

**IN THE CIRCUIT COURT OF THE 17TH JUDICIAL CIRCUIT
IN AND FOR BROWARD COUNTY, FLORIDA**

JOSE WILSON,
Plaintiff,

CIRCUIT CIVIL DIVISION
CASE NO.: 20-000885 CACE 21

vs.

SOUTHERN FIDELITY INSURANCE
COMPANY,
Defendant.

_____ /

**SOUTHERN FIDELITY INSURANCE COMPANY'S
AMENDED MOTION TO STAY LITIGATION AND OBJECTION TO ALLOWING
THE PROPERTY ADVOCATES FROM APPEARING AS COUNSEL OF RECORD**

Defendant, SOUTHERN FIDELITY INSURANCE COMPANY ("SFIC"), hereby files its Amended Motion to Stay Litigation and Objection ("Motion"), in support states as follows:

INTRODUCTION

On June 9, 2020, the Florida Supreme Court issued an order ("Order") suspending Scot Strem from the practice of law. The Petition for Emergency Suspension is clear that Scot Strem is the *sole owner* of the Strem Law Firm. The Order directs Scot Strem to accept no new clients and *to cease representing any clients* after thirty (30) days of the Court's Order. The Order also directs Scot Strem to "*immediately furnish a copy of Respondent's suspension order*" to all clients, opposing counsel and *courts* before which "*Respondent is counsel of record . . .*"

On July 15, 2020, the Referee, appointing by the Florida Supreme Court, issued a Report and Recommendation to deny Strem's Motion to Dissolve Order of Suspension.

Southern Fidelity seeks an Order staying any further litigation until an order for substitution of counsel has been entered. It appears as though Scot Strem has *sold* his law practice to The Property Advocates P.A, a for profit corporation. Rule 4-1.17(b)(2) requires that the clients be informed of their "right to retain other counsel." This was not done. Rule 4-1.17(b)(3) requires that there be a substitution of counsel. This was not done. None of the requirement of Rule 4-1.17(e) have been complied with.

As such, this case must be stayed.

STATEMENT OF UNDISPUTED FACTS

1. On June 9, 2020, the Florida Supreme Court issued an Order (“Order”) suspending Scot Strem from the practice of law. *See* Exhibit A.

2. The Order reads in part: “Respondent is ordered: a. to accept no new clients from the date of this Court’s order and to cease representing any clients after thirty (30) days of this Court’s order.” *See* Exhibit A.

3. Paragraph b. reads in part: “to immediately furnish a copy of Respondent’s suspension order to all clients, opposing counsel and courts before which Respondent is counsel of record . . .” *See* Exhibit A.

4. On June 9, 2020, the Florida Bar filed a Petition for Emergency Suspension of Scot Strem from the practice of law. *See* Exhibit B.

5. Scot Strem is the sole owner of the Strem Law Firm. *See* B, ¶6.

6. Counsel of Record for this lawsuit is “The Strem Law Firm.” *See* Exhibit C.

7. On July 1, 2020, Scot Strem mailed a letter to his clients. This letter reads in part:

*“Our work continues on your file, but we write this letter to advise of changes at the law firm and matters regarding me. . . . As well, I will no longer be the owner of the law firm or involved at the firm because of this change in ownership. . . . The remainder of the attorney’s and support staff, however, remain the same. Your case has been handled by a specifically assigned attorney at the law firm and support staff which will not be affected by these changes. . . The new name of the firm will be **The Property Advocates P.A.**, and if you see that name on further papers we send to you there is no reason for your concern. . .”*

See Composite Exhibit D.

8. Public Records reflect the “sale” of the law practice. *See* Composite Exhibit D.

9. On July 15, 2020, the Referee, appointing by the Florida Supreme Court, issued a Report to deny Strem’s Motion to Dissolve Order of Suspension. *See* Exhibit E.

MOTION

The Florida Supreme Court Order reads in part: “Respondent is ordered: a. to accept no new clients from the date of this Court’s order and to cease representing any clients after thirty (30) days of this Court’s order.” See Order, Exhibit A. Paragraph b. reads in part:

“to immediately furnish a copy of Respondent’s suspension order to all clients, opposing counsel and courts before which Respondent is counsel of record . . .”

This was not done.

As noted in the introduction, the “Counsel of Record” in this case is the “The Strems Law Firm P.A./Attorney for Plaintiff.” See Exhibit C. Scot Strems is the sole owner of “The Strems Law Firm P.A./Attorney for Plaintiff.” See Petition For Emergency Suspension, ¶6, attached as Exhibit B. The Referee, appointed by the Florida Supreme Court, conducted a three (3) day evidentiary hearing, after which she made findings of fact, including that:

“*Scot Strems, Esq. is the owner and sole named partner of SLF [Strems Law Firm].*” See Pg. 4 of Exhibit E.

