









LAW



ENERGY LAW









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FALL 2019 STRONG POINTS NEWSLETTER

Founded in 2004 by Attorney Bret L. Strong, The Strong Firm P.C. is dedicated to serving the legal needs of The Woodlands, Greater Houston and beyond. Since The Woodlands business attorneys at The Strong Firm understand the business environment at a local, state and national level, we are able to give people practical, knowledgeable advice on all aspects of their business transactions and disputes.

We understand that in a tough, competitive, global marketplace, timely and cost-effective legal advice about business transactions taking place throughout the state and the world is important. Our business law firm in The Woodlands, Texas stands ready to help you and your business tackle legal issues ranging from the common to the complex every step of the way. We are dedicated to providing you with high-quality, personalized service that is unparalleled in the legal market.

The articles and other information contained in this newsletter are not legal advice, and this letter is not a solicitation for legal employment if you are currently represented by an attorney in a given matter. You should consult with an attorney of your choosing for advice regarding your individual situation. We invite you to contact us and welcome your calls, letters, and emails. Your receipt of this newsletter and/or contacting our firm does not create an attorney-client relationship.



INTERFAITH CELEBRATION OF EXCELLENCE GALA

The Strong Firm P.C. was honored to support and attend the 20th Annual Interfaith Celebration of Excellence Gala as a Community Leader Sponsor. As a former Hometown Hero, Bret Strong was especially honored to share the stage with Dr. Steve Head and Congressman Kevin Brady and place the 2019 Hometown Hero medallion upon Dr. Steve Head. The Strong Firm P.C. would like to congratulate all the very deserving 2019 Hometown Hero award winners.



THE WOODLANDS AREA CHAMBER CHAIRMAN'S BALL

The Strong Firm P.C. was delighted to sponsor and attend the 41st Annual The Woodlands Area Chamber of Commerce Chairman's Ball. The Chairman's Ball honored outgoing Chairman of the Board, Stuart Lapp of Stibbs & Co. The 'Under the Big Top' theme created a carnival-filled experience, which was visually stimulating, and the added carnival features made the night a true joy for all who attended.



EFTA CAREER CONNECTIONS EVENT

Christina Harughty of The Strong Firm P.C. was pleased to participate as a panelist at the Education for Tomorrow Alliance (EfTA) Career Connections event held at Conroe High School, Conroe ISD. Christina was able to share her insights on finding your passion in life and taking opportunities to find a career that aligns with that passion.



IGNITE THEIR LIGHT YES TO YOUTH GALA

The Strong Firm P.C. had the pleasure of sponsoring and attending this year's Yes to Youth Gala. The 2019 Yes to Youth Gala honored Mr. Tom Pisula of Pisula Development Company, and Waste Connections. The Yes to Youth organization provides services and assistance to youth in crisis, and it was an honor to be part of supporting this worthy cause to raise funds for families in need of the organization's assistance.



EFTA TRIVIA NIGHT

The Strong Firm P.C. was pleased to sponsor and attend the 7th annual EfTA Trivia Night held at Sts. Simon and Jude Catholic Church. The night was fun-filled, and everyone had a wonderful time while directly supporting Education for Tomorrow Alliance (EfTA). The Strong Firm P.C. participated together as a trivia team while Managing Shareholder, Bret Strong participated as the Master of Ceremonies for the evening.



CONROE/LAKE CONROE CHAMBER LOBSTERFEST

The Strong Firm P.C. sponsored and participated in the 33rd annual Conroe/Lake Conroe Chamber of Commerce Lobsterfest dinner, live auction and golf tournament held on October 3-4, 2019.

CELEBRATING 30 YEARS IN THE WOODLANDS COMMUNITY

I recently celebrated my 30th year as an involved resident of The Woodlands, and the milestone has made me reflect on what it means to be truly supportive of our community. As most are aware, The Woodlands has an incredible system of charitable organizations and religious institutions with unparalleled support from our residents and businesses, which is truly inspiring. In today's politically polarized world, it is my belief there has never been a time where true community support is more critical. This is why The Strong Firm's guiding principles are centered on developing our community.

