The StrongFirm® Attorneys P.C.

StrongPoints

Moving to Hughes Landing
August 2014

We're Moving!
Why Hughes Landing and Why Now?

By: Bret Strong

After a decade on the Woodlands Waterway in Waterway Plaza, The Strong Firm is excited to announce its move to The Woodland's newest commercial development, Hughes Landing. As part of our commitment to our growing community, this relocation affords the firm a more modern work environment and dynamic office setting to better serve our clients.

Many have asked, "Why move and why now?" A great question with some very exciting answers. In handling commercial transactions of all types, including commercial real estate development and providing counsel for local governmental organizations, we follow closely the opportunities and development in the local area. We also are very blessed with a diverse and dynamic group of people at The Strong Firm as we have grown and are always looking for ways to meet the needs and desires of our growing family. Today's ever changing work environment requires interaction with other entrepreneurial and growing organizations housed in a dynamic and thriving setting. Hughes Landing provides a location that is close to other growing companies with energized staff coupled with all the desired amenities just outside your back door.

The Hughes Corporation, through The Woodlands Development Company, has worked very closely with us over the past months and has welcomed our firm with open arms into Hughes Landing, providing the elbow room we need to grow. Located on 66 acres on the eastern edge of Lake Woodlands, Hughes Landing, a development of the Howard Hughes Corporation, will contain up to 11 Class A office buildings, a hotel, a Whole Foods Market, an upscale multifamily living development and various restaurants, retail and entertainment venues, all being constructed in a master-planned environment from the ground up.

Although a very nice Class A building that has served us well, Waterway One has transitioned over the past several years from a multitenant building with growing companies to a single tenant occupied building focused less on amenities and the local community, a direction which does not fit our growing law firm.

We will move to our new location in August 2014 and are very excited for this next phase in the growth of our firm. If you do not already have plans to do so, stop by and see us as we transition to our new home. Thank you to all of those that have helped make this dream a reality.

Bret Strong

__Bret Strong__ is the founder and managing shareholder of The Strong Firm P.C. His areas of practice include oil, gas, and energy; commercial real estate; mergers, acquisitions, and sales; and business law and contracts. He earned a Juris Doctorate, cum laude, from South Texas College of Law, and a B.S. in Business Finance from the University of Colorado at Boulder. He is admitted to practice law in Texas, Colorado and before The United States Supreme Court. Bret has achieved the AV® Martindale-Hubbell® Peer Review Ratings™ award and has served as a founding board member of The Woodlands Bar Association.
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Using a Limited Liability Company:
Shielding You from Liability

Eric R. Thiergood, Sr.

By: Eric R. Thiergood, Sr.

One of the most common questions we hear when a client is starting a new business is, “How can I make sure that I am protected from liability?” This critical question query should always be considered when entering any new business venture. The most effective method of limiting one’s liability is by forming a legal entity that will become the responsible party in any business contract. A common entity used to accomplish this goal is a limited liability company (LLC).

Overview of an LLC and similarities to Corporations

If properly formed, an LLC can serve to limit the liability faced by its owners, otherwise known as members. Typically an LLC is more flexible than a corporation regarding the transfer of ownership and operations, and it is well-suited for companies with a single owner. Unlike a corporation, an LLC is not required to have a board of directors or officers and can be managed by the members.

Guaranties and Piercing the Corporate Veil

It is critical to understand that the limited liability offered by an LLC does not imply that members are protected from personal liability in all circumstances. Most loans and leases entered into by an LLC, especially a newly formed LLC, will require that one or more of the members guarantee the payment or performance of the loan or lease. In these cases, any such guaranteeing member would be exposed to potential personal liability if the LLC does not pay or perform as required under the loan or lease.