ORIGINAL COMPLAINT

The signature block on the Complaint reads: “STREMS LAW FIRM, Attorney for Plaintiff.” The Primary E-Service address is listed as: pleadings@stremslaw.com. The Civil Action Summons contains the primary E-Service address as well, listed as: pleadings@stremslaw.com. See Exhibit C.

This signature block and the Primary E-Service address confirm that Counsel of Record is the Strems Law Firm. See Exhibit C. See *JJN FLB LLC v. CFLB P’Ship, LLC*, 283 So. 3d 992 (Fla. 3d DCA 2019)(“ . . . petitioners are represented in the lower tribunal by the law firm of Bilzin Sumberg . . .). A law firm can be deemed the “attorney of record.” The Strems Law Firm is the attorney of record.

Pursuant to the Order of Suspension, “The Strems Law Firm” should have filed a Motion to Withdraw as counsel before July 9, 2020, and filed the “Order of Suspension” with this Court on or before July 9, 2020. *See* Exhibit A, Paragraph b. This was not done.

FAILURE TO COMPLY WITH FLORIDA BAR RULES

Based on the public records, Scot Strems has “sold” his law firm to The Property Advocates, P.A. **RULE 4-1.17 SALE OF LAW PRACTICE** reads as follows:

A lawyer or a law firm may sell or purchase a law practice, or an area of practice, including good will, provided that:

(a) Sale of Practice or Area of Practice as an Entirety. The entire practice, or the entire area of practice, is sold to 1 or more lawyers or law firms authorized to practice law in Florida.

(b) Notice to Clients. Written notice is served by certified mail, return receipt requested, on each of the seller’s clients of:

- (1) the proposed sale;
- (2) the **client’s right to retain other counsel**; and
- (3) the fact that the client’s consent to the substitution of counsel will be presumed if the client does not object within 30 days **after being served with notice**.

(c) Court Approval Required. If a representation involves pending litigation, there will be **no substitution of counsel** or termination of representation **unless authorized by the court**. The seller may disclose, in camera, to the court information relating to the representation only to the extent necessary to obtain an order authorizing the substitution of counsel or termination of representation.

(d) Client Objections. If a client objects to the proposed substitution of counsel, the seller must comply with the requirements of rule 4-1.16(d).

(e) Consummation of Sale. A sale of a law practice may not be consummated until:

- (1) with respect to clients of the seller who were served with written notice of the proposed sale, the 30-day period referred to in subdivision (b)(3) has expired or all these clients have consented to the substitution of counsel or termination of representation; and
- (2) court orders have been entered authorizing substitution of counsel for all clients who could not be served with written notice of the proposed sale and whose representations involve pending litigation; provided, **in the event the court fails to grant a substitution of counsel in a matter involving pending litigation, that matter may not be included in the sale** and the sale otherwise will be unaffected.

Scot Stremms, The Stremms Law Firm and The Property Advocates are all in violation of Rule 4-1.17 SALE OF LAW PRACTICE. (bold emphasis added).

This Florida Bar Rules requires written notice, via certified mail return receipt, to the client of (1) the proposed sale, and (2) the clients right to retain other counsel. See Rule 4-1.17(b). The Rule is clear: “If a representation involves pending litigation, there will be no substitution of counsel or termination of representation unless authorized by the court.” (emphasis added) See Rule 4-1.17(b). There has been no motion for substitution of counsel filed with this Court setting forth that The Stremms Law Firm and The Property Advocates have complied with Rule 4-1.17.

The COMMENT to Rule 4-1.17 reads: “The practice of law is a profession, not merely a business. **Clients are not commodities** that can be purchased and sold at will.” (emphasis added) See Pg. 198 of 554 of the Florida Bar Rules.

The requirements compelled by Rule 4-1.17, include informing the client of their right to retain other counsel and requires a motion for substitution of counsel. The many Rules of Professional Conduct also require a lawyer and/or the new firm The Property Advocates P.A., to obtain the informed consent of a client or other person (e.g., a former client or, under certain circumstances, a prospective client) before accepting or continuing representation or pursuing a course of conduct. See, e.g., rules 4-1.2(c), 4-1.6(a), 4-1.7(b), and 4-1.18.

Indeed, Rule 2.505(e)(2) of the Florida Rules of Judicial Administration states:

“An attorney may appear in a proceeding in any of the following ways: . . . (2) By substitution of counsel, but only by order of court and with written consent of the client, filed with the court.”

In this instance, The Property Advocates P.A., are prohibited from simply filing a notice of appearance. This could be done by entirely new counsel obtained by the client – assuming the client chose to retain “other counsel” once informed by Scot Stremms, via certified mail, of this right pursuant to Rule 4-1.17(b). But this was not done in this case.

In this instance, this lawsuit must be stayed unless and until the Strems Law Firm and The Property Advocates P.A., can show compliance with the applicable Florida Bar Rules.

