IN THE JUSTICE OF THE PEACE COURT OF THE STATE OF DELAWARE
IN AND FOR NEW CASTLE COUNTY
COURT NO. 13

ALDO SANCHEZ and **NATALIE SANCHEZ,**	§	
Plaintiffs Below / Appellees,	§	
	§	**C.A. No. JP13-25-005239**
v.	§	
BRIAN GENE JONES and **CHERYL LYNN BAILEY,**	§	
Defendants Below / Appellants.	§	

TRIAL DE NOVO

Submitted: July 10, 2025
Decided: August 18, 2025

APPEARANCES:
Plaintiffs Aldo Sanchez and Natalie Sanchez appeared, represented by Paul E. Bilodeau, Esquire.
Defendants Brian Gene Jones and Cheryl Lynn Bailey appeared *pro se*.

McCormick, D.C.M.
Portante, J.
Burcat, J.

IN THE JUSTICE OF THE PEACE COURT OF THE STATE OF DELAWARE
IN AND FOR NEW CASTLE COUNTY
COURT NO. 13

CIVIL ACTION NO: JP13-25-005239

ALDO SANCHEZ ET AL V. BRIAN GENE JONES ET AL.

ORDER ON TRIAL DE NOVO

The Court has entered a judgment in the following form:

Acting as a special court pursuant to 25 *Del. C.* § 5717(a), a three-judge panel ("Panel") convened on July 10, 2025 to consider a timely petition for a trial de novo from Defendants Below Brian Gene Jones and Cheryl Lynn Bailey. The panel consisted of Deputy Chief Magistrate Sean McCormick, Justice of the Peace Christopher Portante, and Justice of the Peace Peter Burcat.

For the following reasons, the Court finds in favor of Plaintiffs Below/Appellees Aldo Sanchez and Natalie Sanchez, and against Defendants Below/Appellants Brian Gene Jones and Cheryl Lynn Bailey, awarding them $19,850.00 in delinquent rent, plus court costs and post-judgment interest.

I. BACKGROUND

In 2014, Brian Gene Jones and Cheryl Lynn Bailey (together, "Defendants") entered into an eighteen-month lease ("Lease") with Aldo and Natalie Sanchez (together, "Plaintiffs") for the rental of the premises commonly known as 27 Barberry Court, Newark, Delaware 19702 ("Premises")[1] with an initial monthly rent of $1,500.00. After the end of the Lease's initial term on November 3, 2015, it became a month-to-month lease by operation of law.[2] On December 11, 2024, Plaintiffs sent

[1] Plaintiffs, themselves, are party to a 2008 ground lease ("Ground Lease"), as lessees of the Premises, with ground lessor Reybold Realty Associates, LLC ("Reybold"). The Ground Lease contains a prohibition on subleasing. *See* Ground Lease for 27 Barberry Court at 21, ¶ 20.2.

[2] *See* 25 *Del. C.* § 5108(a).

Defendants a lease termination notice ("Notice"). When Defendants held over beyond the end of the 60-day period, Plaintiffs filed this action. The court below found in favor of Plaintiffs, awarding them possession, $25,000 in delinquent rent, plus court costs, and post-judgment interest.

Because Defendants failed to pay the $25,000 bond required of them to stay eviction on appeal,[3] possession of the Premises was given over to Plaintiffs on June 16, 2025. At trial, Defendants advised the Court that they do not want to be put back into the Premises. Consequently, possession is no longer at issue in this matter.

II. PARTIES' CONTENTIONS

According to Plaintiffs, Defendants had not made any rent payments[4] since September 2024, having already accrued over $16,000 in rental arrears by that time—arrears which remain unpaid. Plaintiffs also seek $450.78 in gas overage charges and $420.00 for a locksmith.

Defendants[5] do not dispute that the last time they paid any rent was in September 2024, however Ms. Bailey testified that, if at all, they should only owe rent for the period beginning October 2024 until possession was turned back over to Plaintiffs in June 2025. She claimed that any accounting for rental arrears supposedly accrued before October 2024 "is inaccurate." Defendants made several arguments regarding why they do not believe they owe Plaintiffs either any rent or an amount much less than is being sought. These arguments were addressed pre-trial in the interest of judicial efficiency to limit the scope of testimony to those defenses for which Defendants had standing to argue or plausible evidence to support.

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[3] *See* 25 *Del. C.* § 5717(a) ("No such request [for a trial de novo] shall stay proceedings on such judgment unless the aggrieved party, at the time of making such request, shall execute and file with the Court an undertaking to the successful party, with such bond or other assurances as may be required by the Court . . . .").

[4] Defendants' monthly rent had been $1,500 from the beginning of their tenancy until February 2024 when Plaintiffs reduced it to $1,300.