Courts also can hold a member of an LLC personally liable by what is called “piercing the corporate veil” of the LLC, specifically in cases where a member has committed fraud, made intentional misrepresentations, or when the loan, though in the name of the LLC, was actually solely for personal benefit of a member and not the company. Attorneys have also attempted to “pierce the corporate veil” by proving that the company was never properly formed or was simply a sham company formed for the purpose of shielding the alleged, wrong-doing member from liability that he or she should rightfully face

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Will vs. Living Trust (Part 1):
Living Trusts Don’t Solve Everything

Royce Lanning

By: Royce Lanning

A common misconception is that a living trust (a trust created during life) is a better option than a will that creates trusts after your passing. This idea is generated by friends, relatives or legal professionals from states like California where the probate system is onerous, time consuming and expensive. However, Texas and many other states (e.g. Washington and New Jersey) have an abbreviated probate process that will approve a will and allow your executor to administer your estate with very limited court involvement. Therefore, many estate planning goals can be achieved at a lower overall cost using a will that does not create trusts until after your death.

To understand why a will is often the more cost-effective option, we must understand two underlying principles of living trusts. First, it is more expensive to purchase a trust than it is to purchase a will. Second, a trust only controls the property transferred out of your name and into a trustee’s control. Accordingly, a living trust requires you to incur transactional costs to transfer property out of your name (as an individual) and into the name of the trustee.

Unlike a will, a living trust has no impact or control over property that is not transferred into the control of the living trust during your life. Therefore, if a single piece of property is not transferred into the trustee’s name then your descendants may (and often will…no pun intended) have to probate your estate. Due to the abbreviated probate options available in Texas, the cost of probating a single piece of property is often the same as probating all of your property. Your efforts to plan ahead and the additional costs you incurred to purchase and fund a living trust may all be foiled by a single oversight when re-titling your property.

Although living trusts have their uses in Texas (as they do in all states), they are not the one-stop estate planning tool that many are led to believe. In my next article we will discuss some of the more common uses for a living trust in Texas.

***Royce Lanning**, Associate Attorney, joined The Strong Firm, P.C. in 2013. He received his Juris Doctorate from the University of Hawaii, William S. Richardson School of Law and obtained immediate trial experience as a Deputy Prosecuting Attorney with the Department of the Prosecuting Attorney, Maui. He is licensed to practice law in the State of Texas, the State of Hawaii and all Federal District Courts in Texas.*
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An Ounce of Prevention:
Why Engage Corporate Counsel?

By: Adam Looney

Adam Looney

Business and commercial law generally falls into two broad categories: "Corporate" and "Litigation." Corporate law generally refers to the drafting and negotiation of various contracts. Litigation is the resolution of business disputes, whether through the court system or alternative dispute resolution. As a litigator at a law firm specializing in business law and contracts, I have the opportunity to work on both Corporate and Litigation projects.

It is always interesting to me to observe the differing dynamics between the parties in Corporate versus Litigation matters. In Corporate matters, I inevitably run into some roadblocks over particular deal terms or legal provisions. But at the end of the day, both sides are working together to get the deal done. Minor disagreements notwithstanding, the parties involved are typically cordial with each other, often even downright friendly. It is this initial optimism that sometimes leads people to cut corners with respect to the agreements. After all, if everyone is on the same page, why should they pay us lawyers to complicate things?

Litigation is a different story. By the time a litigation matter hits my desk, the parties have already reached a fundamental disagreement they cannot resolve on their own. The rosy glow accompanying the beginnings of a business relationship is replaced with the resentment of unmet expectations. Time and again I have had Litigation clients tell me that, while the parties didn't put a particular term in writing, "Everyone knew what the deal was." In my experience, the other side is telling their attorney the exact same thing. At that point it falls to a judge or jury to decide what the deal was.

This is why it is critically important that individuals and business looking to enter into any new business relationship should always seek good Corporate counsel regarding the terms of the deal. We are specifically trained to anticipate and identify potential issues, help the parties work through them and put everything clearly in writing because once a dispute has arisen, it is already too late.

***Adam Looney**, Associate Attorney, joined The Strong Firm P.C. as in 2012. He graduated Summa Cum Laude from Pepperdine University School of Law in 2009 and was elected into the Order of the Coif. Adam started his career as a litigation associate at the law firm of Baker Botts L.L.P.*
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Understanding Your Lease:
Common Mistakes in Commercial Leases

By: Wendy Lambie

Wendy Lambie

Although they are one of the most common real estate transactions, commercial leases also are one of the most important aspects of a company's ability to succeed. As with residential leases, many commercial landlords use a form lease where blanks are filled in and presented to a tenant for signature. All too often a tenant will skim the filled in portions concerning rent, etc., sign and return it without being fully aware of what has been committed to on either side.

