

IN THE CIRCUIT COURT OF THE
ELEVENTH JUDICIAL CIRCUIT IN AND
FOR MIAMI-DADE COUNTY, FLORIDA

COMPLEX BUSINESS LITIGATION

CASE NO. _____

Scot Strems,

Plaintiff,

v.

The Property Advocates, P.A. f/k/a The Strems Law
Firm, P.A., a Florida professional association, and
Hunter Patterson, an individual,

Defendants.

_____ /

VERIFIED COMPLAINT

Plaintiff, Scot Strems (“**Plaintiff**”), sues Defendants, The Property Advocates, P.A. f/k/a The Strems Law Firm, P.A. (“**TPA**”) and Hunter Patterson (“**Patterson**”) (collectively, “**Defendants**”), and alleges:

NATURE OF ACTION

1. This is an action to: (i) recover sums due to Plaintiff pursuant to a promissory note executed by TPA on July 9, 2020 in connection with the redemption of Plaintiff’s shares in TPA; (ii) enforce a security agreement and stock escrow agreement executed by TPA to secure the repayment of such sums and which provided, among other things, for the sale of Plaintiff’s redeemed shares upon an event of default to satisfy the debts owed to Plaintiff; and (iii) avoid a multitude of fraudulent transfers made by TPA to the shareholders that replaced Plaintiff after the redemption of his shares, specifically including Defendant Patterson, and to other non-shareholders, including Michael Patrick, Esq. (“**Patrick**”) and Cristina Romero (“**Mrs.**

Romero”), to the tune of tens of millions of dollars, which have rendered TPA insolvent and unable to meet its obligations to its creditors, including Plaintiff, its largest creditor.

PARTIES, JURISDICTION, AND VENUE

2. This is an action seeking damages in excess of \$750,000 and is, therefore, within the subject matter jurisdiction of this Court. This Court has subject matter jurisdiction over this action pursuant to Florida Statutes § 26.012.

3. Plaintiff is an individual that resides in Miami-Dade County, Florida.

4. TPA is a Florida professional association that maintains its principal place of business in Miami-Dade County, Florida and is, therefore, subject to this Court’s personal jurisdiction.

5. Patterson is an individual that resides in Seminole County, Florida and, therefore, subject to this Court’s personal jurisdiction.

6. Venue is proper in this jurisdiction as the causes of action alleged herein accrued in Miami-Dade County, Florida.

GENERAL ALLEGATIONS

A. Plaintiff and TPA Complete a Redemption of Plaintiff’s Shares in TPA and TPA Otherwise Divests Himself of a Role in Defendant.

7. TPA, which was originally known as “The Strems Law Firm, P.A.,” is a law firm devoted exclusively to first party insurance claims on behalf of homeowners. Plaintiff founded TPA and, until July 9, 2020, was its sole shareholder.

8. Faced with a suspension from the practice of law that was announced on June 9, 2020, with an effective date of July 9, 2020, Plaintiff was presented with the proverbial fork in the road. He was either required to close and liquidate TPA, which had grown into a very successful and lucrative law practice with more than 7,000 active cases for its clients at the time

Plaintiff's suspension was announced, or divest himself of his interest in the practice so that TPA may continue as a going concern and the active litigation matters being handled by TPA on behalf of its clients would not be disrupted more than what was already the case following Plaintiff's sudden suspension from the practice of law.

9. For the sake of TPA's clients, employees, and vendors, Plaintiff elected the latter approach. To that end, on July 1, 2020, in anticipation of his departure from the law firm, Plaintiff filed Articles of Amendment to TPA's Articles of Incorporation changing TPA's name to "The Property Advocates, P.A." to remove Plaintiff's name from the firm and ensure that his divestiture from the firm could occur without any material adverse effects on the interests of the firm's clients.

10. Thereafter, on July 9, 2020, Plaintiff entered into a Redemption Agreement with TPA for the redemption of Plaintiff's 400,000 shares in TPA (the "**Redeemed Shares**"), which represented one hundred percent (100%) of the then outstanding shares of TPA, in exchange for a \$40,000,000 promissory note that was to be secured by TPA's assets and the Redeemed Shares, a true and correct copy of which is attached hereto as Exhibit 1 (the "**Redemption Agreement**").

11. As set forth in the Redemption Agreement, TPA executed and delivered a \$40,000,000 Promissory Note in favor of Plaintiff that provided for the repayment of the principal amount of \$40,000,000 along with interest at the rate of forty-five hundredths percent (0.45%) compounded annually, by semi-annual payments of \$2,000,000 each on December 31 and June 30 of each calendar year (the "**Installment Payments**") and a balloon payment of the entire principal balance and interest due upon maturity on July 1, 2030 (the "**Maturity Date**"), a copy of which is attached hereto as Exhibit 2 (the "**Note**").

12. The Note provides for the right to accelerate the amounts due and owing under the Note, as follows:

In the event (i) Obligor [*i.e.*, Defendant] shall default on any installment payment of principal or interest under this Note when the same is due and payable, which default is not cured within ten (10) days following written notice of such default is provided by Holder [*i.e.*, Plaintiff], (ii) Obligor shall make an assignment for the benefit of creditors, or (iii) Obligor shall admit in writing its inability to pay its debts as they become due or shall file a voluntary petition in bankruptcy or shall be adjudicated bankrupt, then upon the occurrence of any such events, the total unpaid principal and accrued interest due under this Note may be declared immediately due and payable at the option of Holder.”

The Note further provides that a “[f]ailure to exercise this option shall not constitute a waiver of the right to exercise same at a later time for any subsequent default.” Further, Plaintiff is entitled to recover from TPA “all costs of collection, including reasonable attorneys’ fees and costs.”

Finally, the Note provides for the payment of default interest “at the lesser of eighteen percent (18%) per annum, or the maximum interest rate allowed by the law of the State of Florida.”

13. Plaintiff does not have the original of the Note but has standing to reestablish the Note pursuant to Florida Statutes § 673.3091, and is, therefore, entitled to enforce the Note. That is: (i) Plaintiff was entitled to enforce the Note when it lost possession thereof; (ii) Plaintiff’s loss of possession of the Note was not the result of a transfer by Plaintiff or a lawful seizure of the Note; and (iii) Plaintiff cannot reasonably obtain possession of the Note because its whereabouts cannot be determined and/or it is in the wrongful possession of an unknown person or a person that cannot be found or is not amenable to service of process.

14. Plaintiff attempted to secure the original of the Note prior to the filing of this action, which he understood was in possession of William Kalish, Esq., the attorney that prepared the Note and other transaction documents described herein, or the Escrow Agent (as

that term is defined below), or Johnson Pope Bokor Ruppel & Burns, LLP, the law firm at which Mr. Kalish worked at the time, and neither of them were able to locate the original of the Note. Plaintiff was in possession of a copy of the executed Note, and can confirm that the Note was actually executed on behalf of TPA and has not been repaid.

15. The repayment of the Note was secured by a Security Agreement executed by Plaintiff and TPA that granted a security interest to Plaintiff in substantially all the assets of TPA and one hundred percent (100%) of the outstanding shares of TPA, including the Redeemed Shares, a copy of which is attached hereto as Exhibit 3 (the “**Security Agreement**”). Further, the Security Agreement expressly provided that “until the Note shall have been satisfied in full (whether by conversion, payment, or otherwise), Obligor [*i.e.*, Defendant] shall not, without Obligee’s [*i.e.*, Plaintiff’s] prior consent, assign, transfer, encumber, or otherwise dispose of the Collateral, or any interest therein, except in the ordinary course of Obligor’s business.” *Id.* at ¶ 5.1. And, further, the Security Agreement provides in pertinent part that TPA “shall not ... grant any security interest in the Collateral.” *Id.* at ¶ 5.2. The Security Agreement also provides that an “Event of Default” under the Note shall constitute an “Event of Default” under the Security Agreement. *Id.* at ¶ 6.1. Finally, the Security Agreements provides that, upon an “Event of Default” under the Security Agreement, Plaintiff “may ... declare all Obligations secured hereby immediately due and payable without demand or notice of any kind, and the same thereupon shall immediately become and be due and payable without demand or notice” and that he “shall have and may exercise from time to time any and all rights and remedies of a secured party under the Uniform Commercial Code and any and all rights and remedies available to it under any other applicable law.” *Id.* at ¶ 7.

16. Additionally, also on July 9, 2020, a Stock Escrow Agreement was executed among Plaintiff, TPA, and Non-Party Mark Kamilar as Escrow Agent (the “**Escrow Agent**”), which provided that the Escrow Agent would retain possession of the Redeemed Shares until such time as TPA repaid the amounts due under the Note or a default by TPA of the obligations under the Note, in which case Plaintiff had the option to direct the Escrow Agent to either place the Redeemed Shares up for sale or, in the event that Plaintiff was reinstated to the practice of law, return the Redeemed Shares to Plaintiff, a true and correct copy of which is attached hereto as Exhibit 4 (the “**Escrow Agreement**”).

17. More specifically, Section 4(b) of the Escrow Agreement provided as follows:

Upon the occurrence of any of the events of default listed below, the Stockholder [*i.e.*, Plaintiff] shall deliver to Escrow Agent, within ten (10) days after any such default, a written notice indicating the nature of such default (the “**Default Notice**”) which shall contain (i) an affidavit, sworn to by such representative, stating that the Corporation [*i.e.*, Defendant] has defaulted, with specific reference to the date or dates of default; and (ii) direction to Escrow Agent to (A) sell all or whatever portion of the Redeemed Shares as is necessary and required in order to satisfy the unpaid principal amount, together with accrued interest to the date of payment, if any, due under the Note, or (B) to release and return the Redeemed Shares to the Stockholder; provided, however, that the foregoing shall be applicable only if the Stockholder is currently eligible to practice law in the State of Florida as determined by The Florida Bar

Section 5(a) of the Escrow Agreement provided that “[t]he Corporation’s failure to make timely payments of any amounts due under the Note” shall constitute an event of default upon the occurrence of which, TPA is entitled to exercise all of his rights set forth in the Escrow Agreement.

