

The Strong Firm
Attorneys P.C.

STRONG • POINTS • NEWSLETTER

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The Strong Firm in the News

November 16, 2010 - The Strong Firm Presented Ice Rink Opening "Sponsor Party". For the fourth year running, The Strong Firm P.C., along with Spectrum Events, sponsored a party for The Ice Rink at The Woodlands Town Center. This exclusive event kicked off the holiday season in style with a night of festivities for the many sponsors that make the holiday season so special in The Woodlands.

October 26, 2010 - Bret Strong Presented Connecting With Clients In The Woodlands. Bret Strong presented a seminar at South Montgomery County Woodlands Chamber of Commerce to a packed house on how to connect with clients in The Woodlands, Texas. The presentation outlined the development history, government structure and the demographics of the area and how those items relate to business development in the area.
Presentation can be downloaded from web site.

September 24, 2010 - The Strong Firm Represents Local Developer in Sale of Five Medical Buildings in The Woodlands. The Strong Firm represented a local medical building developer in the sale of five buildings near or on the medical campuses of Memorial Herman and St. Luke's in The Woodlands to a national real estate development trust traded on the New York Stock Exchange.

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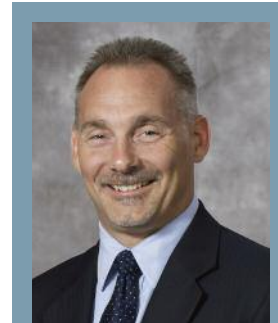
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Tweeting Your Business?

The Ever Blurring Lines in Mixing Business and Personal Lives on Internet Social Networks

By: **Bret L. Strong**

As everyone seems to be flocking to social networking sites, the use of such sites by employees, employers and business professionals has spawned a flurry of recent legal activity, causing us to question the cost versus benefit of use of these sites for non-retail business purposes. Have you been asked lately to "Like" a local business professional that has started a business Facebook page? Thinking about creating a business Facebook page? You might want to first consider how social network information is gathered, published and decimated (not just by the users of the site, but by the entities running the sites themselves) and weigh the risks against the potential benefits of such a page. As more and more people increase use of social networking sites, and more and more information is gathered and published based on each of the user's use of such sites, the legal landscape and risks associated with information disseminated on such sites are changing literally on a daily basis.



BRET L. STRONG

bstrong@thestrongfirm.com

The founder and managing shareholder of The Strong Firm P.C.

As reported on October 18, 2010, by The Wall Street Journal many of the major applications on Facebook appear to have been transmitting personal information and potentially web browser history of users to dozens of internet tracking and marketing companies against the policies of Facebook and without the knowledge of users. Prompted by the ongoing concerns associated with privacy on such networks, on October 24, 2010, the White House announced the formation of a Subcommittee on Internet Privacy & Internet Policy. And in response, U.S. Representative Joe Barton (R-TX) of the 6th Congressional District of Texas stated "I want the Internet economy to prosper, but it can't unless the people's right to privacy means more than a right to hear excuses after the damage is done. In the next Congress, the Energy and Commerce Committee and our subcommittees are going to put Internet privacy policies in the crosshairs."

Can you assure professional control of the content and use of information on these networks as it may relate to your business? What about the information gathered through your page related to employees, "friends" and persons who "Like" your page? What about the control of types of individuals and businesses whom "Like" your page or commenting or posting on your page? Our advice to clients is to strongly consider the value versus the risk of a business page on a social network before buying into the hype.

New Attorneys Join The Strong Firm

The Strong Firm welcomes D. Joe Griffin and Mariana Grijalva as Attorneys.

Joe became Associate Attorney in 2010 after graduating from the University of Houston Law Center, where served as the Publications Editor for the Houston Journal of International Law and President of the student chapter of the J. Reuben Clark Law Society. He holds a Bachelor of Arts degree International and Latin American Studies from Brigham Young University. His areas of practice include: business law and contracts; corporations, LLC's and partnerships; business

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ERIC R. THIERGOOD, SR.
ethiergood@thstrongfirm.com

Eric joined the Strong Firm P.C. in 2005 after graduating from South Texas College of Law. He is licensed to practice law in the State of Texas and in the United States Federal District and Bankruptcy Court for the Southern District of Texas. Having lived in Asturias, Oropesa Del Mar and Madrid, Spain, Eric is completely fluent in Spanish and uses these skills in his work with some of the firm's international Spanish-speaking clients.

