



The Strong Firm P.C. Attorneys



Bret Strong Managing Shareholder

Royce Lanning Managing Counsel of Probate & Estate Planning

Kristen Bates Associate

April Walter Of Counsel

Laura Dumas Managing Counsel of Litigation

Eric R. Thiergood, Sr. Shareholder

Brian Albert Shareholder



BUSINESS LAW



REAL ESTATE LAW



OIL, GAS & ENERGY LAW



ESTATE PLANNING & PROBATE



COMMERCIAL LITIGATION



BUSINESS MEDIATION

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WINTER 2018 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 and those 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.

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.



**HBJ: THE WOODLANDS MEANS BUSINESS**

The Strong Firm P.C. attorneys participated as a sponsor and attended the 2018 Power Breakfast: The Woodlands Means Business presented by Houston Business Journal and hosted at The Woodlands Country Club on Friday, October 12. Pictured on top from left to right: Katherine Wilcox, Kristen Bates, Bret Strong, Eric R. Thiergood, Sr. and Brian Albert. Pictured bottom from left to right: Laura Dumas, Royce Lanning and April Wilcox.



**INTERFAITH'S CELEBRATION OF EXCELLENCE GALA**

The Strong firm P.C. enjoyed participating as a sponsor and attending the 2018 Interfaith The Woodlands Celebration of Excellence Gala which was held at The Woodlands Waterway Marriott and Convention Center on Saturday, October 6. Shown pictured from left to right are Christina Harughty, Angelina Albert and Kristen Bates.



**YOUNG PROFESSIONALS NETWORK LUNCHEON**

The Strong Firm P.C. had a blast hosting The Woodlands Area Chamber of Commerce Young Professionals Network Luncheon on Thursday, August 23 at our Mediation, Arbitration & Collaboration (MAC) facility. JJ Hollie (left) held the panel discussion while Bret Strong (right) Melissa Young (center-right) and Dan Altom (center-left) shared the stage to present on how they built successful businesses in The Woodlands.



**INTERFAITH: 2018 YES TO YOUTH GALA**

The Strong Firm P.C. was proud to participate as a sponsor and attend the 2018 Yes to Youth Gala held at The Woodlands Waterway Marriott Hotel & Convention Center on Saturday, September 22. Pictured from left to right are Eric Prado, Lisa Prado, Brent Rathgeb, Lindsey Rathgeb, Ashleigh Thiergood, Eric R. Thiergood, Sr., Christina Harughty and Matt Harughty.



**EFTA TRIVIA NIGHT HOSTED BY BRET STRONG**

The Strong Firm P.C. was proud to have been a part of Education for Tomorrow Alliance (EFTA)'s 2018 Trivia Night on Friday, August 10th. Managing Shareholder, Bret Strong was honored to participate once again as the MC for the evening. Great fun, great food, and great company all for a great cause!



**MEALS ON WHEELS: NO SNACK NOVEMBER**

The Strong Firm P.C. continues its annual tradition of participating in "No Snack November." Our employees gave up the purchase of office snacks for the month of November and in turn donated the amount normally spent on November's office snacks to a local charity, Meals on Wheels Montgomery County. Shown pictured are Eric R. Thiergood, Sr. (left) and Brian Albert of The Strong Firm with Carrie Hyman (center) of Meals on Wheels Montgomery County.

# STRONG POINTS: WINTER 2018

## THE GIVING OF THANKS IN THE LEGAL WORLD

The world of law is a world of conflict. Lawyers are in the business of managing disputes. Whether negotiating a deal or battling in a courtroom, it is our job to fight for our client's position and attempt to bring resolution to an unstable situation. In this sense, we are counselors in the truest sense of the word. The conflict a client is dealing with is often the most consuming and stressful matter in their lives, and a good attorney advises and guides his client to resolve that conflict.

During this time of year, I encourage our attorneys and staff, as well as clients, to focus on the positive future provided by our state's and our country's legal process and system. We should all be thankful for the opportunity to participate in a capitalist society, to live in a free country where you have the right to express yourself, and a place where when conflict occurs, laws and a judicial system provide a fair opportunity to try to right the wrongs. The system is not without flaws, but it is the best in the world. It is often easy to focus on the negative when things don't go our way. The challenge is to try to focus our team and our clients on the positive outcome achieved through working toward resolution.