[5] The Court will refer herein to arguments being those of "Defendants," even though Mr. Jones chose not to testify or add to Ms. Bailey's opening or closing remarks. Only when referring to testimony will Ms. Bailey's statements be specifically identified as her own.

III. STANDARD OF REVIEW

The term "de novo" means "[a]new, afresh, or over again" and, when applied to a trial, means that the appellate court—the Panel here—is charged with "mak[ing] an independent determination without deference to any earlier analysis about the matter."[6] In other words, a trial de novo "is treated as if no previous decision had been made: there is no presumption of the correctness or validity of any prior finding . . . or conclusion."[7] The appellate ruling of a three-judge panel on summary possession matters is final and cannot be appealed.[8]

IV. DISCUSSION

A. Plaintiffs Have Met Their Burden in Proving That They Are Due Relief.

Through proffer of a ledger and Mr. Sanchez's testimony—and without any substantial evidence presented to counter it—Plaintiffs proved by a preponderance of the evidence that Defendants owe Plaintiffs rental arrears of $19,850.00, exclusive of utility bills and late fees. As a three-year statute of limitations applies, this award reflects unpaid rent from March 2022[9] until June 16, 2025, the date Defendants vacated the Premises. Plaintiffs did not evidence gas bills or the locksmith charge, and the late fee provision is unenforceable under Delaware law.

1. Rental Arrears Are Subject to a Three-Year Statute of Limitations.

A claim seeking the collection of unpaid rent is subject to a three-year statute of limitation because it is based upon a promise to pay rent under a rental agreement.[10] Plaintiffs erroneously

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[6] DE NOVO [trial de novo], Black's Law Dictionary (12th ed. 2024).

[7] *Id.*

[8] *See Maddrey v. Justice of the Peace Court 13*, 956 A.2d 1204, 1214 (2008).

[9] This date is based on the March 26, 2025 filing of the complaint.

[10] *See* 25 *Del. C.* § 8106(a) ("[N]o action based on a promise . . . shall be brought after the expiration of 3 years from the accruing of the cause of such action," notwithstanding certain provisions.).

argued that the exception to the three-year limitation for mutual and running accounts under 10 *Del. C.* § 8108 would apply here. A rent ledger is surely a running account, but not a mutual one.

Even though "Section 8108 leaves the term 'mutual, running account' undefined,"[11] our Delaware courts, in keeping with many other states' courts, have interpreted it as "one account upon which the items of either side belong and on which they would reciprocally operate so that a balance between the two may be ascertained."[12] Such an account would,

> at any given point in time, show[] a positive balance for one side and a negative balance for the other. In other words, the account would carry a theoretical single balance that would fluctuate as offsetting debits and credits were posted to the ledger. Every 'entry' therefore necessarily would be reciprocal.[13]

A rent ledger is typically a one-sided account, not a mutual account with reciprocal demands. As the account at issue here does not qualify as a "mutual, running account,"[14] that exception to the statute of limitations does not apply.

2. Plaintiffs Failed to Present Gas Bills and Proof of Locksmith Charges.

The Lease requires that Defendants arrange and pay for all required utility services.[15] Part of the $25,000 sought by Plaintiffs was allegedly for unpaid gas bills and a locksmith charge, none of which were produced at trial. If Plaintiffs paid for utilities that were Defendants' responsibility, they did not evidence it.

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[11] *AM Gen. Holdings LLC v. The Renco Grp., Inc.*, 2016 WL 4440476, at *8 (Del. Ch. Aug. 22, 2016).

[12] *Id.* (quoting *Brown v. Consol. Fisheries Co.*, 165 F. Supp. 421, 423 (D. Del. 1955)); *see also O'Neill v. O'Neill*, 188 Pac. 603, 605 (Cal. Ct. App. 1920) ("To constitute such an account . . . there must be 'reciprocal demands.'"); *Fuerbringer v. Herman*, 195 N.W. 693, 693 (Mich. 1923) ("It is essential to a mutual account that there be reciprocity of dealing the items most not all be all on one side; there must be mutuality."); *Sharp v. Miller*, 221 P. 747, 747 (Okla. 1923) ("Where the items in an account were all charges against one party and in favor of the other, it is not a mutual account, since it does not show a system of mutual dealings and of reciprocal demands between the parties. In a mutual account each party has a demand or right of action against the other.") (quoting 1 C.J. 598) (internal quotation marks omitted).

[13] *AM Gen.*, 2016 WL 4440476, at *10.

[14] 10 *Del. C.* § 8108.

[15] Lease at 2, ¶ 10.