The “Domino Effect”: Protecting Against the Ongoing Fragility of the Retail Shopping Center

By: **Eric R. Thiergood, Sr.**

A brief scan of the newspaper headlines or a drive past some of your local shopping centers will undoubtedly bring you to the consensus that a number of retail commercial tenants are defaulting under their leases. While many would argue the worst of the US “recession” is over, we are still seeing that the number of commercial tenants who have defaulted or are on the verge of defaulting under their commercial leases is at uncomfortably high levels. While some of these defaults are due to large scale bankruptcies or financial woes of national retail chains, once rock solid (Linens and Things, Circuit City, and Sharper Image come to mind), the number of small, independent, locally-owned retail stores and restaurants in or near default under their retail leases is at equally high and uncomfortable levels for commercial landlords. The so-called “domino effect,” impacting commercial landlords nationwide is troubling, having an effect on even some of the strongest retail landlords and shopping centers.

The Domino Effect Explained

The most common scenario of the “domino effect” is the large national retail store or supermarket that serves as the “anchor tenant” of a shopping center shutting down and the resulting often devastating effect on the smaller, often locally-owned, tenants in that center who relied on the foot traffic generated by that national tenant. This is especially true if the center is unable to quickly secure an equally strong and/or financially secure “anchor tenant” willing to pay the same rent as the exiting anchor. While South Montgomery County, Texas has been somewhat insulated from the loss of major retail tenants in shopping centers, a drive through some of the once thriving shopping centers in the local and regional area shows that the “domino effect” is still impacting shopping centers in and around Harris and Montgomery Counties. Even the best prepared commercial landlords are often powerless to prevent a national retailer from closing their doors at the landlord’s shopping center due to bankruptcy, financial woes, or simply strategic closings of less profitable stores. Commercial landlords can be proactive in their efforts to ensure that they are in the best position possible to deal with the potential fallout of a default under a commercial lease. The current reality has shown that all commercial landlords must consider and plan for the potential exit (both during the term and at the end of the term) of any and all tenants.

Negotiating with the Anchor Tenant.

Centers whose entire fiscal strength relies on the “draw” of a strong anchor tenant, must be wise in performing the due diligence on any potential anchor tenant, while being equally savvy in negotiating and drafting the lease. In our commercial real estate

practice, we witness two situations that are all too common when negotiating leases with national anchor tenants in retail centers. The first is that the anchor tenant attempts to utilize the strength of its national reputation to “bully” a landlord into lease terms and conditions that a landlord would have never otherwise considered. The second, closely tied scenario, is that in an attempt to attract a presumably strong national retail chain to its center, the commercial landlord fails to properly perform their due diligence on the potential anchor tenant and will often “give away the farm” by conceding to very unfavorable or unreasonably friendly lease terms. The net effect in either scenario is that in the unfortunate case that the anchor tenant fails, the commercial landlord is left with little recourse against the national retailer. For this reason alone, it is critical that even the most sophisticated of commercial landlords utilize the assistance of an experienced commercial real estate firm in negotiating and drafting of these key anchor leases.

Drafting a Solid Commercial Lease with the End in Mind.

It is not uncommon that a commercial landlord seeks our assistance only after a tenant has defaulted under their lease. The unfortunate “double whammy” to a new client is when after reviewing the lease in question, we have the unenviable task of advising a commercial landlord, that their lease contains one or even several near fatal flaws in the lease that will make enforcement of their remedies under the lease difficult or impossible. Some landlords are utilizing generic lease forms pulled from the internet (often drafted for other states or containing lease provisions that are not enforceable in Texas). Others have attempted to use a self help method of utilizing a commercial lease that they have been using for years and modifying these leases themselves to use with new tenants. The potential consequences of not having an attorney draft or review their commercial leases in a center can be devastating in the event of default. Ensuring that you have firm and exercisable remedies as well as credit worthy tenants and/or guarantors are critical to a solid commercial lease and is a key role that your legal counsel should play.