18. Section 4(c) of the Escrow Agreement further provides as follows:

Upon receipt by Escrow Agent of the Default Notice, Escrow Agent shall forthwith notify the Corporation [*i.e.*, Defendant] of such receipt. *If the Corporation claims that no such default has*

occurred and the event of default set forth in the Default Notice is the nonpayment of amounts due under the Note, the Corporation must, within ten (10) days after receipt of such notice from Escrow Agent, exhibit to Escrow Agent canceled checks or written receipts evidencing payment of such alleged defaulted payments. If no controverting affidavit or other evidence of payment is received by Escrow Agent from the Corporation within such ten (10) day period and if the Stockholder has complied with all the requirements set forth herein, Escrow Agent shall sell or return, as applicable, all or whatever portion of Redeemed Shares in accordance with and pursuant to the direction given by such legal representative in the Default Notice to Escrow Agent. If the event of default set forth in the Default Notice is a default other than the nonpayment of amounts due under the Note, the Corporation shall, within the same ten (10) day period set forth above, exhibit to Escrow Agent evidence or an affidavit controverting the allegation of default.

Emphasis added.

19. The Redemption Agreement, Note, Security Agreement, and Escrow Agreement are, collectively, the “**Transaction Documents.**”

20. In conjunction with the redemption of Plaintiff’s shares as set forth in the Transaction Documents, TPA also entered into subscription agreements with three new shareholders, Patterson, Christopher Narchet, Esq. (“**Narchet**”), and the since-deceased Orlando Romero, Esq. (“**Romero**”) (collectively, the “**New Shareholders**”), who were employees of TPA at the time. Each of the New Shareholders received 4,000 shares in Defendant. The New Shareholders did not pay any consideration to Plaintiff or TPA for their shares in TPA and were essentially handed a law firm with a valuation in excess of \$40,000,000 for free.

21. The New Shareholders appointed Defendant Patterson as President and Director of TPA, Narchet as Treasurer, Romero as Secretary, and Cecile Mendizabal, Esq. (“**Mendizabal**”), an attorney employed by TPA, as a director.

22. As of July 9, 2020, Plaintiff was no longer a shareholder of TPA and was no longer involved in the management of TPA's business activities. In his absence, Defendant Patterson, who was previously an associate at the law firm and had no experience managing a business or law firm, let alone a law firm with the volume and revenues generated by Defendant TPA, but had nonetheless been appointed President, exercised complete control of TPA and made the day-to-day decisions on behalf of the company. He enlisted Patrick, an attorney employed by TPA who also had no experience managing a business or law firm, as TPA's Chief Operating Officer and his right-hand man. Together, Defendant Patterson and Patrick steered TPA on a path towards insolvency and destruction designed to enrich themselves and their friends and leave behind only a carcass of what was once an exceedingly successful law firm for TPA's creditors.

B. TPA Failed to Make the Installment Payments When Due and Plaintiff Exercised His Rights to Accelerate the Amounts Due Under the Note and to Have the Redeemed Shares Sold to Satisfy Such Amounts.

23. TPA failed to make each of the Installment Payments due on December 31, 2020, June 30, 2021, December 31, 2021, June 30, 2022, and December 31, 2022, respectively, in their entirety, choosing instead to make sporadic partial payments that resulted in a shortfall with respect to each of those payments, as follows:

- **December 31, 2020 Installment:** TPA made loan payments totaling \$500,000 between July 9, 2020 and December 31, 2020, resulting in a shortfall of \$1,500,000 for the December 31, 2020 installment payment;
- **June 30, 2021 Installment:** TPA made loan payments totaling \$1,002,000 between January 1, 2021 and June 30, 2021, resulting in a shortfall of \$998,000 for the June 30, 2021 installment payment;
- **December 31, 2021 Installment:** TPA made loan payments totaling \$1,732,000 between July 1, 2021 and December 31, 2021, resulting in a shortfall of \$268,000 for the December 31, 2021 installment payment;

- **June 30, 2022 Installment:** TPA made loan payments totaling \$1,016,000 between January 1, 2022 and June 30, 2022, resulting in a shortfall of \$984,000 for the June 30, 2022 installment payment; and
- **December 31, 2022 Installment:** TPA made loan payments totaling \$600,000 between July 1, 2022 and December 31, 2022, resulting in a shortfall of \$1,400,000 for the December 31, 2022 installment payment.

In total, TPA failed to make \$5,150,000 in Installment Payments when due (the “**Installment Payment Shortfall**”) and was, therefore, in default of such payment obligations.

24. On January 20, 2023, Plaintiff caused a Notice of Default to be issued to TPA providing notice of TPA’s failure to make the Installment Payments in a timely manner and demanding that the Installment Payment Shortfall be paid within ten (10) days of that correspondence, a copy of which is attached hereto as Exhibit 5 (the “**Notice of Default**”).

25. Rather than cure the default and pay the Installment Payment Shortfall, TPA responded to the Notice of Default on January 30, 2023 by falsely contending that Plaintiff had waived any defaults in connection with those Installment Payments by not objecting to receiving partial payments and is otherwise estopped from declaring TPA in default of its obligations under the Note, and that Plaintiff had somehow misappropriated funds from TPA prior to and after June 9, 2020, which was the date his suspension from the practice of law was announced and on which dates he was the sole shareholder of TPA, and should be required to offset such “misappropriated funds” against any debt owed by TPA to Plaintiff. TPA did not, however, cure its default under the Note or other pay the Installment Payment Shortfall as demanded.

26. Accordingly, on February 9, 2023, Plaintiff caused a Notice of Acceleration of the principal and interest due under the Note to be issued to TPA (through its counsel), in which he provided notice to TPA that it had not cured the default under the Note within ten (10) days of the Notice of Default and declared, in accordance with the terms of the Note, that the total

unpaid principal and accrued interest due under the Note was due and payable, a copy of which is attached hereto as Exhibit 6 (the “**Notice of Acceleration**”). As set forth in the Notice of Acceleration, the total amount due under the Note as of February 9, 2023 was \$35,589,784.82, which consisted of principal of \$35,566,982.75 and accrued interest through February 9, 2023 of \$22,801.85, which bears interest from February 9, 2023 until paid at the default rate of eighteen percent (18%) per annum (the “**Outstanding Note Balance**”).

27. That same day, in accordance with Section 4(b) of the Escrow Agreement, Plaintiff caused a Notice of Event of Default to be issued to the Escrow Agent (and copying TPA’s counsel), a copy of which is attached hereto as Exhibit 7 (the “**February 9, 2023 Default Notice**”), thereby providing notice to the Escrow Agent that TPA “has defaulted under the terms of the Note by failing to make the semi-annual installment payments due thereunder and, after receiving notice of such payment default, failing to cure the default within ten (10) days as set forth in the Note,” that Plaintiff “has exercised his option to declare the Outstanding [Note] Balance to be immediately due and owing,” and that, “as set forth in Section 5(a) of the Escrow Agreement, [Plaintiff] is entitled to exercise all the rights set forth therein.”

28. In accordance with Section 4(b) of the Escrow Agreement, the February 9, 2023 Default Notice enclosed an affidavit sworn to by Plaintiff stating that, as of January 30, 2023, TPA had defaulted under the Note and providing specific reference to the date or dates of default. Further, the February 9, 2023 Default Notice directed the Escrow Agent “to ‘sell all of whatever portion of the Redeemed Shares as is necessary and required in order to satisfy the unpaid principal amount, together with accrued interest to the date of payment, if any, due under the Note.’”

29. Accordingly, upon receipt of the February 9, 2023 Default Notice, the Escrow Agent was required to notify TPA of its receipt of the February 9, 2023 Default Notice and provide ten (10) days for TPA to respond to the February 9, 2023 Default Notice and, if it claims that no defaults have occurred, to provide proof of such as contemplated in Section 4(c) of the Escrow Agreement.

30. Instead of providing such proof, TPA caused correspondence and an affidavit signed by Patterson to be sent to the Escrow Agent on February 9, 2023, in which it denied any default, contended that the affidavit signed by Patterson controverted the default claimed by Plaintiff, and threatened to take legal action against the Escrow Agent if he took any steps to sell the Redeemed Shares pursuant to the Escrow Agreement, a copy of which is attached hereto as Exhibit 8 (“**TPA’s Response**”). Patterson’s affidavit submitted along with TPA’s Response, provides, in pertinent part, that Plaintiff never objected to the receipt of only partial payments or declared TPA to be in default and, therefore, waived and is otherwise estopped from asserting that TPA is in default of its obligations under the Note. TPA’s Response and Patterson’s affidavit do not satisfy the requirements of Section 4(c) of the Escrow Agreement. Further, TPA’s threats of a lawsuit against the Escrow Agent for carrying out his duties under the Escrow Agreement are inconsistent with Section 4(d) of the Escrow Agreement, which requires TPA to execute and deliver any and all documents that the Escrow Agent may request in order to empower him to perform his duties under the Escrow Agreement.

31. The Escrow Agent has indicated that he is in possession of the Redeemed Shares and that, upon the commencement of an action to enforce the Escrow Agreement, would intervene in such action to interplead and deposit the Redeemed Shares in this Court, as contemplated in Section 10(b) of the Escrow Agreement.

C. TPA Made a Multitude of Fraudulent Transfers to the New Shareholders, including Patterson, in a Concerted Effort to Defraud Creditors, including Plaintiff.

32. As the Installment Payment Shortfall arose, Patterson advised Plaintiff that TPA was simply unable to make the payments required under the Note because of insufficient revenues and that TPA would pay what it could pay to Plaintiff.

33. It is now clear, however, that instead of ensuring that TPA honored its obligations to its creditors, including Plaintiff who was its largest creditor, Patterson directed and caused TPA to be utilized as a piggy bank and vehicle to grossly enrich himself and his cohorts beyond their imaginations. At the direction of Patterson, TPA reimbursed Patterson and Patrick for hundreds of thousands of dollars in personal expenses that were disguised as business expenses and, further, made millions of dollars in purported distributions to Patterson, which served only to enrich Patterson and render TPA insolvent and unable to meet the demands of its creditors, specifically including Plaintiff, during a period of time that he contended that TPA simply had insufficient revenues to pay Plaintiff as agreed.