3. The Late Fee Provision is Unenforceable Under Delaware Law.

Terms of a residential lease that conflict with any provision of the Delaware Landlord-Tenant Code ("the Code") "shall be unenforceable."[16] The unenforceability of a particular provision, however, "shall not affect other provisions which can be given effect without the void provision." The Lease reads that "[i]n the event that any payment required to be paid by Lessee hereunder is not made within **three (3) days** of when due, Lessee shall pay to Lessor, in addition to such payment or other charges due hereunder, a 'late fee' . . . ."[17] This provision of the Lease is in violation of the Code which requires that the late fee "not be imposed within **5 days** of the agreed time for payment of rent."[18] As such, the late fee provision is unenforceable.[19]

B. Defendants' Affirmative Defenses Could Not Be Substantiated.

An affirmative defense is "[a] defendant's assertion of facts and arguments that, if true, will defeat the plaintiff's . . . claim, even if all the allegations in the complaint are true."[20] The burden of proof rests on the party asserting the affirmative defense.[21] Pretrial discussions indicated that Defendants would be unable to substantiate by a preponderance of the evidence the affirmative defenses they were asserting, as a matter of law.

1. Breach of the Ground Lease's Prohibition Against Subleasing Does Not Automatically Release Defendants from Their Own Lease Obligations.

Defendants claim that, in subleasing to them, Plaintiffs violated the terms of the Ground Lease and that, therefore, their own Lease must be deemed void and unenforceable. Under this

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[16] *Reise v. Rose*, 2019 WL 315330, at *3 (Del. Com. Jan. 23, 2019) (quoting 25 *Del. C.* § 5101).

[17] Lease at 6, ¶ 21 (emphasis added).

[18] 25 *Del. C.* § 5501(d) (emphasis added).

[19] *See Reise*, 2019 WL 315330, at *3; 25 *Del. C.* § 5101.

[20] DEFENSE [affirmative defense], Black's Law Dictionary (12th ed. 2024).

[21] *See Walker v. FRP Inv'rs GP, LLC*, 336 A.3d 542, 562 (Del. Ch. 2025) (quoting *Desktop Metal, Inc. v. Nano Dimension Ltd.*, 2025 WL 905421, at *22 (Del. Ch. Mar. 24, 2025)).

theory, Defendants argue that they should be released from any obligation to pay any rent whatsoever to Plaintiffs. The Premises' Ground Lease indeed contains a prohibition against subleasing,[22] however the Court has no knowledge that Reybold has ever sought to assert this provision during the entire decade in which Defendants were tenants at the Premises. Furthermore, Reybold has not sought to intervene here, and neither Plaintiffs nor Defendants have sought to join them. It would be Reybold's prerogative to enforce this particular term of the Ground Lease, and Defendants do not have standing to claim default of a contract to which they are not party; they are neither in privity of contract nor privity of estate with Reybold.

2. Defendants Could Not Substantiate Any Equitable Claim Implicating the "Unclean Hands" Doctrine.

Defendants also claimed that the doctrine of "unclean hands" applied here but could not provide sufficient specificity to validate their claim. In order to receive equitable relief under that doctrine, a defendant must prove[23] that the alleged "inequitable conduct" not only has an "immediate and necessary" relation to the claims under which relief is sought,[24] but also that the Plaintiffs' conduct was "reprehensible."[25] Defendants did not satisfy the burden of proof in attempting to validate this affirmative defense.[26]

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[22] Ground Lease at 21, § 20.2 ("Ground Lessee acknowledges and agrees that it is the intention of Ground Lessor and Ground Lessee that all residences in the Community shall be owner-occupied such that there shall be no residences in the Community that are held for investment or rental purposes. Accordingly, Ground Lessor and Ground Lessee agree that Ground Lessee shall not sublease its interest hereunder, that any attempted or purported such lease shall be void and shall constitute an event of default hereunder.")

[23] *See Matter of Lomax*, 2019 WL 4955315, at *2 (Del. Ch. Oct. 8, 2019), *adopted sub nom. In re Lomax* (Del. Ch. 2019) (holding that the party accusing the other of unclean hands must show that the supposed inequitable conduct relates directly to the subject litigation "and has an immediate and necessary relationship to the claims under which relief is sought.") (internal quotation marks omitted).

[24] *Id.* (quoting *Nakahara v. NS 1991 Am. Tr.*, 718 A.2d 518, 523 (Del. Ch. 1998)).

[25] *Id.* (quoting *In re Rural/Metro Corp. Stockholders Litig.*, 102 A.3d 205, 237–38 (Del. Ch. 2014)).

[26] *See Walker v. FRP Inv'rs GP, LLC*, 336 A.3d 542, 562 (Del. Ch. 2025) ("[A]nd a party asserting an affirmative defense bears the burden of proof.").

