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HOUSTON STRONG:

THE SILVER LINING OF HURRICANE HARVEY

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Coming from a small farming town in rural Indiana, it was not hard to feel a sense of community growing up. You knew everyone, and everyone knew you. After moving to The Woodlands in the 1980s and commuting into the big city of Houston, I remember feeling like the nation's youngest metropolis was still trying to figure out what it wanted to be when it grew up. The 60s delivered growth through NASA and the 70s oil boom moved hundreds of thousands here from the rust belt, but the mid-80s oil bust truly left Houston at a crossroads. Looking back now, over the ensuing years the people of this great city developed one of the most versatile, dynamic, diverse, welcoming and "strong" communities in the world. God had prepared this city for Hurricane Harvey. And in its wake, the strength of Houston has never been more apparent.

In 1940, the Houston area had a population of just under 400,000 people, ranking it the 21st largest city in the United States according to the U.S. Census Bureau. Accordingly, a very small number of the six million-plus residents of the Greater Houston Area today (now the fourth-largest city in the U.S. and predicted to take over Chicago for third largest in the next decade) can say their grandparents were born here. Almost everyone here came from somewhere else. Simply put, Houstonians are modern day pioneers indoctrinated as Texans through the spirit to come here and make a new life for themselves. And those whose families have been here for generations are tough as nails. The heat and mosquitos alone would have driven the weak out of this town in the early 20th century.

So now what did Hurricane Harvey do to this city? By the numbers, it caused an estimated \$50+ billion in devastation from which it will take years to recover. We hate that for our community. But Harvey did so much more. It let the rest of the world know something all of us locals already knew: we help our own. We don't look for help from Washington or Austin. We help with our hands and then our hearts. Here in Montgomery County, incredible organizations like Interfaith of The Woodlands and hundreds of local religious organizations and charities with their teams of volunteers did not wait to be asked to do something, but rather went to work immediately setting up shelters, distribution centers and coordinating on the ground help for those in need. And today, as people recover, the help of this great community continues. What a fitting tribute to see that "H Strong" patch on the chest of the World Series Champion Houston Astros while they participated in another epic battle in the wake of Harvey. Houstonians really knew what that patch meant. God bless Houston and God bless the great state of Texas.

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To retain our services, please contact us and we will send you a written engagement letter for your consideration and execution in order to hire our firm and create the attorney-client relationship. Please do not send confidential information to us until such an attorney-client relationship has been established.

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BUT YOU ARE MY ATTORNEY, NOT MY DENTIST...

PREVENTIVE MAINTENANCE FOR YOUR ENTITY FROM A LEGAL PERSPECTIVE

Eric R. Thiergood, Sr., *Income Shareholder*, joined *The Strong Firm P.C.* in 2005 as a law clerk and was promoted to associate attorney upon being licensed by the Texas State bar in 2007. In 2015, Eric was promoted to income shareholder. Eric has served as lead counsel for borrowers in successfully negotiating and closing complex commercial loans ranging from \$10 million to \$2.1 billion. Eric is fluent in Spanish and uses this skill in his work with some of the firm's international Spanish-speaking clients. ethiergood@thstrongfirm.com

"An ounce of prevention is worth a pound of cure."

~'De Legibus' [c. 1240] by English Jurist Henry De Bracton

Potential Client: "I have owned a limited liability company for several years. I haven't had any issues, but someone is interested in investing in my business, and they asked to see my company's records. I have my financial records, annual federal and state tax records, and documents from the Secretary of State when I formed the company."

Attorney: "Ok, great. We will want the investor to sign a non-disclosure/confidentiality agreement before we hand over any documents. Also, we will want to make sure your company documents [corporate records] are in order, as well."

Potential Client: "Company documents... what do you mean?"

Attorney: "The corporate records of the company; your company agreement or operating agreement; any resolutions that the company has passed over the years; and your minutes from the annual meetings of the members and/or managers."

Potential Client: [puzzled look on potential client's face] "Umm, I'm not sure we have any of those."

Attorney: "Do you have a company agreement or operating agreement that was signed when you started the company?"

Potential Client: "No, I didn't think I needed one since I was the only owner."

Attorney: "Did you hold annual meetings for the company?"

Potential Client: "I didn't think that I needed to since I was the only owner. Honestly as long as I didn't have any problems, I figured I didn't need to do any of those things or have an attorney look at my company documents for me."