34. Upon information and belief, Patterson caused TPA to reimburse him and Patrick for expenses large and small that were personal in nature such as clothing, shoes, luggage purchases, meal prep subscriptions, workout plans, vitamins and supplements, coffee purchases, SunPass tolls, lunches and other meals that were unrelated to TPA's business, Amazon.com purchases, and any number of other personal expenses, under the guise that they were business expenses.

35. Further, at a time during which Patterson repeatedly represented to Plaintiff that TPA simply had insufficient revenues to make the Installment Payments in a timely manner, Patterson caused TPA to make nearly \$30 million in purported shareholder distributions to the New Shareholders. Even Mrs. Romero, who was Romero's widow and has never been a

shareholder of TPA, received large “shareholder distributions” from TPA. Patrick received excessive bonuses and, as he departed the company for a new position, insisted that he was owed a large sum of money as deferred compensation, which, upon information and belief, was paid by TPA or is currently being paid by TPA at the behest of Patterson.

36. The large sums advanced by TPA to the New Shareholders, specifically including Patterson, and to Mrs. Romero and Patrick were made to insiders and/or rendered TPA insolvent and unable to meet the obligations owed to its creditors, including Plaintiff.

37. All conditions precedent to the filing of this action have been performed, excused, or otherwise waived.

38. Plaintiff has retained the undersigned counsel to prosecute this action and are obligated to pay them a reasonable attorneys’ fee for their services.

CAUSES OF ACTION

Count I - Promissory Note

39. Plaintiff repeats the allegations of Paragraphs 1 through 38 as if set forth fully herein.

40. This is an action for breach of the Note.

41. Plaintiff is the owner and holder of the Note and is otherwise entitled to enforce the Note.

42. TPA defaulted under the terms of the Note by failing to make the Installment Payments in a timely manner and failing to cure such default following its receipt of the Notice of Default within ten (10) days as provided for in the Note.

43. Such failure constitutes a material breach of the Note.

44. As a direct and proximate result of TPA’s default, Plaintiff has been damaged.

45. Accordingly, Plaintiff has accelerated the sums due under the Note and Plaintiff is indebted for the entire Outstanding Note Balance, which amount includes the amount of \$35,589,784.82 outstanding as of February 9, 2023 plus accrued interest at the default rate set forth in the Note of eighteen percent (18.00%) per annum from that date forward.

WHEREFORE, Plaintiff demands the entry of a judgment against TPA for damages, together with interest, default interest, and the costs, including reasonable attorney's fees, incurred prosecuting this action, and such other relief as the Court deems just and proper under the circumstances.

Count II – Foreclosure of Security Agreement

46. Plaintiff repeats the allegations of Paragraphs 1 through 38 as if set forth fully herein.

47. This is an action for foreclosure of the Security Agreement.

48. On July 9, 2020, TPA executed and delivered the Note and the Security Agreement, which secured the repayment of the note to Plaintiff.

49. The Security Agreement granted Plaintiff a secured interest in the property described therein then owned by and in possession of Defendant.

50. Plaintiff owns and holds the Note and the Security Agreement.

51. The collateral described in the Security Agreement is currently owned and possessed by Defendant.

52. TPA defaulted under the Note and the Security Agreement by failing to make the Installment Payments in a timely manner and failing to cure such default following its receipt of the Notice of Default within ten (10) days as provided for in the Note.

53. Plaintiff accelerated the sums due under the Note and Plaintiff is indebted for the entire Outstanding Note Balance, which amount includes the amount of \$35,589,784.82 outstanding as of February 9, 2023 plus accrued interest at the default rate set forth in the Note of eighteen percent (18.00%) per annum from that date forward.

54. Plaintiff is also entitled to recover his costs, including reasonably attorneys' fees, for prosecuting this action

WHEREFORE plaintiff demands a judgment foreclosing the Security Agreement and, if the proceeds of the sale of the collateral described therein are insufficient to pay Outstanding Note Balance, a deficiency judgment against TPA for the remaining Outstanding Note Balance, costs, including reasonable attorneys' fees incurred prosecuting this action, and such further relief as the Court deems just and proper under the circumstances.

Count III – Specific Performance of Escrow Agreement

55. Plaintiff repeats the allegations of Paragraphs 1 through 38 as if set forth fully herein.

56. This is an action for specific performance of the Escrow Agreement.

57. On July 9, 2020, Plaintiff and TPA entered into the Escrow Agreement providing for the sale of the Redeemed Shares upon an event of default by TPA with respect to its obligations under the Note.

58. Plaintiff has fully complied with his obligations under the Escrow Agreement, including by providing the February 9, 2023 Default Notice, which included an affidavit by Plaintiff stating that, as of January 30, 2023, TPA had defaulted under the Note and providing specific reference to the date or dates of default and an instruction for the Escrow Agent "to 'sell all of whatever portion of the Redeemed Shares as is necessary and required in order to satisfy

the unpaid principal amount, together with accrued interest to the date of payment, if any, due under the Note,” in compliance with Section 4(b) of the Escrow Agreement.

59. TPA failed to provide the Escrow Agent with sufficient proof that no default existed under the Note and that it, in fact, has made the Installment Payments in a timely manner, as required under Section 4(c) of the Escrow Agreement. TPA surely has not agreed to cooperate with the sale of Plaintiff’s Redeemed Shares by executing any documents reasonably requested by the Escrow Agent to grant it authority to complete such sale. Instead, Defendants’ Response contended that in the affidavit signed by Patterson, he denied any default, and threatened to take legal action against the Escrow Agent if he took any steps to sell the Redeemed Shares pursuant to the Escrow Agreement.

60. Accordingly, TPA has interfered with Plaintiff’s exercise of his rights under the Escrow Agreement to have the Redeemed Shares sold to satisfy the Outstanding Note Balance.

61. Notwithstanding, Plaintiff has a clear right to have the Redeemed Shares sold to satisfy the Outstanding Note Balance.

WHEREFORE, Plaintiff demands judgment granting specific performance of the Escrow Agreement, ordering the sale of the Redeemed Shares to satisfy or pay towards the Outstanding Note Balance, and granting such further relief as the Court deems just and proper under the circumstances.

Count IV - Avoidance of Actual Fraudulent Transfers Pursuant to Florida Statutes §§ 726.105(1)(a), 726.105(1)(b), 726.106(1), 726.106(2), and 726.108(1)(a)

62. Plaintiff repeats the allegations of Paragraphs 1 through 38 as if set forth fully herein.

63. This is a claim by Plaintiff against Defendants to avoid the fraudulent transfers made to the New Shareholders, specifically including Defendant Patterson, and other third

parties, pursuant to Florida Statutes §§ 726.105(1)(a), 726.105(1)(b), 726.106(1), 726.106(2), and 726.108(1)(a).

64. Florida Statutes § 726.105(1) provides, in pertinent part, that:

(1) ***A transfer made or obligation incurred by a debtor is fraudulent as to a creditor***, whether the creditor's claim arose before or after the transfer was made or the obligation was incurred, ***if the debtor made the transfer or incurred the obligation***:

(a) ***With actual intent to hinder, delay, or defraud any creditor of the debtor***; or

(b) ***Without receiving a reasonably equivalent value in exchange for the transfer or obligation, and the debtor***:

1. ***Was engaged or was about to engage in a business or a transaction for which the remaining assets of the debtor were unreasonably small in relation to the business or transaction***; or

2. ***Intended to incur, or believed or reasonably should have believed that he or she would incur, debts beyond his or her ability to pay as they became due***.

(Emphasis added).

65. Section 726.105(2) explains, in pertinent part, the factors to be considered in determining whether actual intent under paragraph 1(a) above is established, as follows:

(2) ***In determining actual intent under paragraph (1)(a), consideration may be given, among other factors, to whether***:

The transfer or obligation was to an insider.

...

(e) ***The transfer was of substantially all the debtor's assets.***

...

(h) ***The value of the consideration received by the debtor was reasonably equivalent to the value of the asset transferred or the amount of the obligation incurred.***

(i) ***The debtor was insolvent or became insolvent shortly after the transfer was made or the obligation was incurred.***

(j) The transfer occurred shortly before or shortly after a substantial debt was incurred.

(Emphasis added).

66. Additionally, Florida Statutes § 726.106(1) provides that “[a] transfer made ... by a debtor is fraudulent as to a creditor whose claim arose before the transfer was made ... if the debtor made the transfer ... without receiving a reasonably equivalent value in exchange for the transfer ... the debtor was insolvent at that time or the debtor became insolvent as a result of the transfer or obligation.”

67. Section 726.106(2) provides that “[a] transfer made by a debtor is fraudulent as to a creditor whose claim arose before the transfer was made if the transfer was made to an insider for an antecedent debt, the debtor was insolvent at that time, and the insider had reasonable cause to believe that the debtor was insolvent.”

68. The excessive shareholder distributions and fraudulent “expense reimbursements” made to each of the New Shareholders, specifically including Defendant Patterson, satisfy each of the definitions of a “fraudulent transfer” under the statutory provisions set forth above.

69. It is beyond dispute that the transfers to the New Shareholders were made with actual intent to hinder, delay, or defraud TPA’s creditors, including Plaintiff, and constitute fraudulent transfers pursuant to Section 726.105(1)(a). That is, the transfers: (i) were made to the the New Shareholders, who clearly are or were insiders of TPA; (ii) constituted substantially all of the assets of TPA; (iii) were made in exchange of consideration that was not of a reasonably equivalent value;¹ (iv) were made when TPA was insolvent and/or the TPA became insolvent as

¹ By way of comparison, each of the New Shareholders were paid annual salaries of less than \$200,000 as associate attorneys employed by TPA prior to Plaintiff’s departure from the company. The notion that they would each be entitled to annual compensation in excess of \$1 million just a short two (2) years later, in the midst of the precarious situation presented by

a result thereof; and (v) clearly occurred shortly before and after TPA had incurred a substantial debt, namely the debts owed to Plaintiff as set forth above.