Meeting with Counsel Before a Problem with a Tenant.

As a rule of thumb, if a commercial landlord is seeking advice from an attorney because a major tenant in default has closed up shop and moved out in the middle of the night, it just may very simply be too late. While a commercial landlord in this situation may still have some legal recourse available, many

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D. JOE GRIFFIN

jgriffin@thefirm.com

Joe became Associate Attorney in 2010 after graduating from the University of Houston Law Center. His areas of practice include: business law and contracts; corporations, LLC's and partnerships; business and investor immigration; real estate; trademarks; and estate planning and probate. Having lived in Argentina, as well as in Mexico City D.F., Joe is fluent in Spanish and conversational in Portuguese.

The On-line Holiday Bargain Hunt: "Predator or Pray"

By: D. Joe Griffin

We have all seen and heard the stories of people literally stampeding into stores, combat ready, to save a few hundred dollars on holiday items on days like "Black" Friday. Whether you view the frantic holiday shopping season as exciting or just plain lunacy, almost all of us will make some, if not a majority, of our holiday purchases from the comfort of our own homes. All of these purchases are pursuant to contracts which can and do legally bind both parties performance in most instances. Today's on-line market place no longer involves simply browsing eBay, Amazon, or Overstock.com, but instead is filled with many discount and promotional sites coupled with the traditional email blasts, texts, tweets, or Facebook posts from retailers themselves touting special on-line promotions, coupons, and incentives. In sorting through the myriad of on-line shopping choices available here a few legal safety tips that can help you avoid becoming a victim this holiday season:

1. Keep Your Identity Safe – do not respond with any of your personal information, passwords, or otherwise to e-mails, texts, chats, or otherwise from someone claiming to be a "seller."

2. Thoroughly Read Privacy Rules Policies – many on-line retailers share personal information and it is important to make sure that you opt out of this where available to protect your information.

3. Always Use a Secure Browser and Website – check to make sure that the web site contains a "closed lock" icon or an "unbroken key" icon on your browser's status bar and ensure that the web address starts with "https" or "http" before attempting your purchase. Additionally, you should also verify that the web browser you use has the most current technology such as Secure Sockets Layer (SSL) which scrambles financial information. Lastly, avoid using public computers and open wireless connections when making on-line purchases.

4. Use Only Known and Reputable Sites – always make sure you know with whom you are dealing and when in doubt search for reviews and additional information regarding the website or seller. Verify authenticity of the site by not using links in email blasts, but rather search and find the retailer's web site using reputable search engines.

5. Be Thorough When Using An Auction Website – Verify the reliability of any seller on an auction web-site before proceeding with a purchase. If it sounds too good to be true it likely is. Read all of the feedback and seller reviews prior to proceeding and use extreme caution if a Seller has limited auction experience and feedback.

6. Three-day Right to Cancel is a "Myth" – You do not always have a three-day cooling off period and this is often NOT the case with internet sales. Do not rely on the idea that you can simply return what you have ordered, as returns are often not available and if available, can be very difficult with on-line purchases and often expensive.



MARIANA GRIJALVA

mgrijalva@thefirm.com

Mariana became an Attorney in 2010 after graduating from South Texas College of Law. Her areas of practice include: international business investment and transactions, business law and contracts; corporations, LLC's and partnerships; and real estate. She holds a BBA in

International Studies and Business Administration from The University of St. Thomas. She is fluent in Spanish and conversational in French.