Big Government Is Not The Answer.

Regardless of your religious or political affiliations, it is my belief man was not built to be dependent upon government. Religions and communities have historically looked inward for support to family, friends and neighbors when times are hard. Some government programs are wonderful and necessary, but in the long run, it is my belief the support of other neighbors through organized missions is what truly changes people's lives for good. We need to find ways to build support in our community not based on politics but based on giving for the better good. Government programs are not the long-term solution.

God Gives Everyone Gifts.

It is also my belief that every creature on this earth is given a gift to help and touch others for the better good. I challenge the people with whom I work to discover those gifts and change the world. Some people are blessed with resources like wealth, but many have unseen talents that would most certainly benefit others. If you simply put yourself in situations where you can build relationships and help others, the gifts will be made apparent, and your support will be incredibly valuable. More often it is not your money that makes the big impact, but rather the simple giving of yourself to improve our world.

Do Something. Anything.

It is often difficult to try to figure out how to help others. I challenge those around me to simply find something that interests them that could benefit those around them and do it. The worst that can happen is you learn something and meet some people. More than likely you will enjoy the experience and interaction. A very likely result is you will learn how helpful you can be in even small ways, which impacts the world around you more than you would have ever imagined.

So, get out there and support this amazing community. Our firm is doing what we can to help. We look forward to meeting you in our community.

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 his Juris Doctorate, cum laude, from South Texas College of Law, and a B.S. in Business Finance form the University of Colorado at Boulder. He is admitted to practice law in Texas, Colorado and before the United States Supreme Court. Bret is a founding board member of The Woodlands Bar Association, former Chairman of The Woodlands Area Chamber of Commerce and four time Ironman Triathlete.



Bret StrongManaging Shareholder





NOT WORTH THE PAPER IT'S WRITTEN ON



Eric R. Thiergood, Sr. Shareholder



We have all heard the saying that something is "not worth the paper it is written on." This is usually said about a contract that is unenforceable or even if enforceable, it may have no value because the party has no ability to pay or perform under the contract. Many times the clearest illustration of a legal concept can be found using the most outrageous of examples.

Example 1: A billionaire CEO of a technology company walks up to you out of the blue and says, "I'd like to give you \$5,000." Pleasantly surprised, you ask him why, and he replies, "Just because." As he does not have any cash on him, you ask him to write down his promise and sign it. For good measure, you sign it as well. A week later you coincidently see him again and ask about the \$5,000 he promised to give you. He replies, "I changed my mind. I'm not giving you any money." Remembering that you have it in writing and you both signed it, you consult an attorney about whether you can enforce this "contract." The likely answer is the "contract" will be deemed unenforceable for lack of what the law calls "mutual consideration." Though the CEO promised to give you something, he was not receiving anything from you in exchange. He is free to withdraw that promise. Simply put, both parties must give something or give up a right they would normally have for a contract to ultimately be deemed enforceable.

Example 2: A seemingly homeless man with a shopping cart strikes your parked car with his cart causing \$5,000 worth of damage to your car. He says he will pay for the damage and you write a quick "contract" wherein he agrees to pay you the \$5,000 in one week for the damage he caused and in exchange you will not sue him. You both sign the agreement. Is it enforceable? Probably yes, as a court would likely find there was mutual consideration. He promised to pay and you promised not to sue (a right you would otherwise have). The next question is key: is it worth pursuing? If the man is truly homeless and does not, and will not, have a penny to his name, a judgment against him for \$5,000 will be worthless. If the seemingly homeless man, however, was actually not homeless at all, but rather the same billionaire CEO from Example 1, then the judgement would likely be worth pursuing.

Ideally, an attorney would be involved early enough in a matter to help a client navigate the sometimes tricky legal issue of ensuring an agreement is enforceable from the onset to avoid possible pitfalls. Sometimes the most valuable service an attorney can provide a client is helping them determine if, when and how a matter is ultimately worth pursuing. As corporate transactional and business litigation attorneys at The Strong Firm P.C., we regularly advise clients regarding properly documenting a proposed contract to ensure it is enforceable. In the unfortunate case when a contract is breach, we assist by evaluating the method and feasibility of pursuing a cause of action under a breached contract and would be happy to do the same for you.

