be performed within the space of one year from the making thereof are not enforceable unless reduced to writing, unless there is an applicable recognized exception. One such exception to the judicious application of the Statute of Frauds is the doctrine of part-performance. The doctrine of part performance is an equitably derived principle providing that a partly performed oral contract may be enforced upon proof by clear and convincing evidence of actual part performance. *Sheperd v. Mazzetti*, 545 A.2d 621, 623 (Del. 1988). The rationale for why partial performance of a contract removes the Statute of Frauds bar is "that acts of performance, even if incomplete, constitute substantial evidence that a contract actually exists." *Kirkwood Motors, Inc. v. Conomon*, 2001 WL112054, at *4 (Del. Super. 2001).

Taylor proved at trial that he and Pringle had a prior completed arrangement similar to their agreement for the purchase of the Saab which had consisted of Pringle taking a loan and Taylor making payments. Taylor also proved that he made all

payments on the Saab until moving out of Pringle's home, whereupon he requested that he be allowed to satisfy the balance due on the financing for the Saab. Based on these facts, the Court finds that Taylor has shown his part performance by clear and convincing evidence and, therefore, the Statute of Frauds will not operate as a bar to enforcement of the parties' oral agreement.

II. Pringle's Counterclaims Against Taylor

Pringle responded to Taylor's suit with several counterclaims of her own. Pringle alleges that Taylor owes her damages for: (a) wrongfully removing the Cubes Amaretto Server from her home, (b) failing to pay her his share of household expenses, including utilities, and (c) for failing to pay his portion of the unpaid balance on the rings she and Taylor put on lay away. As to all these claims, Pringle bears the burden of proof, by a preponderance of the evidence, that she is entitled to an award of damages against Taylor. *First State Constr., Inc. v. Thoro-Good's Concrete Co., Inc.*, 2010 WL 1782410, at *3 (Del. Super.). The Court will address each of these claims separately.

a. The Cubes Amaretto Server

Based on the evidence introduced at trial, the Court finds that Pringle gave the Cubes Amaretto Server to Taylor as a Christmas present in 2008. Also at Christmas 2008, Taylor gave Pringle a gas range. Several factors led this Court to its finding that the server was in fact a completed gift to Taylor. First, the gift of the server coincided with Christmas 2008 and Taylor's own gift to Pringle of a gas range. Second, Taylor did not attempt to remove the gas range, which suggests a mutual exchange of gifts to commemorate the holiday. Finally, Pringle testified that she watched Taylor take the server when he collected his belongings, but, did not object or assert her ownership of the server until much later. Thus, the Court finds that Pringle has failed to show by a preponderance of the evidence that the server was hers and she would, therefore, be entitled to damages for its removal.

b. Household Expenses

Pringle has failed to establish by a preponderance of the evidence that she is due any payment for household expenses. Taylor testified at trial that when he first moved in with Pringle they discussed his contribution to the household expenses. Taylor stated that

they reached an agreement where he would pay a flat \$500.00 per month to cover his portion of the bills, which he paid until the date he moved out. The Court found Taylor's testimony persuasive, and that \$500.00 represented Taylor's agreed potion of household expenses, which he paid. Pringle failed to establish any different version of the agreement either in writing or by other evidence. Therefore, the Court finds in favor of Taylor and denies Pringle's counterclaim for unpaid household expenses, including utility bills.

c. The Rings

Without reaching the liability issues associated with Pringle's claim for the engagement ring purchase, the Court denies her counterclaim for the extra expenses she has incurred for the rings. Pringle testified at trial that after selecting rings with Taylor, their relationship deteriorated and he failed to pay his portion for the rings. Pringle testified that she paid the remainder of the money due on the rings herself and then used the engagement ring to trade up for a different ring. According to Pringle, she paid the balance on the jewelry and either currently has possession of it or exchanged it at full value for another piece of jewelry. Pringle has failed to show how she was damaged as a result of Taylor's alleged breach of any legal obligation. Pringle either received goods for which she paid or elected to exchange the jewelry for something of her selection. In either case, Pringle has not suffered any "damages" for which she can be compensated. Therefore, the Court finds in favor of Taylor and denies Pringle's counterclaim for the extra expenses she incurred for the rings.

CONCLUSION

After carefully considering all the evidence introduced at trial, the Court finds that Taylor established to its satisfaction the existence of an agreement wherein he would pay for the Saab and would receive it once he paid it off. Because Pringle breached this agreement by taking possession of the vehicle and selling it, Taylor is due the fair market value of the vehicle at the time of the agreement's breach minus the amount he still owed on the loan. As to Pringle's counterclaims, the Court finds them to be without merit.

The Cubes Amaretto Server was intended to be a gift and Pringle's behavior indicates that was her intent. The Court finds that Taylor's testimony that the parties agreed he would pay \$500.00 per month for his share of household expenses to be credible and, therefore, denies Pringle's counterclaim for unpaid expenses. Finally, the Court finds that as a factual matter, Pringle has failed to show how she was damaged by Taylor's alleged failure to pay his half of the jewelry bill because she either paid and took possession of the jewelry or exchanged it for full value to purchase other jewelry. Therefore, the Court finds in favor of Taylor on his breach of contract claim and against Pringle on her counterclaims.

Judgment is entered for Taylor and against Pringle in the amount of \$5,713.71 plus pre and post judgment interest at the legal rate from September 30, 2010, and court costs for Taylor's claim. Judgment is also entered for Taylor on Pringle's counterclaims.

IT IS SO ORDERED this $\underline{4^{th}}$ day of \underline{APRIL} , 2012.

CHARLES W. WELCH

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JUDGE