On a personal note, I am thankful for the opportunities provided to serve our staff, our clients and our community. I am so grateful to be able to work with wonderful people and in a place where blessing and freedoms are abundant. We wish everyone a wonderful holiday season, and pray for blessings and peace in your lives and in our community, state and world.

***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 from 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 Strong**  
Managing Shareholder

# STRONG POINTS: WINTER 2018 BUT HE IS MY BROTHER...



**Eric R. Thiergood, Sr.**  
Shareholder

It's difficult to overstate the importance of having proper legal documents in place when contemplating a business venture with family or friends. A great example of this comes from a recent conversation I had with a prospective client planning to start a family business without any legal measures.

**Prospective Client:** *My brother and I are considering going into business. A friend suggested we have an attorney prepare the required documents to ensure everything is legit..*

**Attorney:** *Your friend seems like a smart guy. We would be glad to help!*

**Prospective Client:** *Do you really think getting an attorney to draft the documents is necessary? I mean he is my brother after all... what could go wrong?*

**Attorney:** *Ever heard of Cain and Able? (semi-jokingly)*

**Prospective Client:** *Sure, but they were not in business together. (semi-jokingly)*

**Attorney:** *Fair enough, but have you ever heard of the athletic companies Puma and Adidas?*

**Prospective Client:** *Yes*

**Attorney:** *What if I told you those two companies started off as a single company owned by two brothers that ended in a brutal family and company split and that the two brothers never reconciled?*

**Prospective Client:** *OK, I see your point!*

Obviously the above example of the German Dassler brothers, whose famous feud resulted in a family business splitting apart to form two competing companies, Puma and Adidas, and caused an enormous divide in the family, is an extreme example of how families are not exempt from business disputes that could very seriously and negatively impact the relationship. It also underscores the point that no matter how close the potential business partners are, including best friends and even family members, it is strongly advised that the parties contemplating a business venture use legal counsel to ensure the proper legal documents are drawn up to protect all parties involved.

The attorneys at the Strong Firm, P.C. have the experience to assist friends and family considering becoming business partners and make sure everyone is protected in the event a dispute arises.

**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.**

# STRONG POINTS: WINTER 2018

## PART V: THE MOST EFFICIENT PROBATE PROCEEDING

In the final installment of our probate series, we're discussing heirship affidavits. An heirship affidavit is not actually a form of probate because it does not involve the court. Instead, an heirship affidavit is a procedure that allows an heir to record their interest in the decedent's property even when no formal probate took place.

Chapter 203 of the Texas Estates Code outlines a procedure that allows an heir to file an heirship affidavit in the real property records as evidence of his or her interest in real property. Once an heirship affidavit has been on file for five years, it is considered "prima facie" evidence of an ownership interest in the property, which means the court will assume it is correct until proven otherwise.

An heirship affidavit is often used when no probate proceeding was instituted at or near the deceased owner's death. The affidavit allows an heir to create a public record of title as evidence that the heir owns an interest in the property. Heirship affidavits are often regarded as a method of last resort. Parties should be wary of using an affidavit when there are other options available. Although heirship affidavits are generally accepted in Texas, nothing in the statute requires a buyer or a title company to accept an heirship affidavit as valid evidence of title. Accordingly, it is important to discuss this choice with your attorney and understand the benefits and potential drawbacks when considering the use of an heirship affidavit.

**Royce Lanning, Managing Counsel of Probate & Estate Planning, joined The Strong Firm P.C. in 2013. 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 transactions, corporate formation and administration, estate planning, probate and real estate development and financing.**



**Royce Lanning**

Managing Counsel of Probate & Estate Planning



The Strong Firm was selected to serve as special outside counsel in the corporate procurement department of one of the largest companies in the United States.



The Strong Firm represents lender in \$975,000 commercial real estate loan.



The Strong Firm assists multiple clients in the preparations of their family estates.



The Strong Firm defends a physician group in construction litigation matter, obtaining complete defense verdict at trial.



Bret Strong of The Strong Firm serves as Mediator for a court ordered mediation involving two real estate developers in a complicated dispute over trespass and easement boundary matters in Montgomery County.



The Strong Firm negotiates documents for client to purchase multi-million dollar working interest in an oil field exploration program.