Attorney: "If the only time you go to the dentist is when you have a toothache, the dentist is likely not going to have good news for you. You are probably going to need a filling or a root canal, or even worse, maybe a tooth extraction. It is always better to have regular checkups before you have a problem and maintain your dental health."

Potential Client: "But you are my attorney, not my dentist. What does that have to do with my company?"

Attorney: "Maintaining the 'health' of your company is relatively similar. There are certain simple things you can and should be doing regularly, like documenting any resolutions of the company, having annual meetings and periodically meeting with your corporate attorney to do a 'checkup' of your corporate documents. Doing that periodically is much more cost effective than trying to fix problems when you have them."

The old adage, "an ounce of prevention is worth a pound of cure," is not only true for your dental health, it is equally true for the health of your company. At *The Strong Firm P.C.*, we have assisted hundreds of clients by reviewing and regularly maintaining their company documents to ensure the company is in good shape, and we would be glad to do the same for you.



DON'T FALL FOR THIS CHINESE TRADEMARK SCAM

Katherine Wilcox, *Associate Attorney*, joined *The Strong Firm P.C.* as a new associate in 2016. She earned her *Juris Doctorate* from *SMU School of Law* in 2014, and is licensed to practice law in the state of Texas. Prior to joining *The Strong Firm*, Katherine worked as the *Texas Director of Themis Bar Review*. kwilcox@thstrongfirm.com

A trademark is any word, name or symbol used to identify and distinguish goods and services. For business owners, trademarks provide an easy way to build customer loyalty and communicate the quality and source of goods and services. Businesses often spend a great deal of time and money building their brand, so trademarks are one of the most valuable intangible assets your company can own. Unfortunately, this also makes trademarks a target for unscrupulous businesses and scammers.

I recently discovered one such scam after a client forwarded an email from a fictitious Chinese trademark agent. They claimed someone had applied to register their trademarks and urged the customer to follow a made-up pre-application process to stop the registration. In reality, China follows the first-to-file principle for obtaining trademark rights, and there is no such procedure for blocking a trademark application. Once a trademark application is filed, China's Trademark Office will examine the application. If the mark is found to be distinctive, has not previously been registered and does not violate Chinese law, the office will preliminarily approve the application for publication in the PRC Trademark Gazette. Afterwards, the mark will proceed to registration if there is no opposition to the mark within three months. Only the Chinese Trademark Office has authority to determine whether a trademark

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ESTATE PLANNING: REVIEWING YOUR ESTATE PLAN

Royce Lanning, Associate Attorney, joined The Strong Firm P.C. in 2013 as an experienced associate. He received his Juris Doctorate from the University of Hawaii, William S. Richardson School of Law in 2003 and moved to Spring, TX. in 2006. Royce's practice focuses primarily on oil & gas transactions, general and complex business transactions, corporate formation and administration, estate planning, probate and real estate development and financing. rlanning@thestrongfirm.com

Completing your estate plan is a major accomplishment as less than half of Americans have a will.¹ A common question among those that finish the process is, "When do I need to think about updating my documents?"

Ideally, people should review their estate planning documents annually, but very few people do. Here are some common life changes that may warrant a review of your will and other estate planning documents:

1. Marriage, remarriage or divorce: You should always revisit your existing plan if there is a change in marital status.
2. Birth or adoption of children: Most people will tell you everything changes once you become a parent and your will is no exception.
3. Empty nest: Once your children become adults, you may want to move them to positions of authority within your documents or change the amounts or structure of gifts made to them.
4. Relocate to another state: Different states have different laws. Your current will may fit your planning needs in Texas, but that may not be true under the laws of another state.
5. Owning land in other state(s): Owning property in multiple states can result in significantly elevated probate costs. Your plan should be optimized to handle land in multiple states.
6. Changes in business ownership: Whether you are buying, selling, opening or closing your business (whether in total or in part), a change in the structure of your business warrants a review of your estate planning documents. Your business is likely a major asset in your estate plan. Even a small change in the business can skew the desired results of your estate plan.
7. Significant changes in the value or complexity of your assets: Significant changes (whether up or down) in the value or complexity of your assets warrant a review of your estate plan. Failing to consider changes may have tax consequences or result in significantly more complex estate administration than is necessary.
8. Change in gifts or appointments: Probably the most obvious circumstance is if you want to change the gifts made in your documents or the people you have named to positions of authority (e.g., executors, trustees or power of attorney).