The Monterrey Exodus: Why Businesses and Their Owners are Fleeing Mexico

By: Mariana Grijalva

In the past year, South Montgomery County has seen a surge of successful business owners from Monterrey, Mexico moving to the area and bringing their families, and often times, their businesses with them. While The Woodlands and its surrounding areas have long been popular tourist destinations for Mexican nationals, it used to be that they came only to spend summers and holidays and enjoy the many amenities that this area has to offer. Now, however, their moves seem to be long term, if not permanent. Just a few years ago, Monterrey was considered one of the best places to live within Mexico. Now the increasing violence and sense of insecurity caused by Mexico's current war against drug cartels has taken its toll on this once safe city and it has driven these successful entrepreneurs to leave their homes behind as they

bring their families and businesses to The Woodlands area for safety and peace of mind.

At The Strong Firm P.C., we meet with these individuals frequently to assist them in the process of transferring their existing businesses to Texas or to guide them in the course of establishing new businesses here. Our Spanish speaking attorneys, along with the group of other experienced professionals (in the areas of real estate, financial planning, immigration law, tax law, accounting, and commercial development) have assisted these entrepreneurs in accomplishing their goals of transferring their businesses and their lives into our community in a manner that is both efficient, and law abiding.



The Strong Firm P.C.
10003 Woodloch Forest Dr. • Suite 210
The Woodlands, Texas 77380

Phone (281) 367-1222
bstrong@thestrongfirm.com
Fax (281) 210-1361

www.thestrongfirm.com

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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.

The Strong Firm



From left: **Meghan Leheny**, legal assistant; **Mariana Grijalva**, attorney; **Melanie Edleston**, office manager; **Bret L. Strong**, attorney, founder, and managing shareholder; **Eric R. Thiergood, Sr.**, associate attorney; **Alicia Lightsey**, paralegal; **D. Joe Griffin**, associate attorney.

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**
- **Business Disputes**
- **Wills, Probate, Trusts, and Estates**
- **Mergers, Sales and Acquisitions of Businesses**
- **Oil, Gas and Energy**
- **International Business Investment**



New Attorneys Join The Strong Firm

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and investor immigration; real estate; trademarks; and estate planning and probate. Having lived in Córdoba, La Rioja, and Villa Dolores, Argentina, as well as in Mexico City D.F., Joe is fluent in Spanish and conversational in Portuguese. He is a board member of the Montgomery County Hispanic Chamber of Commerce and is a member of The Woodlands Young Lawyers Association and The Woodlands Bar Association.

Mariana became an Attorney in 2010 after graduating from South Texas College of Law where she served as the historian for the International Law Society and was a member of the Phi Delta Phi Legal Fraternity. Mariana's areas of practice include: international business investment and transactions, business law and contracts; corporations, LLC's and partnerships; and real estate. She holds a BBA in International Studies and Business Administration from The University of St. Thomas. She is fluent in English and Spanish. Mariana is a member of The Commercial Real Estate Association of Montgomery County, The Woodlands Young Lawyers Association and The Woodlands Bar Association.

The "Domino Effect"

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remedies are only valid options if they are exercised *before* a tenant closes and empties out the store. Remedies afforded a commercial landlord including a lock-out, a landlord's lien, and even the option of a "foreclosure" on the contents of a commercial tenants leasehold space should be used earlier rather than later. While we have had a couple of cases when such a "midnight move out" caught a commercial landlord completely by surprise, most often the landlords knew there was a problem earlier on. Sometimes the landlord wants to give the tenant time to turn it around and/or they knew that the tenant was already a few months behind on rent, but the tenant had always caught up in the past. Clearly it is not our recommendation that a landlord necessarily exercise the most extreme or severe of their remedies the moment a tenant is a day late on their rent; but we do strongly recommend meeting with counsel to discuss the available

options and remedies well before the landlord is in a situation where the commercial tenant is past due in their rent and decides to close up shop and leave the landlord holding the bag.

It is critical that commercial landlords be proactive well before entering into leases with all tenants to ensure that the commercial leases they are using are solid, defensible, and contain remedies that provide the landlord with the maximum recourse available in the event of a default or a potential default. A truly savvy landlord understands that while it may cost a little more to have a qualified commercial real estate attorney like those at The Strong Firm handle lease negotiating, drafting and "pre-default" matters initially, it most often will result in a much stronger position in the long run.