# STRONG POINTS: WINTER 2018

## COMPANY AGREEMENT COMPLIANCE

In November 2015, the federal government enacted a new audit regime for partnerships and entities classified as partnerships for federal income tax purposes under the Bipartisan Budget Act of 2015 (the "New Audit Rules"). The New Audit Rules, which were made effective for audits of partnership tax years beginning on or after Jan. 1, 2018, significantly alter the procedures for partnership audits by providing for the assessment and collection of tax at the partnership level, rather than against the individual partners, amongst other changes.

One of the more significant changes made by the New Audit Rules is the replacement of the tax matters partner ("TMP") under the prior audit regime, the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), with a new concept called the "Partnership Representative." Under TEFRA, the TMP had to be a partner that satisfied certain criteria, the TMP had to give notice to the other partners of examinations and audits, and other partners were permitted to be present and participate directly in relevant proceedings. The Partnership Representative, on the other hand, is the sole designee with the ability to act on behalf of the partnership in relation to the Internal Revenue Service (IRS). The Partnership Representative has authority to bind both the partnership and the partners in administrative proceedings and judicial actions, and individual partners do not have the ability to appeal or challenge the decisions of the Partnership Representative.

A second material change under the New Audit Rules, as noted above, is that when a partnership is audited, the IRS makes one set of adjustments at the partnership level. If the adjustment results in an imputed underpayment, the underpayment must be paid by the partnership in the year the adjustment is finalized unless the partnership requests a modification or elects to "push out" the imputed underpayment to the individual partners. This is a critical aspect of the New Audit Rules in that the partners in the adjustment year may not be the same as those in the reviewed year, resulting in current partners bearing the cost of decisions (or benefits) of prior partners.

Therefore, existing partnerships should plan on reviewing and likely revising their partnership agreements to account for these new procedures. Newly formed partnerships should include appropriately tailored provisions in their agreements addressing the New Audit Rules, as well. Such amendments or new agreements can address the Partnership Representative and any allocation or contribution requirements desired by the partnership.

***Brian Albert, Shareholder, originally joined The Strong Firm P.C. in 2012 having prior experience with multiple Fortune 500 companies. After a brief departure from the Firm to spend time working for a large, publicly-traded waste management company as in-house counsel handling a variety of commercial and municipal transactions and litigation matters, Brian rejoined the Firm as a Shareholder in 2018. Brian's practice focuses on the Firm's corporate and business transactions practice groups where he utilizes his skills and experience in representing clients in a variety of business transactions and counseling on general corporate, real estate, and other business matters.***



**Brian Albert**  
Shareholder

# STRONG POINTS: WINTER 2018

## THE IMPORTANCE OF COMMUNICATION

In any relationship, communication is key. Effective communication with your employees creates clear expectations and fosters greater productivity. Good communication with your doctor is not only important, it could be life-saving. These same principles apply to communication with your attorney. Effective, two-way dialogue between an attorney and a client is so important that the Texas Disciplinary Rules of Professional Conduct may permit the withdrawal of an attorney from a representation where effective communication is absent.

One of the hallmarks of effective communication is a willingness to have a frank discussion about both the strengths and weaknesses of your claims. You can foster successful communication with your attorney in litigation by disclosing not only any facts and information that may be helpful to your case, but perhaps more significantly, any facts and information you believe may be detrimental to your case. Just as your doctor cannot give you appropriate medical advice without first obtaining your medical history, your attorney cannot properly advise you about your legal position without all relevant information, both for and against that position. Effective attorneys will help you first determine which facts and information are relevant to your claims and then provide you with an objective assessment of that information. It is far better to be aware of any substantial problems with your case as early as possible so your attorney can devise a means to address them.

Beware the attorney who paints too rosy a picture of your claims, who goes to great lengths to downplay or minimize potential risks, or who, worst of all, guarantees a particular result. There are potential risks or downsides in all cases, and good attorneys will analyze, address and explain those potential risks to you with the same thoroughness they use to trumpet the strengths of your case. Warnings about potential risks are not, as some clients believe, an indication that your attorney does not believe in your case. To the contrary, your best representation, the strategy for your case, and its ultimate success depend on your attorney's ability and willingness to give you an objective, realistic assessment of the merits of your claim. The best attorneys are those who passionately and zealously advocate for you in the courtroom, but they must first dispassionately and capably advise you of the pros and cons of your case. Without a balanced, unbiased analysis of your case, you and your attorney cannot make informed decisions, and your chances of success are greatly reduced.

***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 licensed in Texas and California, and in Federal Court for the Northern District of California.***



**Laura Dumas**

Managing Counsel of Litigation