70. Similarly, the transfers to the New Shareholders fall squarely within the definition set forth in Section 726.105(1)(b), as they were made by TPA without receiving a reasonably equivalent value, and the Defendant: (i) was engaged in a business for which its remaining assets were unreasonably small in relation to the scope of the business; and/or (ii) intended to incur or reasonably should have believed that it would incur debts beyond its ability to pay as they became due, as evidenced by the defaults under the Note.

71. Finally, the transfers to the New Shareholders also satisfy the definition of a fraudulent transfer set forth in Section 726.106, which applies to present creditors such as Plaintiff, as the transfers were made: (i) without receiving a reasonably equivalent value and the Company was insolvent at the time or became insolvent when they were made; and/or (ii) to insiders (*i.e.*, each of you) for an antecedent debt, when the Company was insolvent and when each of you had reasonable cause to believe the Company was insolvent.

72. As a creditor of the Company, Plaintiff is entitled to the remedies available under Florida Statutes § 726.108, including for relief against the fraudulent transfers made to the New Shareholders and avoidance of those transfers to satisfy Plaintiff's claims against Defendant.

WHEREFORE, Plaintiff demands the entry of a final judgment in its favor and against Defendants for damages, together with interest and costs, and such further relief as the Court deems just and proper under the circumstances.

Plaintiff's departure from the Company, defies any belief and surely cannot be considered a "reasonable equivalent value" for their services (as attorneys and managers) for, or investments (which were nonexistent) in, TPA, irrespective of the characterization provided to those payments for accounting or tax purposes.

Count V – Unjust Enrichment

73. Plaintiff repeats the allegations of Paragraphs 1 through 38 as if set forth fully herein.

74. This is an action for unjust enrichment against Defendant Patterson for his receipt of the excessive shareholder distributions from TPA and improper “expense reimbursements” for personal expenses.

75. Upon his receipt of these payment, Defendant Patterson was conferred a benefit.

76. Defendant Patterson knowingly and voluntarily accepted the benefit provided at the expense of Plaintiff.

77. Defendant Patterson in fact benefited from such payments.

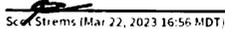
78. Under these circumstances, it would be inequitable for Defendant Patterson to retain the benefit of such payments without paying the value thereof.

WHEREFORE, Plaintiff demands the entry of a final judgment in his favor and against Defendant Patterson for damages, together with interest and costs, and such further relief as the Court deems just and proper under the circumstances.

Dated on this 22nd day of March 2023.

VERIFICATION

I, Scot Stremis, declare under penalty of perjury that I have read the foregoing pleading and that the facts stated in it are true to the best of my knowledge and belief.


Scot Stremis (Mar 22, 2023 16:56 MDT)

Scot Stremis

Respectfully submitted,

EFR LAW FIRM

Counsel for Plaintiff

800 S. Douglas Road, Suite 350

Coral Gables, Florida 33134

Telephone: (305) 340-0034

Mobile: (305) 978-9340

By: /s Eduardo F. Rodriguez

Eduardo F. Rodriguez

Florida Bar No. 036423

eddie@efrlawfirm.com

efrlawfirm@gmail.com

EXHIBIT 1

REDEMPTION AGREEMENT

THIS REDEMPTION AGREEMENT (this “**Agreement**”) is effective as of July 9, 2020 (the “**Effective Date**”), by and between **SCOT STREMS** (the “**Seller**”) and **THE PROPERTY ADVOCATES, P.A.** f/k/a The Strem Law Firm, P.A., a Florida professional service corporation (the “**Purchaser**”).

RECITALS

WHEREAS, the Seller currently owns 400,000 shares of stock in the Purchaser, which represents one hundred percent (100%) of the issued and outstanding shares of stock of the Purchaser (the “**Shares**”);

WHEREAS, the Seller desires to sell to the Purchaser, and the Purchaser desires to redeem, the Shares owned by the Seller, pursuant to the terms set forth below.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Recitals**. The recitals set forth above are true and correct and are hereby incorporated by reference.
2. **Purchase and Sale**. At the Closing (as hereinafter defined), the Seller shall sell to the Purchaser, and the Purchaser shall redeem from the Seller, the Shares, which constitute all of the shares of stock of the Purchaser owned by the Seller (the “**Redeemed Shares**”), in accordance with the terms set forth herein.
3. **Payment of Purchase Price**. The purchase price for the Redeemed Shares is Forty Million Dollars (\$40,000,000.00) (the “**Purchase Price**”), which shall be payable by the Purchaser delivering to the Seller at the Closing a secured promissory note in the original principal amount of the Purchase Price, plus interest, in the form attached hereto as **Exhibit “A”** (the “**Note**”).
4. **Security for Payment of Note**. Repayment of the Note shall be secured by the terms of a security agreement executed by Purchaser in favor of Seller at the Closing in the form attached hereto as **Exhibit “B”** (the “**Security Agreement**”).
5. **Closing**. The closing for the Redeemed Shares (the “**Closing**”) shall take place on July 1, 2020, or such other date as mutually agreed to by the parties, at such time and place as mutually agreed to by the parties, or remotely as coordinated by their legal counsel, but shall be effective for all purposes as of July 1, 2020.
6. **Deliveries at Closing**. At the Closing, the Seller and Purchaser shall deliver, or cause to be delivered, to the other, as applicable, the following:
 - (a) The Purchaser shall execute and deliver the Note;

- (b) The Seller and Purchaser shall execute and deliver the Security Agreement;
- (c) The Seller shall execute and deliver an irrevocable stock power in the form attached hereto as Exhibit "C";
- (d) The Seller and the Purchaser shall execute and deliver the Stock Escrow Agreement in the form attached hereto as Exhibit "D" (the "Stock Escrow Agreement"); and
- (e) A resignation letter signed by the Seller terminating all positions held by the Seller in the Purchaser, including all roles as employee, officer, and director.

7. **Further Actions.** At the Closing and from time to time thereafter, each party shall take such further action, including without limitation, the execution and delivery of instruments of transfer, as may be necessary to consummate the transactions contemplated hereby. In addition to the foregoing, the Seller agrees to, and the Purchaser shall cause its remaining shareholders to, make any adjustments and consent to any remedy for an inadvertent termination of the Purchaser's S corporation election within the meaning of Internal Revenue Code Section 1362(f).

8. **Representations and Warranties of the Seller.** The Seller hereby represents and warrants the following:

(a) **Title.** The Redeemed Shares shall be free and clear of all liens, pledges, claims, charges, and encumbrances (of any type or nature whatsoever), except those contained in any other agreements entered into by and between the parties in connection with the redemption of the Redeemed Shares.

(b) **No Consent.** No consent, approval, or authorization is required in connection with the execution or delivery of this Agreement by the Seller and the consummation of the transactions contemplated by this Agreement will not result in the breach of any term or provision of, or constitute a default under, any agreement or other instrument to which the Seller is a party.

(c) **Binding Obligation.** This Agreement constitutes the valid obligation of the Seller, is legally binding upon the Seller, and is enforceable in accordance with its terms. The Seller has full power and authority to sell the Redeemed Shares and to enter into this Agreement, and to carry out the transactions contemplated hereby.

9. **Representations and Warranties of the Purchaser.** The Purchaser hereby represents and warrants the following:

(a) **Organization.** The Purchaser is duly organized, validly existing, and in good standing under the laws of the State of Florida and has the power and authority to carry on its business as it is now being conducted.

(b) **No Consent.** No consent, approval, or authorization is required in connection with the execution or delivery of this Agreement by the Purchaser and the consummation of the

transactions contemplated by this Agreement will not result in the breach of any term or provision of, or constitute a default under, any agreement or other instrument to which the Purchaser is a party.

(c) **Binding Obligation.** This Agreement constitutes the valid obligation of the Purchaser, is legally binding upon the Purchaser, and is enforceable in accordance with its terms. The Purchaser has full power and authority to purchase the Redeemed Shares, to enter into this Agreement, and to carry out the transactions contemplated hereby.

10. **Purchaser Allocation of Income and Loss.** The Purchaser shall make an election under Internal Revenue Code Section 1377(a)(2) to have its income, loss, deduction, and credit for the taxable year in which this sale is closed allocated as if the Purchaser had two taxable years, the first of which ends on the date of the Closing and the other of which ends on the last day of the Purchaser's usual taxable year. The Seller agrees to, and the Purchaser shall cause its remaining shareholders to, agree that they will sign a statement to be attached to the federal income-tax return of the Purchaser for the taxable year in which this sale is closed consenting to the making of this election.

11. **Governing Law; Venue.** This Agreement shall be governed in its enforcement, construction, and interpretation by the laws of the State of Florida without effect to its conflict of laws. Each party hereby irrevocably submits to the exclusive jurisdiction in the courts located in Miami-Dade County, State of Florida, in any action or proceeding arising out of or relating to this Agreement and hereby irrevocably agrees, on behalf of himself or itself, and on behalf of such party's successors and assigns, that all claims in respect of such action or proceeding may be heard and determined in any such court and irrevocably waives any objection such person may now or hereafter have as to the venue of any such suit, action or proceeding brought in such a court or that such court is an inconvenient forum.

12. **Invalidity of Provisions.** The unenforceability, for any reason, of any term, condition, covenant, or provision of this Agreement shall neither limit nor impair the operation, enforceability, or validity of any other terms, conditions, provisions, or covenants of the Agreement.

13. **Legal Expenses.** Should a party employ an attorney or attorneys to enforce or interpret any of the provisions hereof, to obtain a court interpretation of any of the provisions hereof, or to protect its interest in any matter involving, arising out of, or otherwise relating to this Agreement, or to recover damages for the breach of this Agreement, the prevailing party shall be entitled to recover from the other party all reasonable fees, costs, charges and expenses, including but not limited to, attorney and legal assistant fees, expended or incurred in connection therewith from the initial request for redress through trial, appeal and collection.

14. **Assignment.** No party shall assign his or its rights or delegate any of his or its obligations under this Agreement without the prior written consent of the other party hereto, and any attempted assignment or delegation without such consent will be null and void and ineffective.

15. **Headings.** The headings in this Agreement are for convenience and reference only and in no way define, describe, extend, or limit the scope or intent of this Agreement or the intent of any provision in it.