STREMS LETTER TO CLIENTS

On July 1, 2020, Scot Strems sent a letter to his clients. This letter was **not** sent via certified mail, return receipt requested. The letter reads in part:

“Our work continues on your file, but we write this letter to advise of changes at the law firm and matters regarding me. . . . As well, I will no longer be the owner of the law firm or involved at the firm because of this change in ownership. . . . The remainder of the attorney’s and support staff, however, remain the same. Your case has been handled by a specifically assigned attorney at the law firm and support staff which will not be affected by these changes. . . The new name of the firm will be The Property Advocates P.A., and if you see that name on further papers we send to you there is no reason for your concern. . .” See Composite Exhibit D.

The letter does **not** offer the clients the option to retain other counsel. The letter does **not** request “written consent” to allow the new law firm The Property Advocates to continue to represent them in their pending litigation.

THE PUBLIC RECORDS

The public records, as of July 9, 2020, show the following:

- (1) Original Articles of Incorporation of The Strems Law Firm, a Florida profit corporation, dated 10.14.18;
- (2) Annual Report dated 01.28.20, showing Scot Strems as the President and sole owner of The Strems Law Firm;
- (3) An Amendment for a Name Change Only dated 07.01.20, showing The Strems Law Firm name changed to The Property Advocates, P.A., and showing this same Florida profit corporation issuing one million shares at ten cents a share; and
- (4) The Secretary of State’s website showing Scot Strems as President and sole owner of The Property Advocates, P.A.
- (5) The Secretary of State’s website showing that three (3) new officers and two (2) new directors of The Property Advocates, P.A. See Composite Exhibit D.

The document listed above - under category No. 3 - shows that The Property Advocates P.A., *a for profit corporation*, can now issue **one million shares** at ten cents a share. This document - changing the name - also confirms that Scot Stremms *remains* the sole shareholder. *Id.* (“These Articles . . . have been adopted by . . . the *sole shareholder* and Director . . .”). The name change is signed by Scot Stremms.

This same document also is limited to amending Articles I and IV of the original Articles of Incorporation. This new document *did not amend* Article VII of the Original Articles of Incorporation confirming and establishing Scot Stremms as the *sole shareholder*. On July 9, 2020, The Property Advocates, P.A., filed an amended annual report identifying three (3) new officers and two (2) new directors. *Id.* Officers and Directors can be unpaid volunteers, paid employees, “1099” independent contractors. An Officer or Director *does not mean* that this *individual* is in fact *a shareholder*.

SUMMARY

There are only one of two possibilities:

(1) that *Scot Stremms remains the sole shareholder* of The Property Advocates P.A., a Florida for profit corporation, and, as such, the *continued representation* of the same clients *is an intentional and knowing violation of the Order of Suspension* [Exhibit A] and the Report and Recommendation of the Referee [Exhibit E] and this Court must stay this existing litigation;

Or

(2) The Stremms Law Firm “sold” its practice to The Property Advocates P.A., and neither firm complied with Rule 4-1.17; and as such, this Court must stay this litigation until the Florida Bar Rules are complied with.

CONCLUSION

The Strems Law Firm has “sold” its practice to The Property Advocates P.A. As such, The Property Advocates P.A., cannot proceed with any legal representation of this client unless and until Florida Bar Rule 4-1.17 has been complied with.

If, on the other hand, a sale has not taken place (because the original Articles of Incorporation *have not been amended* to reflect a sale of shares from Scot Strems to any person in The Property Advocates P.A.), then this case must be stayed immediately since Scot Strems remains the sole owner of The Property Advocates, P.A., at this time, based on the public records. This is a continuing violation of the Suspension Order.

Accordingly, *Southern Fidelity seeks an Order staying any further litigation* until an order for substitution of counsel has been entered. It appears that Scot Strems has *sold* his law practice to The Property Advocates P.A, a for profit corporation. Rule 4-1.17(b)(2) requires that the clients be informed of their “right to retain other counsel.” This was not done. Rule 4-1.17(b)(3) requires that there be a substitution of counsel. This was not done. None of the requirement of Rule 4-1.17 have been complied with. As such, this case must be stayed.

Accordingly, Southern Fidelity respectfully requests that this honorable Court grant this Motion: (1) impose a stay on this litigation, (2) grant the motion to withdraw that will – at some point be filed by the Strems Law Firm, and (3) enter an Order precluding any attorney affiliated with The Property Advocates P.A. from appearing unless and until all requirements under Rule 4-1.17 have been complied with; and grant such other relief the Court deems just and appropriate.

WHEREFORE, Southern Fidelity respectfully requests that this honorable Court grant this Motion, and grant such other relief the Court deems just and appropriate.

CERTIFICATE OF SERVICE

WE CERTIFY that a copy of the foregoing was served this 21st day of July 2020 via the Florida Courts E-Filing Portal and, where noted, by first class postal mail to those listed on the attached service list.

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