Eric R. Thiergood, Sr., 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 his skill in his work with some of the firm's international Spanish-speaking clients.



ESTATE PLANNING

The Strong Firm P.C. develops estate plan and establishes trusts for family with **\$40 million estate** and restructures the family's business succession plan.



REAL ESTATE LAW

The Strong Firm P.C. represents borrower in a \$29.6 million commercial construction loan for a multi-family development in Harris County.



REAL ESTATE LAW

The Strong Firm P.C. provides legal guidance to developer in two Harris County office condominium projects.



OIL, GAS & ENERGY LAW

The Strong Firm P.C. assists investor group in \$11 million private equity raise for oil and gas exploration project.



BUSINESS LAW

The Strong Firm P.C. acts as legal counsel to seller in the **\$11 million asset sale** of safety, testing, and risk assessment service company.



BUSINESS LAW

The Strong Firm P.C. represents a borrower in \$3.3 million commercial loan.



BUSINESS LAW

The Strong Firm P.C. counsels two Mexico-based companies in their registration in the United States in conjunction with their expansion into the U.S. market.



BUSINESS LAW

The Strong Firm P.C. guides seller in the asset sale of a Montgomery County learning and tutoring center.



REAL ESTATE LAW

The Strong Firm P.C. provides counsel to buyer in a \$30 million MOB ground lease purchase.

A NEW TEXAS LAW & A WIN FOR PROPERTY OWNERS



Kristen Bates
Associate



The State of Texas is a strong advocate for protecting property owners from the forced taking of land, including eminent domain, foreclosure or annexation. This year, the Texas Legislature enacted a bill that protects landowners for decades to come from forced annexation.

In 1858, Texas passed the first statute allowing incorporation of a city under its general laws. Over the years there were some amendments to the law and accompanying legislation, but there were no substantial changes until about 1963 when the Texas Legislature enacted the Municipal Annexation Act, which provided procedures for annexation and created the concept in Texas of a municipality's "extraterritorial jurisdiction." Since then, rural property owners threatened under the shadow of forced, unilateral annexation have fought for better protection.

At the end of the last legislative session in May 2019, House Bill 347 ("H.B. 347") was enacted, detailing a revised set of requirements a municipality must follow in annexation proceedings. The intent of the bill is to end "forced annexation by municipalities" statewide. It is also intended to provide "property owners in all counties, regardless of population size, the same protection against forced annexation."

House Bill 347, which is effective immediately, modifies Chapter 43 of the Local Government Code by removing the tier system that structured how annexations were handled. The prior system was convoluted, confusing and did not afford property owners many rights against forced annexation. The new statutory scheme sharply limits forced annexations in some counties and municipalities by requiring affected jurisdictions to hold a public election on the question of being annexed. All citizens are now given the right to vote on whether they want to be incorporated into the neighboring city.

"Forced annexation is when cities annex property without the approval of the people and businesses that are affected," according to a statement made by Governor Greg Abbott before signing H.B. 347 into law. "It's a form of taxation without representation and it will not be tolerated in Texas."

Kristen Bates, Associate Attorney, joined The Strong Firm P.C. as an experienced associate in August 2017. Prior to joining The Strong Firm P.C., she was an associate attorney at Hughes Watters & Askanase, L.L.P. in Houston where she represented business clients in civil litigation, real estate and bankruptcy matters. She received her Juris Doctorate from the University of Houston Law Center. Kristen is licensed to practice law in the State of Texas and in the U.S. District and Bankruptcy Courts for the Northern, Western, Southern, and Eastern Districts of Texas

THE DIFFERENCE BETWEEN A STRONG CASE AND A "SLAM DUNK"

The real difference between a strong case and a so-called "slam dunk" is the former exists in real life and the latter is a unicorn; or a dragon, or an Oompa-Loompa, depending on your preferred, fictitious creature. It is the stuff of legend, nothing more. As I have mentioned in previous articles, the term, "slam dunk," gives scrupulous attorneys hives, and for good reason. (See also, "iron clad," and the closely related, "I will get my attorney's fees back if I win.") While non-attorneys might utter such words, it is the litigation attorney's job to disabuse his or her clients of the notion that victory in any case – or the recovery of attorney's fees – is a foregone conclusion. Even when you have a strong case, the difference between a solid legal position and ultimate "victory" can require many years and many thousands of dollars.