16. **Entire Agreement.** This Agreement constitutes the entire agreement of the parties and may not be amended or modified except in a writing signed by all parties. All prior understandings and agreements between the parties regarding the sale of the Redeemed Interest are merged in this Agreement, which alone fully and completely expresses their understanding.

17. **Successors.** This Agreement shall be binding on and inure to the benefit of the parties and their respective successors, permitted assigns, and personal representatives.

18. **Waiver.** No delay or omission to exercise any right, power, or remedy accruing to a party on any breach or default of another party under this Agreement shall impair any such right, power, or remedy of the aggrieved party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default. Any waiver, permit, consent, or approval of any kind or character on the part of a party of any breach or default under this Agreement, or any waiver on the part of a party of any provision or condition of this Agreement, must be in writing and be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law, or otherwise afforded to a party, shall be cumulative and not alternative.

19. **Counterparts.** This Agreement may be executed in several counterparts with the same effect as if the signature on each such counterpart were on the same instrument. A signed copy, including by DocuSign or other electronic signature, of this Agreement delivered by facsimile, e-mail, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

20. **Eligibility to Practice; Repurchase.** Notwithstanding anything else herein to the contrary, if Seller is cleared and eligible to practice law in the State of Florida by the Florida Bar at any time during which the Note is outstanding (the "**Repurchase Event**"), such Redeemed Shares held by the Escrow Agent pursuant to the Stock Escrow Agreement that have not been paid for by the Corporation shall, at the sole option and in the sole discretion of Seller, be released by the Escrow Agent and delivered to Seller and the remaining balance on the Note corresponding thereto shall be extinguished without further liability thereunder by the Corporation. Notwithstanding anything herein, nor anything in the Shareholders Agreement of the Corporation then in effect, to the contrary, upon the happening of the Repurchase Event, Seller shall have the right, without limitation, to purchase the Redeemed Shares from the Corporation at such price and on such terms that the Redeemed Shares were purchased for under this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

SELLER:



SCOT STREMS

PURCHASER:

THE PROPERTY ADVOCATES, P.A.,
a Florida professional service corporation

By: _____
Hunter Patterson, its President

6344362_1

[Signature Page to the Redemption Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

SELLER:

SCOT STREMS

PURCHASER:

THE PROPERTY ADVOCATES, P.A.,
a Florida professional service corporation

By: _____


Hunter Patterson, its President

6344362_1

[Signature Page to the Redemption Agreement]

EXHIBIT "A"

Promissory Note

See attached.

PROMISSORY NOTE

\$40,000,000.00

**Miami-Dade County, Florida
July 9, 2020**

FOR VALUE RECEIVED, the undersigned, **THE PROPERTY ADVOCATES, P.A.** f/k/a The Stremms Law Firm, P.A., a Florida professional service corporation ("**Obligor**"), promises to pay to the order of **SCOT STREMS** ("**Holder**") at such places as Holder may from time to time designate, the principal sum of Forty Million Dollars (\$40,000,000.00) with interest at an annual rate of forty-five hundredths percent (0.45%) compounded annually.

This Note is executed and delivered in connection with Obligor's purchase from Holder of one hundred percent (100%) of the issued and outstanding shares of stock of Obligor owned by Holder pursuant to that certain **Redemption Agreement**, dated even date herewith, by and between Obligor and Holder (the "**Redemption Agreement**"). The repayment of this Note is secured by the Collateral, as defined in that certain **Security Agreement**, dated even date herewith, by and between Holder and Obligor ("**Security Agreement**"), the terms of which are incorporated herein by this reference. Any failure to comply with the terms of said Security Agreement shall constitute a default under this Note.

Semi-annual payments in the amount of two million dollars (\$2,000,000.00), shall be due and payable, on December 31 and June 30 of each year, including for the current year. The entire principal balance plus any accrued interest shall be due and payable on July 1, 2030 (the "**Maturity Date**"). In the event Obligor cannot make such annual payments to Obligee, Obligee, in its sole and absolute discretion, has the option to extend the Maturity Date.

This Note may be prepaid only with the express prior written consent of Holder.

In the event (i) Obligor shall default on any installment payment of principal or interest under this Note when the same is due and payable, which default is not cured within ten (10) days following written notice of such default is provided by Holder, (ii) Obligor shall make an assignment for the benefit of creditors, or (iii) Obligor shall admit in writing its inability to pay its debts as they become due or shall file a voluntary petition in bankruptcy or shall be adjudicated bankrupt, then upon the occurrence of any such events, the total unpaid principal and accrued interest due under this Note may be declared immediately due and payable at the option of Holder. Failure to exercise this option shall not constitute a waiver of the right to exercise the same at a later time for any subsequent default. In the event of default in the payment of this Note, and if the same is placed in the hands of any attorney for collection, Obligor hereby agrees to pay all costs of collection, including reasonable attorneys' fees and costs.

Obligor waives presentment for payment, demand, protest and notice of demand, protest and nonpayment, and consents to any and all renewals, extensions or modifications which may be made by Holder as to the time of payment of this Note, from time to time, and further agrees that any security for this Note or any portion of such security may be from time to time modified or released in whole or in part without affecting the liability of any party liable for the payment of this Note. Holder shall at all times have the right to proceed against any obligor of, and any

portion of any security for, this Note in any order and in any manner as Holder may choose, and without waiving rights with respect to any other obligor or security, as the case may be. Obligor also waives any right to direct the application of any payments or collateral proceeds received by Holder.

Any amounts due hereunder not paid when due shall bear interest at the lesser of eighteen percent (18%) per annum, or the maximum interest rate allowed by the law of the State of Florida. This Note shall be governed by and controlled by the laws of the State of Florida. Obligor and Holder agree that exclusive venue shall be in the courts of Miami-Dade County, Florida for all disputes arising out of this Note. Obligor and Holder each hereby consent to the jurisdiction of such courts, agree to accept service of process by mail, and hereby waive any jurisdictional or venue defenses otherwise available to them. If any provision of this Note or application hereof to any person or circumstance which, for any reason and to any extent, is invalid or unenforceable, neither the remainder of this Note nor the application of such provision to any other person or circumstance shall be affected by it, but rather the same shall be enforced to the fullest extent permitted by law.

OBLIGOR AND HOLDER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE AND ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR HOLDER ENTERING INTO THIS NOTE.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this Note as of the date first written above.

OBLIGOR:

THE PROPERTY ADVOCATES, P.A.,
a Florida professional service corporation

By: _____



Hunter Patterson, its President

EXHIBIT "B"

Security Agreement

See attached.

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this “Agreement”) is effective as of the 9th day of July, 2020 (the “Effective Date”), by and between SCOT STREMS (the “Obligee”) and THE PROPERTY ADVOCATES, P.A. f/k/a The Strems Law Firm, P.A., a Florida professional service corporation (the “Obligor”).

RECITALS

WHEREAS, Obligor has redeemed all of the shares of stock of Obligor owned by Obligee pursuant to that certain Redemption Agreement by and between Obligor and Obligee, dated as of the date hereof (the “Redemption Agreement”);

WHEREAS, Obligor has executed and delivered to Obligee that certain Promissory Note, dated as of the date hereof, in the principal amount of Forty Million Dollars (\$40,000,000.00) (the “Note”) in order to fund the purchase price pursuant to the Redemption Agreement; and

WHEREAS, the Note provides that it is secured by a security interest in the Collateral (as that term is defined below).

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in the Note and herein, the parties hereto, intending to be legally bound, agree as follows:

1. **Incorporation of Recitals.** The recitals set forth above are true and correct and are hereby incorporated by reference.

2. **Definitions.** The following terms shall have the meanings set forth below:

“Collateral” means (i) all instruments (including promissory notes), documents (whether tangible or electronic), accounts, including accounts receivable, chattel paper (whether tangible or electronic), money, deposit accounts, commercial tort claims, if any, and all other investment property, supporting obligations, and other contracts rights or rights to the payment of money, insurance claims and proceeds, tort claims, software, general intangibles, including all payment intangibles, copyrights, trademarks, patents, tradenames, tax refunds, company records (paper and electronic), and proceeds of or from or on any of the foregoing; and (ii) one hundred percent (100%) of the issued and outstanding shares of stock of Obligor transferred to Obligor by Obligee pursuant to the Redemption Agreement, in whatever form now or in the future, wherever located, and any and all proceeds therefrom.

“Event of Default” has the meaning given in Section 6 below.

“Obligations” has the meaning given in Section 3.1 below.

“Security Interest” has the meaning given in Section 3.2 below.

“UCC” means the Uniform Commercial Code as adopted in the State of Florida and in effect from time to time.

3. **Security for Obligations.**

3.1 **Obligations.** This Agreement secures, and the Collateral is collateral security for, the prompt payment or performance in full when due, all obligations and liabilities of every nature of Obligor now or hereafter existing under or arising out of the Note and this Agreement and all extensions or renewals thereof, whether for principal, fees, or expenses thereunder (all such obligations of Obligor being the “**Obligations**”).

3.2 **Grant.** As security for the payment of the Obligations, Obligor hereby grants to Obligee, its successors and its assigns, for the benefit of Obligee, its successors and its assigns, a security interest in the Collateral (the “**Security Interest**”). Without limiting the foregoing, Obligee is hereby authorized to file one or more financing statements, continuation statements, or other documents for the purpose of perfecting, confirming, continuing, enforcing, or protecting the Security Interest, naming the Obligor as debtor, and Obligee, its successors and assigns, as secured party.

3.3 **Additional Collateral.** If Obligor shall at any time after the date hereof (a) obtain any rights to any additional Collateral or (b) become entitled to the benefit of any additional Collateral, the provisions hereof shall automatically apply thereto and any such item shall automatically constitute Collateral as if such would have constituted Collateral at the time of execution hereof and be subject to the Security Interest created by this Agreement without further action by any party.

4. **Representations and Warranties.** Obligor represents and warrants as follows:

4.1 **Legal Name.** Obligor’s exact legal name is as set forth in the first paragraph of this Agreement. Obligor shall not change its legal name or its form of organization without fifteen (15) days’ prior written notice to Obligee.

4.2 **Authority.** Obligor has the requisite power and authority to grant to Obligee the Security Interest in such Collateral pursuant hereto and to execute, deliver, and perform its obligations in accordance with the terms of this Agreement, without the consent or approval of any other person other than any consent or approval which has been obtained.