While lease forms can be helpful, it is also important to remember that leases are complicated documents, with complex obligations both landlord and tenant should understand. When issues arise during a lease term, a poorly drafted or understood lease can cost landlord and tenant much more than a review by a qualified attorney would have cost. Some common mistakes we see in leasing agreements include:

What's in a name? It is odd how many times we see leases which fail to correctly identify the landlord and/or tenant, especially if either is an entity. It is extremely important that this information is correct. If you are a tenant and the landlord name is incorrect it can lead to questions of the document's validity.

What do you mean something else broke?! Form leases vary widely in allocating responsibility for maintaining the leased premises. Typically the landlord maintains the outer walls, roof and foundation while either party can be liable for repairs to the water, sewer, gas and electric lines. Tenants can be responsible for maintaining service contracts and/or replace equipment, which can be costly. The expense of a HVAC system replacement can be a very shocking surprise, especially when a lease term is almost over. Both parties should fully understand their obligations before the lease is signed.

Hey, that's mine! Most commercial leases include language that grants the landlord a contractual lien on the tenant's property if they default. This lien typically does not even require the landlord to file a financing statement. Unless a lease expressly waives the liens or requires the landlord to subordinate such liens to a tenant's primary creditor, the tenant may find itself in a tough spot between its two largest creditors, the landlord and the bank.

While commercial leases are often tedious and confusing to read, it is very important to fully understand every provision in a lease agreement in order to feel comfortable that the terms of the lease will meet the expectations and needs of both parties.

***Wendy Lambie**, Associate Attorney, joined The Strong Firm, P.C. in 2013. Wendy 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, she has gained valuable experience with Houston area firms, focusing her practice on estate planning and probate. In addition, she has in-depth experience in oil and gas matters, with special emphasis on title issues.*
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The Lost Art of Handwritten Thank-You Notes and Face-to-Face Communication

Kyla Wilder

By: Kyla Wilder

It is interesting to see how our society has come to rely on technology, computers and smartphones as our preferred method of communicating with others. Several months ago, I had the pleasure of working with an elderly client who rarely, if ever, accessed his emails. He explained that things are much easier to settle over the phone or in-person at a meeting. He complained that lawyers try too hard to make themselves sound smart by using big words and overly long sentences in emails and as a result, it would take him double the time to interpret the content of the email.

This was a new experience for me as I am accustomed to communicating with our clients via email. What I think our society is forgetting as we grow more dependent on technology is the true value and importance of genuine face-to-face communication. More often than not, words used in an email or text message are misconstrued by the person receiving the correspondence. Even if you don't realize or intend it, the tone of an electronic message can come across as being stern, short, impatient or just plain rude.

On that same note, I think it is equally important to remember the value of a handwritten thank-you note. I was raised to write a thank-you note within five days after said event prompting a "thank you." I buy several boxes of cards at a time and have them handy in my desk ready to write out a quick note when needed. You can send a thank you note for just about anything, including a note thanking a person for sending you a client, taking you to lunch, providing advice or mentorship to a young professional, or to one of your coworkers for assisting you with a recent project.

I truly believe these values, when used by a young professional, will greatly strengthen your chances of growing your professional network and will allow you to gain respect from seasoned professionals who appreciate the polite and courteous act of sending a handwritten thank-you note or an invitation to lunch.

Challenge yourself by reaching out to a current or potential client and inviting them to lunch and afterward write a thank-you note expressing your gratitude to that individual for taking the time to meet with you. It really is that simple, and it will do wonders for your professional development and help you build long-lasting, valuable client relationships.

***Kyla Wilder**, Associate Attorney, joined The Strong Firm in 2013. A Texas native, she spent 8 years of her childhood living in Dubai. In 1999, Kyla's family relocated back to the U.S. in The Woodlands where she attended The John Cooper School. She received her undergraduate degree from Texas A&M University and earned her law degree from South Texas College of Law. During her 2nd summer of law school, she studied abroad at Charles University School of Law in Prague, Czech Republic.*
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Mediation: An Alternative to Consider

Brian Albert

By: Brian Albert

For many businesses, both big and small, a day may come when you receive some bad news – you've been sued. Whether you're being sued by a customer for a transaction gone bad or by a business partner looking for a bigger piece of the pie, a lawsuit is often an open-ended affair with unknown requirements of time, energy, and (most importantly) money. While this isn't always the case, one legal alternative that can sometimes help to minimize the costs and efforts of full-blown litigation is mediation.