The examples provided above are some common planning issues, but this list is not exhaustive. It should be used to provoke thought about whether you need to review your documents now, not as a basis to delay reviewing your documents. Some issues you may be able to review yourself (e.g., changes to gifts or appointments); however, it is always a good idea to discuss any questions with your attorney.

¹ According to Caring.com Survey - <https://www.caring.com/articles/wills-survey-2017>.



BUYING PROPERTY: EVERYTHING IS FINE UNTIL IT'S NOT

Wendy Lambie, Senior Associate Attorney, began practicing in 2006 and joined The Strong Firm P.C. in 2013 as an experienced associate. Ms. Lambie received her Juris Doctorate from South Texas College of Law and is licensed to practice law in the State of Texas and in the United States Federal District Court for the Southern District of Texas. During her career, Wendy has gained valuable transactional experience by assisting her corporate clients with their company's needs. wlbambie@thestrongfirm.com

It's common in initial conversations for potential clients to say something like, "The other party says they just want to use this online contract form. Can't we do that?" The first question is if they can get one since many of these forms (such as from Texas Association of Realtors) are not supposed to be publicly available. Then, of course, if they can obtain a form, the better question is if they should. If the Seller and Buyer are communicating clearly and the entire transaction goes off without a hitch, then any basic contract form is great. Even writing on a napkin is fine. The problems arise when either party has expectations that weren't communicated or perhaps discovers something about the property that neither party expected. Then the form contract (or napkin, as the case may be) doesn't talk about what they are supposed to do, and that's when the situation can get ugly. Below are some examples to consider:

- During the title search the Buyer discovers there is an easement through the middle of the property that would prohibit him from building in the location he planned
- Buyer discovers there is a threatened condemnation for a portion of the property
- Buyer's experts identify termites, asbestos, radon, lead-based paint, environmental contaminants or building code violations

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COMMON LITIGATION MYTHS DEBUNKED! PART 2

Laura F. Dumas, Associate Attorney, joined the Strong Firm P.C. in 2016 after practicing in San Francisco/Silicon Valley since 2006. She graduated from the University of the Pacific, McGeorge School of Law, and has a wide variety of experience in real estate and commercial litigation. Laura also handles corporate governance and business disputes. She is licensed in Texas and California, and in Federal Court for the Northern District of California. ldumas@thefirm.com

In Part I of this series, I addressed the myth that lawyers must respond aggressively in all aspects of litigation to be effective. Now I want to focus on a related myth: that settlement connotes either weakness or liability.

Myth #2: If you settle, it is probably because you were going to lose at trial. You often hear references to out-of-court settlements in high-profile cases, and people frequently assume 1) the suit was a meritorious one and 2) the defendant(s) agreed to settle only because they would inevitably lose at trial. The truth is that many lawsuits are not well-supported by facts or the law, and that cases settle for myriad reasons, only a portion of which stem from fear of losing on the merits.

For example, sometimes the litigating parties have unequal access to resources. While one party may have strong claims or defenses, they may not be able to afford to take the case to trial. Even if a company has the financial means to take a case to trial, it may decide to settle for less than a full recovery, or more than it would otherwise pay, simply to save the time and cost necessary to have a court adjudicate a case. Still other businesses decide they would rather not spend months or years in limbo while they await the outcome of litigation, and choose to resolve it as quickly as possible.

Savvy business people involved in or considering a lawsuit should ask the same questions they would when making any other important decision: Do the benefits of prosecuting or defending a suit outweigh the risks? Are the potential benefits worth the cost to pursue (or to continue) litigation? What is the time and resource commitment necessary to prepare the case for trial? Companies must consider not only the financial commitment to litigation, but also the personnel commitment. Must the company suspend some or all aspects of its business operations while the litigation is pending? As with other business matters, commercial litigation should be approached in an efficient, effective and expeditious manner, and practical resolutions to a lawsuit should be considered as often as the likelihood of victory. If you use this approach, you may discover that sometimes a settlement just makes good business sense.

DON'T FALL FOR THIS CHINESE TRADEMARK SCAM

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application moves forward, and there is no mechanism for a trademark agent to grant an applicant special priority.

The scams are often marked "Urgent" and claim that a response is required within two to three days. These scammers hope they can scare the recipient into paying, but before responding to these emails, business owners should check the progress of the alleged application online. If the trademark is not in the Gazette, then a business owner may consider registering their mark in order to prevent dilution of their brand.