4.3 **Validity of Security Interest.** The Security Interest constitutes a valid and legal security interest in all of the Collateral for payment and performance of the Obligations.

5. **Covenants and Agreements.** Obligor covenants and agrees as follows:

5.1 **Restrictions.** Obligor agrees that until the Note shall have been satisfied in full (whether by conversion, payment, or otherwise), Obligor shall not, without Obligee’s prior consent, assign, transfer, encumber, or otherwise dispose of the Collateral, or any interest therein, except in the ordinary course of Obligor’s business.

5.2 Maintenance. Obligor shall at all times maintain and keep, or cause to be maintained and kept, the Collateral. Obligor shall perform all acts and execute all documents reasonably requested by the Obligee at any time to evidence, perfect, maintain, record, and enforce the Obligee's interest in the Collateral in furtherance of the provisions of this Agreement.

5.3 Use and Disposition of Collateral. Obligor shall not make or permit to be made any assignment, pledge, or hypothecation of the Collateral, except as permitted by Section 5.1 above, or grant any security interest in the Collateral, except for the Security Interest. Obligor shall not make or permit to be made any transfer of any Collateral, except as permitted by Section 5.1 above, and Obligor shall remain at all times in possession of the Collateral owned by it other than transfers to the Obligee pursuant to the provisions hereof and as otherwise provided in this Agreement.

5.4 Further Assurances. Obligor agrees to execute, acknowledge, deliver, and cause to be duly filed all such further instruments and documents and take all such actions as Obligee may from time to time reasonably request for the assuring and preserving of the Security Interest and the rights and remedies created hereby.

6. Events of Default. Each of the following occurrences shall constitute an event of default under this Agreement (herein called "Event of Default"):

6.1 The occurrence of any Event of Default as defined by the Note;

6.2 Obligor fails to observe or materially perform any material covenant or agreement contained in this Agreement, which failure is not cured within fifteen (15) days after written notice of such default is sent by Obligee, provided that if the default is such that it can be corrected, but not within such fifteen (15) days, it will not constitute an Event of Default if Obligor takes corrective action upon such notice and diligently pursues such cure until the default is corrected;

6.3 there is any levy, seizure, or attachment of all or any material portion of the Collateral, other than as set forth in this Agreement; or

6.4 any of the representations or warranties contained in Section 4 shall prove to have been incorrect in any material respect when made.

7. Remedies. Upon the occurrence of an Event of Default and at any time thereafter while the Event of Default is continuing, unless Obligee otherwise agrees, Obligee may, at its option, declare all Obligations secured hereby immediately due and payable without demand or notice of any kind, and the same thereupon shall immediately become and be due and payable without demand or notice. Obligee shall have and may exercise from time to time any and all rights and remedies of a secured party under the Uniform Commercial Code and any and all rights and remedies available to it under any other applicable law. Obligor shall promptly pay all costs of Obligee of collection of any and all the Obligations, and enforcement of rights hereunder, including reasonable attorneys' fees and legal expenses. Obligee will give Obligor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of

reasonable notice shall be met if such notice is mailed, postage prepaid, to Obligor at the address provided in Section 10, or at any other address shown on the records of Obligee, at least five (5) days before the time of the sale or disposition. Expenses of retaking, holding, preparing for sale, selling, or the like, shall include Obligee's reasonable attorneys' fees and legal expenses. Upon disposition of any Collateral after the occurrence of any default hereunder, Obligor shall be and remain liable for any deficiency; and Obligee shall account to Obligor for any surplus, but Obligee shall have the right to apply all or any part of such surplus, or to hold the same as a reserve, against all or any of the Obligations, regardless of whether they, or any of them, are then due, and in such order of application as Obligee may from time to time elect.

8. **No Waiver and Cumulative Remedies.** Obligee shall not by any act (except by a written instrument delivered pursuant to Section 10), delay, indulgence, omission, or otherwise, be deemed to have waived any right or remedy hereunder or to have acquiesced in any Event of Default. No failure on the part of Obligee to exercise, no course of dealing with respect to, and no delay on the part of Obligee in exercising, any right, power, or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power, privilege or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power, privilege or remedy; nor shall Obligee be required to look first to, enforce or exhaust any other security, collateral, or guaranties. All rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies provided by law.

9. **Miscellaneous.** This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by the party against whom such waiver, modification, amendment, termination, discharge or release is sought to be enforced. This Agreement shall be binding upon and inure to the benefit of Obligor and the Obligee and their respective participants, successors, and permitted assigns and shall take effect when signed by Obligor and Obligee, and Obligor waives notice of Obligee's acceptance hereof. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Florida, without regard to the principles of conflicts of law thereof. Each party agrees that any action, proceeding, counterclaim, crossclaim, or other dispute relating to, involving, or resulting from this Agreement or the transactions contemplated by this Agreement will be resolved exclusively in the state or federal courts located in Miami-dade County, Florida, and each party hereby waives the right to object to any such forum on any grounds. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery, and performance of this Agreement and the creation and payment of the Obligations.

10. **Notices.** Any and all notices, designations, consents, offers, acceptances, or any other communication provided for herein shall be given in writing and shall be deemed given (a) upon delivery, if delivered in person, (b) upon response, if by email to the email address known to be associated with such notice recipient and which email is confirmed or responded to by such receiving party, or (c) five (5) days following deposit with the United States Postal Service by registered or certified mail, with proper postage, which shall be addressed as follows:

If to Oblige: Scot Stremms
scot@stremmslaw.com

If to Obligor: The Property Advocates, Firm, P.A.
2525 Ponce de Leon Blvd., #600
Coral Gables, Florida 33134
Attention: Hunter Patterson

or to such other address and/or email address and/or to the attention of such other person as the recipient party has specified by written notice given to each other party five (5) days prior to the effectiveness of such change.

11. **Assignment**. This Agreement may be assigned by Oblige without the consent of Obligor; provided however, this Agreement may not be assigned by Obligor without the prior written consent of Oblige, or its successors or assignees.

12. **Termination**. This Agreement and the Security Interest shall terminate when the Note is satisfied or paid in full (whether by conversion, payment, or otherwise). Upon such termination, Oblige shall execute and deliver to the Obligor all UCC termination statements and similar documents which the Obligor shall reasonably request to evidence such termination.

13. **Counterparts**. This Agreement may be executed in several counterparts with the same effect as if the signature on each such counterpart were on the same instrument. A signed copy, including by DocuSign or other electronic signature, of this Agreement delivered by facsimile, e-mail, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[Signatures on following page]

IN WITNESS WHEREOF, the parties have duly executed and delivered this Security Agreement as of the Effective Date.

OBLIGEE:



SCOT-STREMS

OBLIGOR:

THE PROPERTY ADVOCATES, P.A.,
a Florida professional service corporation

By: _____
Hunter Patterson, its President

IN WITNESS WHEREOF, the parties have duly executed and delivered this Security Agreement as of the Effective Date.

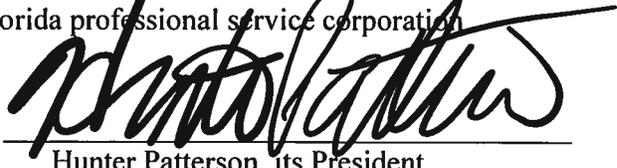
OBLIGEE:

SCOT STREMS

OBLIGOR:

THE PROPERTY ADVOCATES, P.A.,
a Florida professional service corporation

By: _____

A handwritten signature in black ink, appearing to read "Hunter Patterson", is written over a horizontal line. The signature is cursive and somewhat stylized.

Hunter Patterson, its President

EXHIBIT "C"

Irrevocable Stock Power

See attached.

IRREVOCABLE STOCK POWER
(Assignment separate from stock certificate)

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, **SCOT STREMS** ("Assignor") hereby sells, assigns and transfers unto **THE PROPERTY ADVOCATES, P.A.** f/k/a The Strem Law Firm, P.A., a Florida professional service corporation ("Assignee"), one hundred percent (100%) of the issued and outstanding shares of common stock of Assignee, constituting all of the shares of stock of Assignee owned by Assignor, standing in the name of Assignor on the books of Assignee and does hereby irrevocably constitute and appoint any authorized officer of Assignee as Assignor's true and lawful attorney to transfer the said shares of stock on the books of Assignee, with full power of substitution in the premises.

Effective as of July 9, 2020.

ASSIGNOR:



SCOT STREMS

EXHIBIT "D"

Stock Escrow Agreement

See attached.

STOCK ESCROW AGREEMENT

THIS STOCK ESCROW AGREEMENT (this “**Agreement**”) effective as of July 9, 2020, by and among **THE PROPERTY ADVOCATES, P.A.** f/k/a The Strems Law Firm, P.A., a Florida professional service corporation (the “**Corporation**”), **SCOT STREMS** (the “**Stockholder**”), and **MARK KAMILAR** (“**Escrow Agent**”).

RECITALS

WHEREAS, the Corporation has redeemed all of the shares of stock of the Corporation owned by the Stockholder (the “**Redeemed Shares**”) pursuant to that certain Redemption Agreement by and between the Corporation and the Stockholder, dated as of the date hereof (the “**Redemption Agreement**”);

WHEREAS, the Corporation has executed and delivered to the Stockholder that certain Promissory Note, dated as of the date hereof, in the principal amount of Forty Million Dollars (\$40,000,000.00) (the “**Note**”) to fund the purchase price pursuant to the Redemption Agreement; and

WHEREAS, to secure the payment of the Note to the Stockholder, the Corporation granted to the Stockholder a security interest in and to, among other assets, the Redeemed Shares by delivery of certificates evidencing such Redeemed Shares to the Escrow Agent pursuant to the terms of the Redemption Agreement and the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in the Note and herein, the parties hereto, intending to be legally bound, agree as follows:

1. **Recitals**. The foregoing recitals are true and correct and are incorporated herein by this reference.
2. **Escrow Agent**. The Stockholder and the Corporation do hereby appoint and designate MARK KAMILAR as the Escrow Agent under this Agreement, and Escrow Agent hereby accepts its appointment.
3. **Deposit of Shares**. The Corporation hereby pledges and deposits with Escrow Agent for the benefit of the Stockholder, and Escrow Agent hereby acknowledges receipt of negotiable stock certificates, endorsed in blank, evidencing the Redeemed Shares.
4. **Terms**. Escrow Agent will hold the Redeemed Shares in its possession until authorized hereunder to deliver same upon the happening of the following events:
 - (a) Upon the Corporation making all the payments provided for under the Note executed by the Corporation, Escrow Agent shall deliver the Redeemed Shares to the Corporation, duly endorsed for transfer and free and clear of any security interest of Stockholder therein. As evidence of such payments, Escrow Agent may, but shall not be required, to rely conclusively

upon either (i) a written notification to such effect by the Stockholder, or (ii) the exhibition by the Corporation of canceled checks or written receipts evidencing full payment of the amounts due. The parties acknowledge that no periodic distribution of the Redeemed Shares to the Corporation is intended.