C. Defendants Could Not Establish That a Rent Abatement Would Be Warranted.

1. Defendants' Claim for Rent Abatement Cannot Succeed Without the Statutorily Required Notice to the Landlord.

Defendants claimed that ongoing issues such as the lack of a refrigerator, broken appliances, and other unspecified conditions issues at the Premises should permit them to abate their rent, however Ms. Bailey stated that Defendants did not have proof of having ever given Plaintiffs adequate written notice of the supposed issues. Notice is required before a tenant withholds rent or before abatement becomes an appropriate remedy.[27]

Tenants who believe that conditions present in the rental unit are depriving them of a substantial part of the benefit or enjoyment of their bargain have recourse, provided they properly notify the landlord: "The tenant may notify the landlord in writing of the condition and, if the landlord does not remedy the condition within 15 days following receipt of notice, the tenant may terminate the rental agreement."[28] If, in fact, such a condition is so serious as to "render[] the premises uninhabitable or poses an imminent threat to the health, safety or welfare of the tenant or any member of the family, the tenant may, after giving notice to the landlord, immediately terminate the rental agreement without proceeding in a Justice of the Peace Court."[29]

Alternatively, under 25 *Del. C.* § 5307, a tenant may deduct a reasonable sum from the rent for repairs "[i]f the landlord . . . fails to repair, maintain or keep in a sanitary condition the leased premises or perform in any other manner required by statute, code or ordinance, or as agreed to in the a rental agreement."[30] To invoke this right, however, the tenant must, again, notify the landlord in writing and may only deduct from the rent if the landlord has either failed to remedy the situation

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[27] *See* 25 *Del. C.* §§ 5304, 5307, 5308.

[28] 25 *Del. C.* § 5306(a).

[29] *Id.*

[30] *Id.* § 5307(a).

within 30 days of her receipt of the notice or failed "to initiate reasonable corrective measures where appropriate within 10 days from the receipt of the notice."[31]

Any claim of deprivation of an essential service "or fail[ure] to remedy any condition which materially deprives a tenant of a substantial part of the benefit of the tenant's bargain in violation of the rental agreement" also requires notice to the landlord.[32] If, after the tenant gives the landlord actual or written notice of the issue and the landlord's "failure continues for 48 hours or more after receiving notice, the tenant must then provide written notice before he may immediately terminate the rental agreement or withhold two-thirds[33] per diem rent. Having failed to evidence that they gave the requisite notice to their landlord under any applicable section of the Code, Defendants cannot claim rent abatement.

2. No Provision Under Delaware Law Permits a Residential Tenant to Withhold the Entirety of Their Monthly Rent.

The Code contains no provision for withholding an entire month's rent.[34] The most a tenant may withhold under the Code is two-thirds of the monthly rent, provided that, as noted above: (1) the issue involves either a failure to provide an essential service or material deprivation of "a substantial part of the benefit of the tenant's bargain"; (2) the tenant gave actual or written notice to the landlord of the failure; (3) when the problem continued, the tenant gave written notice to the landlord of the continuation; and (4) the tenant gave written notice to the landlord that the tenant would be withholding rent.[35] Again, Defendants could not prove that they gave the necessary notice to be able to withhold any rent, let alone all of their monthly rent.

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[31] *Id.*

[32] *Id.* § 5308(a).

[33] *Id.* § 5308(a)(1)–(2).

[34] *See, generally* Title 25, Chapter 53 of Delaware Code, as amended.

[35] 25 *Del. C.* § 5308(a)(2), (b)(2).

V. FINDINGS AND CONCLUSION

Having carefully considered the testimony and documentary evidence presented at trial, the Panel finds that Plaintiffs/Appellees have proven by a preponderance of the evidence that Defendants/Appellants owe back rent from March 2022 until June 16, 2025, totaling $19,850. The awardable rental arrears are restricted by the three-year statute of limitations, going backwards from the date of filing. The Panel also finds that the Lease's late fee provision is unenforceable. Finally, as Plaintiffs/Appellees did not evidence the gas bills or the locksmith charge, the Panel finds they have not met their burden of proof as to these additional amounts and, therefore, are not entitled to recover them. Defendants/Appellants could not evidence a right to withhold rent or to any abatement and also could not meet their burden in proving any of the affirmative defenses they asserted.

Based on the foregoing, the Panel finds in favor of Plaintiffs/Appellees Aldo and Natalie Sanchez, and against Defendants/Appellants Brian Gene Jones and Cheryl Lynn Bailey, awarding Plaintiffs/Appellees $19,850.00, plus $110.00 in court costs and post-judgment interest at the current legal rate of 9.5% per annum.

IT IS SO ORDERED this 18th day of August, 2025.

/s/ Sean P McCormick
Deputy Chief Magistrate
On behalf of Three Judge Panel