Mediation is a form of alternative dispute resolution (ADR) whereby two or more parties attempt to resolve their conflicts without going through the time and expense of trial. Mediation is extremely common in today's civil disputes, and oftentimes judges will require parties to go through mediation prior to proceeding to trial. The main objectives of mediation are to gather information, learn about the strengths and weaknesses of your case, and possibly come to a resolved settlement between you and your adversary, all the while without the formalities and consequences of pursuing a lawsuit.

In mediation, the mediator, typically a professional agreed to by both sides, plays the role of an impartial, unbiased fact-seeker who helps guide the discussion. The mediator has no judicial powers, and nothing they say can be used in court. The mediator tries to elicit information from both sides while highlighting important facts, questions and answers. While a negotiated settlement of the matter is not always feasible, mediation provides an opportunity for both sides of a dispute to hear each other and decide whether or not the costs of going to trial will be worth it. By including mediation provisions in your company's contracts, you may be able to avail yourself of this alternative process before being forced into trial and all of the consequences that come with it. Mediation is not a fix-all solution, but it is a very strong tool that opposing parties should consider before taking on the headaches that can come with formal litigation.

***Brian Albert**, Associate Attorney, joined The Strong Firm P.C. in 2012. His areas of practice include oil and gas, commercial real estate, business law and contracts, and trademark law. He received his Juris Doctorate from the University of Houston Law Center and a B.S. in Business Administration with a specialty in Finance from American University in Washington, D.C. He has previously worked for Baker Hughes, Inc.'s and Hewlett-Packard's in-house legal departments.*
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The Strong Attorneys in Action

May, 2014

The Strong Firm represented Client in negotiating and structuring a multimillion dollar joint venture for the development of a medical facility in North Texas.

The Strong Firm represented Client in acquisition of a partial interest in an existing medical office buildings located in the Houston area.

The Strong Firm defended local medical services provider from claims of defamation and tortuous interference, negotiating a final settlement that required plaintiff to make monetary payments to our Client, the defendants.

April, 2014

The Strong Firm represented Buyer in the renegotiation of a $100 million credit facility.

The Strong Firm drafted multiple leases for Owner of a medical building.

The Strong Firm negotiated the purchase of an oil & gas working interest.

The Strong Firm negotiated a Purchase & Sale Agreement for a 5 acre commercial real estate of $3.4 million.

We provide legal services in the all of the following areas:

- Business Law and Contracts
- Financing, Trademarks, and General Corporate
- Corporations, Partnerships, and LLCs
- Real Estate
- Commercial Litigation
- Wills, Probate, Trusts, and Estates
- Mergers, Sales, and Acquisitions of Businesses
- Oil, Gas, and Energy
- International Business Investment

From left: **Adam Looney**, associate attorney; **Royce Lanning**, associate attorney; **Wendy Lambie**, associate attorney; **Bret L. Strong**, attorney, founder, and managing shareholder; **Eric R. Thiergood, Sr.**, senior associate attorney; **Kyla Wilder**, associate attorney; **Brian Albert**, associate attorney.

The Strong Attorneys in the Community

The Strong Firm and families support and participate in the 11th annual **CB & I Triathlon**.

Left. The Strong Firm P.C. attorneys, Royce Lanning, Brian Albert, Wendy Lambie, Bret Strong, and Eric Thiergood support the seventh annual **Muddy Trails Bash.**

Right. The Strong Firm P.C.'s associate attorney, Kyla Wilder, attends the 8th Annual **Children's Safe Harbor** Fundraising Event. Pictured are Kyla with Jacob McGee.

The Strong Firm was a sponsor of the **Montgomery County Women's Center** "Wild West Wine Fest" annual fundraiser. Pictured above are *(l.)* Bret & Angela Strong and *(r.)* Wendy & John Lambie.

The Strong Firm's own Kyla Wilder (third from left) participates in the **Giving Gown Foundation's Boutique Day** along with other Junior League members.