(b) Upon the occurrence of any of the events of default listed below, the Stockholder shall deliver to Escrow Agent, within ten (10) days after any such default, a written notice indicating the nature of such default (the “**Default Notice**”) which shall contain (i) an affidavit, sworn to by such representative, stating that the Corporation has defaulted, with specific reference to the date or dates of default; and (ii) direction to Escrow Agent to (A) sell all or whatever portion of the Redeemed Shares as is necessary and required in order to satisfy the unpaid principal amount, together with accrued interest to the date of payment, if any, due under the Note, or (B) to release and return the Redeemed Shares to the Stockholder; provided, however, that the foregoing shall be applicable only if the Stockholder is currently eligible to practice law in the State of Florida as determined by The Florida Bar.

(c) Upon receipt by Escrow Agent of the Default Notice, Escrow Agent shall forthwith notify the Corporation of such receipt. If the Corporation claims that no such default has occurred and the event of default set forth in the Default Notice is the nonpayment of amounts due under the Note, the Corporation must, within ten (10) days after receipt of such notice from Escrow Agent, exhibit to Escrow Agent canceled checks or written receipts evidencing payment of such alleged defaulted payments. If no controverting affidavit or other evidence of payment is received by Escrow Agent from the Corporation within such ten (10) day period and if the Stockholder has complied with all the requirements set forth herein, Escrow Agent shall sell or return, as applicable, all or whatever portion of Redeemed Shares in accordance with and pursuant to the direction given by such legal representative in the Default Notice to Escrow Agent. If the event of default set forth in the Default Notice is a default other than the nonpayment of amounts due under the Note, the Corporation shall, within the same ten (10) day period set forth above, exhibit to Escrow Agent evidence or an affidavit controverting the allegation of default.

(d) Upon Escrow Agent being directed by the Stockholder or his legal representative to sell or return, as applicable, all or any portion of the Redeemed Shares pursuant to the terms of this Section 4, the Corporation hereby agrees to execute and deliver any and all documents that Escrow Agent may request in order to empower it to take possession of and to sell or return, as applicable, such shares. In the event of a sale, upon receiving these documents, Escrow Agent shall undertake with all due deliberate speed to sell all or a portion of the Redeemed Shares at a public or private sale or sales, pursuant to the provisions of Chapter 679, Florida Statutes, then in effect. After paying the expenses of the sale or sales, Escrow Agent shall apply the proceeds of the sale or sales to the payment of the unpaid principal balance due under the Note, together with all interest accrued thereon to date of the payment. If such proceeds are sufficient to fully discharge and satisfy the Note, any excess sales proceeds shall be delivered to the Corporation. If all of the Redeemed Shares have been sold by Escrow Agent and the proceeds from the sales are insufficient to fully pay the principal amount and the accrued interest due under the Note, the Corporation shall remain liable to the Stockholder for any unpaid sum remaining due under the Note.

5. **Events of Default.** Upon the occurrence of any of the events listed below, the Stockholder shall be entitled to exercise all of the rights set forth above:

(a) The Corporation's failure to make timely payments of any amounts due under the Note.

(b) The sale, disposition, or other transfer of twenty-five percent (25%) or more of the the equity of the Corporation.

(c) The sale, disposition, or other transfer of fifty percent (50%) or more of the assets of the corporation, by book value.

(d) The insolvency of the Corporation, or the inability of the Corporation to pay its debts as they mature, the appointment of a receiver of its assets, or the institution of any voluntary or involuntary proceeding under any bankruptcy or insolvency law relating to debtors for the readjustment or relief of any indebtedness of the Corporation, whether as a reorganization, composition, extension or otherwise.

(e) The Corporation's failure to observe or perform any obligation, covenant, term or provision, required to be observed or performed by the Corporation when, and in the manner required, pursuant to the Note, Redemption Agreement, Security Agreement, this Agreement, or the Shareholders Agreement of the Corporation, effective as of July 9, 2020, by and among the Corporation and the Shareholders thereto (the "**Shareholders Agreement**" and, together with the Note, Redemption Agreement, Security Agreement, and this Agreement, collectively, the "**Transaction Documents**").

(e) The liquidation, dissolution, or merger of the Corporation.

6. **Voting Rights.** During the term of this Agreement and provided that the Corporation shall not be in default under the Transaction Documents, the Corporation shall be the beneficial owner of and exercise and enjoy all rights and incidents of ownership with respect to the Redeemed Shares, including the right to vote such shares.

7. **Termination of Escrow.** When satisfactory proof has been presented to Escrow Agent that all installments of the purchase price have been paid, the Escrow Agent shall deliver to Corporation the Redeemed Shares in its possession, and all obligations between the Stockholder, the Corporation, and Escrow Agent shall thereupon cease.

8. **Duties and Liability of Escrow Agent.** Escrow Agent shall be obligated only for the performance of such duties as are specifically set forth herein and may rely and shall be protected in acting or refraining from action on any instrument or signature believed by it to be genuine and to have been signed or presented by the proper party or parties duly authorized to do so. Escrow Agent shall have no responsibility for the contents of any writing contemplated herein and may rely without liability upon the contents thereof. Escrow Agent shall not be liable for any obligation taken or omitted by it in good faith and believed by it to be authorized hereby, nor for action taken or omitted by it in accordance with advice of counsel, and shall not be liable for any

mistake of fact or error of judgment or for any acts or omissions of any kind unless caused by willful misconduct or gross negligence. Each party agrees to indemnify Escrow Agent and hold it harmless against any and all liabilities incurred by it hereunder as a consequence of such party's action, and the parties agree jointly to indemnify Escrow Agent and hold it harmless against any and all liabilities incurred by it hereunder which are not a consequence of any party's action, except in either case for Escrow Agent's own willful misconduct or gross negligence. It is agreed that the duties of Escrow Agent are only such as are herein specifically provided being purely ministerial in nature.

9. **Escrow Expenses.** Escrow Agent hereby waives all fees for its services under this Agreement. The Corporation and the Stockholder agree to reimburse Escrow Agent for all reasonable expenses, disbursements and advances incurred or made by Escrow Agent in performance of its duties hereunder (including reasonable fees, expenses and disbursements of its counsel).

10. **Dispute.** It is understood and agreed that if any dispute arises with respect to the delivery and/or ownership or right of possession of the Redeemed Shares, or the facts upon which such determinations are based, or the duties of Escrow Agent hereunder, Escrow Agent, at its sole option, is authorized and directed to elect to either:

(a) retain in its possession, without liability to anyone, all or any part of the Redeemed Shares until such dispute shall have been settled, either by mutual agreement of the parties concerned (evidenced by appropriate instructions in writing to Escrow Agent, signed by all of the parties) or by binding arbitration, or by a final order, decree, or judgment of a court of competent jurisdiction in the State of Florida (the time for appeal having expired and no appeal having been perfected), all costs and expenses of which shall be paid by the parties, but Escrow Agent shall be under no duty whatsoever to institute or defend any such proceedings; or

(b) commence an action in the nature of an interpleader and seek to deposit the Redeemed Shares in the county in which the Corporation maintains a principal place of business, and the remaining parties hereto shall be thereupon permitted to pursue their remedies and claims, and resolve their disputes, in such court.

11. **Expenses.** In the event the performance of the conditions of this Agreement shall be subject to litigation, the prevailing party shall be entitled to receive from the other party such attorneys' fees, expenses and other costs that may be incurred by the prevailing party, or, by the Escrow Agent in connection with the administration of the provisions of this Agreement.

12. **Counterparts.** This Agreement may be executed in several counterparts with the same effect as if the signature on each such counterpart were on the same instrument. A signed copy, including by DocuSign or other electronic signature, of this Agreement delivered by facsimile, e-mail, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

13. **Miscellaneous.** This Agreement can be waived, modified, amended, terminated or discharged only explicitly in a writing signed by the parties hereto. This Agreement shall be

binding upon and inure to the benefit of the Corporation and the Stockholder and their respective participants, successors, and permitted assigns and shall take effect when signed by the Corporation and the Stockholder. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Florida, without regard to the principles of conflicts of law thereof. Each party agrees that any action, proceeding, counterclaim, crossclaim, or other dispute relating to, involving, or resulting from this Agreement or the transactions contemplated by this Agreement will be resolved exclusively in the state or federal courts located in Miami-Dade County, Florida, and each party hereby waives the right to object to any such forum on any grounds. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby.

14. **Elibility to Practice.** Notwithstanding anything else herein to the contrary and, pursuant to the Redemption Agreement, if the Stockholder is cleared and eligible to practice law in the State of Florida by the Florida Bar at any time during which the Note is outstanding, such Redeemed Shares held by Escrow Agent pursuant to this Agreement that have not been paid for by the Corporation shall, at the option of the Stockholder, be released by Escrow Agent and delivered to the Stockholder and the remaining balance on the Note corresponding thereto shall be extinguished without further liability thereunder by the Corporation.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have duly executed and delivered this Security Agreement as of the Effective Date.

STOCKHOLDER:



SCOT STREMS

CORPORATION:

THE PROPERTY ADVOCATES, P.A.,
a Florida professional service corporation

By: _____
Hunter Patterson, its President

ESCROW AGENT:

MARK KAMILAR

IN WITNESS WHEREOF, the parties have duly executed and delivered this Security Agreement as of the Effective Date.