Trademark scams are constantly evolving and becoming more sophisticated. If you are unsure whether an email concerning your trademark is legitimate, contact a trusted trademark attorney. The Strong Firm P.C. understands the importance of screening unnecessary solicitations, and we can help you evaluate the risks and understand how to properly protect your federal trademark.

BUYING PROPERTY: EVERYTHING IS FINE UNTIL IT'S NOT

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- There are property use restrictions filed of record that neither party was aware of that prohibit the property from being used as Buyer planned
- A building has a fire or other casualty before closing
- One party refuses to authorize release of the earnest money after a default
- The tenant leases in an occupied building do not have the terms that Buyer was expecting or the building is less occupied than initially assumed
- Buyer's financing has some difficulties

Are properties purchased all the time with basic contract forms and no legal counsel? Definitely! Do some of those people end up calling an attorney anyway with an even worse and more expensive situation? Definitely! Buying a commercial property with a form contract can turn out much pricier than upfront attorney consultation time, and just leave the use of napkins for getting phone numbers at the bar.

Fall 2017

The Strong Firm assists a bank client in acquisition of a \$5M improved parcel.

The Strong Firm represents client/developer in the negotiation of \$24.7 million commercial backed mortgage security loan.

The Strong Firm provides guidance to client in the formation of complete multinational oil and gas related service company with several European members and managers.

The Strong Firm assists client in the formation of a US subsidiary for a Chinese based Services industry client.

The Strong Firm represents client/purchaser in the negotiation of a purchase of a \$36 million purchase of California oil and gas leasehold interest.

The Strong Firm represents managing member in ownership dispute regarding control of a Texas limited liability company.

The Strong Firm assists client in the negotiation and execution of a media talent contract for television show carried on major network television station.

The Strong Firm acts as legal counsel for client in the negotiation and work out of technical breach of complex commercial backed mortgage security loan.

The Strong Firm provides guidance to client/seller in the sale of Woodlands based surgical facility.

The Strong Firm represents client in the negotiation of \$1.5 million shareholder buyout.

We provide legal services in all of the following areas:

REAL ESTATE
 MERGERS, ACQUISITIONS, AND SALES
 BUSINESS LAW AND CONTRACTS
 CORPORATIONS, LLCs, AND PARTNERSHIPS
 TRUSTS AND ESTATE PLANNING
 BUSINESS DISPUTES
 COMMERCIAL DISPUTES
 LENDING AND BORROWING
 TRADEMARKS
 OIL, GAS AND ENERGY
 MEDIATION



Bret L. Strong, Attorney, Founder, and Managing Shareholder;
Royce Lanning, Associate Attorney; **Katherine Wilcox**, Associate Attorney;
Kristen Bates, Associate Attorney; **Wendy Lambie**, Senior Associate Attorney;
Laura F. Dumas, Associate Attorney; **Eric R. Thiergood, Sr.**, Income Shareholder



Above. The Strong Firm was recognized by Lone Star Legal Aid for the firm's commitment to partnering with attorney and paralegal volunteers each month under the **Montgomery County Legal Aid Collaborative**. Shown here is Dana Bias of Lone Star Legal Aid presenting the award to Bret Strong.



Above. The Strong Firm was a sponsor and participated in the 2017 **Houston Business Journal's - The Woodlands Means Business Power Breakfast** on October 19, 2017. Managing Shareholder, Bret Strong presented as a part of the select panel of top business executives in The Woodlands, Texas. Shown here are members of The Strong Firm attending the breakfast.



Left. The Strong Firm was a sponsor of the **2017 Celebration of Excellence Gala** held at The Woodlands Waterway Marriott on October 10, 2017. Shown here are Bret Strong and friend, Rob Johnson of Exxon Mobil, who are both Hometown Heros.



Above. The Strong Firm was a sponsor of the 2017 Cards & Cocktails event hosted by **The Woodlands Area Chamber of Commerce** and held at the Wild Stallion Vineyards. Katherine Wilcox of the firm is shown third from left in a game of competitive poker.

Strong IN THE COMMUNITY

Strong IN ACTION

Right. The Strong Firm was a sponsor of the 2017 Yes to Youth Gala for **Montgomery County Youth Services** held at The Woodlands Waterway Marriott on September 30, 2017. Shown here are Alyssa Payne, Bethany Kovacs and Kristen Bates representing the firm.