You should be wary of attorneys who promise the moon or even particular results on specific timelines. Instead, you should look for attorneys who are familiar with the applicable procedural rules and substantive law, have handled your type of case before, and who are willing to realistically evaluate the strengths and weaknesses of your case. Such attorneys can:

- Give you a reasonable assessment of the likelihood you will prevail after sufficient investigation and analysis of your claims or defenses;
- Guide you through the litigation process while taking into account your specific needs, objectives and budget; and
- 3. Serve as a zealous advocate for you both in and out of the courtroom.

They cannot, however, promise you will win because litigation is far too unpredictable to guarantee an outcome.

At The Strong Firm, our attorneys have more than 45 years of collective litigation experience in federal and state court, arbitration, mediation, and administrative proceedings. We have handled cases involving commercial disputes, construction, real estate and land use, corporate governance, fiduciary litigation, and employment law. If you need an experienced, scrupulous guide for your case, please contact us to determine how we can help.

Laura F. Dumas, Managing Counsel of Litigation, 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 licenced in Texas and California, and in Federal Court for the Northern District of California.



Laura Dumas Managing Counsel of Litigation



MODERN ESTATE PLANNING: DIGITAL ASSETS & CRYPTOCURRENCIES



Brittany Sloan
Associate



Millennials have complicated everything. Socializing in person wasn't enough, so they created Facebook. Dollars weren't enough, so they created Bitcoin. Every new app, technology or cryptocurrency brings with it more legal uncertainty around these digital assets. Are they currency? Are they property? Can they be gifted? Can they be inherited? Will they receive a step-up in basis? Will they be included in the estate for estate tax purposes?

In 2017, Texas enacted the Revised Uniform Fiduciary Access to Digital Asset Act under SB 1193, our state's attempt to give internet users some ability to give their agents and executors authority to access their digital assets through powers of attorney and wills. Unfortunately, access does not necessarily equate ownership so further steps may need to be taken. For example, cryptocurrencies, like Bitcoin, are composed entirely of computer code. Ownership is wholly tied to a private key, which is a 256-bit alphanumeric password that is cryptographically determined. If this private key is lost, no amount of access will allow ownership of these assets to be transferred.

If your estate plan does not employ new strategies to address new technology and digital assets, your heirs may not have access to them. Just last year I had a client who, prior to passing away, saved an excel spreadsheet with a list of passwords to everything for his family. Unfortunately, the family couldn't use it because he forgot to write down the one password they would need to access his spreadsheet – his work computer login.

So what should you do to make sure your heirs can access your digital assets?

- 1. Update your estate planning documents. Make sure your Will and Statutory Durable Power of Attorney grant your executor and agent the authority to access and transfer your digital assets.
- 2. Make a list of all the digital assets you own and ensure it's accessible to the people who will be in charge of distributing your estate.
- 3. Keep an updated list of all passwords and any two-step authentications necessary to access your digital assets.
- 4. For any cryptocurrencies, track your personal keys (or access information for underlying digital currency).

Brittany joined The Strong Firm P.C. as an experienced associate in May 2019. Brittany has a Juris Doctorate from Texas Tech University School of Law, a Master's in Business Administration from the Rawls College of Business at Texas Tech University, and a Bachelor of Fine Arts in Studio Art from the University of Mary Hardin-Baylor. Brittany is an Accredited Claims Attorney by the U.S. Department of Veteran Affairs and an Appointed Attorney Representative by the U.S. Social Security Administration. She is a member of the National Academy of Elder Law Attorneys, Montgomery County Bar Association, and the Woodlands Bar Association. Brittany serves on the executive committee, finance committee and as Compliance Chair on the Board of Directors for Meals on Wheels Montgomery County. Brittany is also a graduate of Leadership Montgomery County – Class of 2018.