STOCKHOLDER:

SCOT STREMS

CORPORATION:

THE PROPERTY ADVOCATES, P.A.,
a Florida professional service corporation

By: _____



Hunter Patterson, its President

ESCROW AGENT:

MARK KAMILAR

IN WITNESS WHEREOF, the parties have duly executed and delivered this Security Agreement as of the Effective Date.

STOCKHOLDER:

SCOT STREMS

CORPORATION:

THE PROPERTY ADVOCATES, P.A.,
a Florida professional service corporation

By: _____
Hunter Patterson, its President

ESCROW AGENT:



MARK KAMILAR

EXHIBIT 2

PROMISSORY NOTE

\$40,000,000.00

**Miami-Dade County, Florida
July 9, 2020**

FOR VALUE RECEIVED, the undersigned, **THE PROPERTY ADVOCATES, P.A.** f/k/a The Stremms Law Firm, P.A., a Florida professional service corporation ("**Obligor**"), promises to pay to the order of **SCOT STREMS** ("**Holder**") at such places as Holder may from time to time designate, the principal sum of Forty Million Dollars (\$40,000,000.00) with interest at an annual rate of forty-five hundredths percent (0.45%) compounded annually.

This Note is executed and delivered in connection with Obligor's purchase from Holder of one hundred percent (100%) of the issued and outstanding shares of stock of Obligor owned by Holder pursuant to that certain **Redemption Agreement**, dated even date herewith, by and between Obligor and Holder (the "**Redemption Agreement**"). The repayment of this Note is secured by the Collateral, as defined in that certain **Security Agreement**, dated even date herewith, by and between Holder and Obligor ("**Security Agreement**"), the terms of which are incorporated herein by this reference. Any failure to comply with the terms of said Security Agreement shall constitute a default under this Note.

Semi-annual payments in the amount of two million dollars (\$2,000,000.00), shall be due and payable, on December 31 and June 30 of each year, including for the current year. The entire principal balance plus any accrued interest shall be due and payable on July 1, 2030 (the "**Maturity Date**"). In the event Obligor cannot make such annual payments to Obligees, Obligees, in its sole and absolute discretion, has the option to extend the Maturity Date.

This Note may be prepaid only with the express prior written consent of Holder.

In the event (i) Obligor shall default on any installment payment of principal or interest under this Note when the same is due and payable, which default is not cured within ten (10) days following written notice of such default is provided by Holder, (ii) Obligor shall make an assignment for the benefit of creditors, or (iii) Obligor shall admit in writing its inability to pay its debts as they become due or shall file a voluntary petition in bankruptcy or shall be adjudicated bankrupt, then upon the occurrence of any such events, the total unpaid principal and accrued interest due under this Note may be declared immediately due and payable at the option of Holder. Failure to exercise this option shall not constitute a waiver of the right to exercise the same at a later time for any subsequent default. In the event of default in the payment of this Note, and if the same is placed in the hands of any attorney for collection, Obligor hereby agrees to pay all costs of collection, including reasonable attorneys' fees and costs.

Obligor waives presentment for payment, demand, protest and notice of demand, protest and nonpayment, and consents to any and all renewals, extensions or modifications which may be made by Holder as to the time of payment of this Note, from time to time, and further agrees that any security for this Note or any portion of such security may be from time to time modified or released in whole or in part without affecting the liability of any party liable for the payment of this Note. Holder shall at all times have the right to proceed against any obligor of, and any

portion of any security for, this Note in any order and in any manner as Holder may choose, and without waiving rights with respect to any other obligor or security, as the case may be. Obligor also waives any right to direct the application of any payments or collateral proceeds received by Holder.

Any amounts due hereunder not paid when due shall bear interest at the lesser of eighteen percent (18%) per annum, or the maximum interest rate allowed by the law of the State of Florida. This Note shall be governed by and controlled by the laws of the State of Florida. Obligor and Holder agree that exclusive venue shall be in the courts of Miami-Dade County, Florida for all disputes arising out of this Note. Obligor and Holder each hereby consent to the jurisdiction of such courts, agree to accept service of process by mail, and hereby waive any jurisdictional or venue defenses otherwise available to them. If any provision of this Note or application hereof to any person or circumstance which, for any reason and to any extent, is invalid or unenforceable, neither the remainder of this Note nor the application of such provision to any other person or circumstance shall be affected by it, but rather the same shall be enforced to the fullest extent permitted by law.

OBLIGOR AND HOLDER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE AND ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR HOLDER ENTERING INTO THIS NOTE.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this Note as of the date first written above.

OBLIGOR:

THE PROPERTY ADVOCATES, P.A.,
a Florida professional service corporation

By: _____



Hunter Patterson, its President

EXHIBIT 3

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "Agreement") is effective as of the 9th day of July, 2020 (the "Effective Date"), by and between SCOT STREMS (the "Obligee") and THE PROPERTY ADVOCATES, P.A. f/k/a The Strems Law Firm, P.A., a Florida professional service corporation (the "Obligor").

RECITALS

WHEREAS, Obligor has redeemed all of the shares of stock of Obligor owned by Obligee pursuant to that certain Redemption Agreement by and between Obligor and Obligee, dated as of the date hereof (the "Redemption Agreement");

WHEREAS, Obligor has executed and delivered to Obligee that certain Promissory Note, dated as of the date hereof, in the principal amount of Forty Million Dollars (\$40,000,000.00) (the "Note") in order to fund the purchase price pursuant to the Redemption Agreement; and

WHEREAS, the Note provides that it is secured by a security interest in the Collateral (as that term is defined below).

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in the Note and herein, the parties hereto, intending to be legally bound, agree as follows:

1. **Incorporation of Recitals.** The recitals set forth above are true and correct and are hereby incorporated by reference.

2. **Definitions.** The following terms shall have the meanings set forth below:

"Collateral" means (i) all instruments (including promissory notes), documents (whether tangible or electronic), accounts, including accounts receivable, chattel paper (whether tangible or electronic), money, deposit accounts, commercial tort claims, if any, and all other investment property, supporting obligations, and other contracts rights or rights to the payment of money, insurance claims and proceeds, tort claims, software, general intangibles, including all payment intangibles, copyrights, trademarks, patents, tradenames, tax refunds, company records (paper and electronic), and proceeds of or from or on any of the foregoing; and (ii) one hundred percent (100%) of the issued and outstanding shares of stock of Obligor transferred to Obligor by Obligee pursuant to the Redemption Agreement, in whatever form now or in the future, wherever located, and any and all proceeds therefrom.

"Event of Default" has the meaning given in Section 6 below.

"Obligations" has the meaning given in Section 3.1 below.

"Security Interest" has the meaning given in Section 3.2 below.

“UCC” means the Uniform Commercial Code as adopted in the State of Florida and in effect from time to time.

3. **Security for Obligations.**

3.1 **Obligations.** This Agreement secures, and the Collateral is collateral security for, the prompt payment or performance in full when due, all obligations and liabilities of every nature of Obligor now or hereafter existing under or arising out of the Note and this Agreement and all extensions or renewals thereof, whether for principal, fees, or expenses thereunder (all such obligations of Obligor being the “**Obligations**”).

3.2 **Grant.** As security for the payment of the Obligations, Obligor hereby grants to Obligee, its successors and its assigns, for the benefit of Obligee, its successors and its assigns, a security interest in the Collateral (the “**Security Interest**”). Without limiting the foregoing, Obligee is hereby authorized to file one or more financing statements, continuation statements, or other documents for the purpose of perfecting, confirming, continuing, enforcing, or protecting the Security Interest, naming the Obligor as debtor, and Obligee, its successors and assigns, as secured party.

3.3 **Additional Collateral.** If Obligor shall at any time after the date hereof (a) obtain any rights to any additional Collateral or (b) become entitled to the benefit of any additional Collateral, the provisions hereof shall automatically apply thereto and any such item shall automatically constitute Collateral as if such would have constituted Collateral at the time of execution hereof and be subject to the Security Interest created by this Agreement without further action by any party.

4. **Representations and Warranties.** Obligor represents and warrants as follows:

4.1 **Legal Name.** Obligor’s exact legal name is as set forth in the first paragraph of this Agreement. Obligor shall not change its legal name or its form of organization without fifteen (15) days’ prior written notice to Obligee.

4.2 **Authority.** Obligor has the requisite power and authority to grant to Obligee the Security Interest in such Collateral pursuant hereto and to execute, deliver, and perform its obligations in accordance with the terms of this Agreement, without the consent or approval of any other person other than any consent or approval which has been obtained.

4.3 **Validity of Security Interest.** The Security Interest constitutes a valid and legal security interest in all of the Collateral for payment and performance of the Obligations.

5. **Covenants and Agreements.** Obligor covenants and agrees as follows:

5.1 **Restrictions.** Obligor agrees that until the Note shall have been satisfied in full (whether by conversion, payment, or otherwise), Obligor shall not, without Obligee’s prior consent, assign, transfer, encumber, or otherwise dispose of the Collateral, or any interest therein, except in the ordinary course of Obligor’s business.

5.2 Maintenance. Obligor shall at all times maintain and keep, or cause to be maintained and kept, the Collateral. Obligor shall perform all acts and execute all documents reasonably requested by the Obligee at any time to evidence, perfect, maintain, record, and enforce the Obligee's interest in the Collateral in furtherance of the provisions of this Agreement.

5.3 Use and Disposition of Collateral. Obligor shall not make or permit to be made any assignment, pledge, or hypothecation of the Collateral, except as permitted by Section 5.1 above, or grant any security interest in the Collateral, except for the Security Interest. Obligor shall not make or permit to be made any transfer of any Collateral, except as permitted by Section 5.1 above, and Obligor shall remain at all times in possession of the Collateral owned by it other than transfers to the Obligee pursuant to the provisions hereof and as otherwise provided in this Agreement.

5.4 Further Assurances. Obligor agrees to execute, acknowledge, deliver, and cause to be duly filed all such further instruments and documents and take all such actions as Obligee may from time to time reasonably request for the assuring and preserving of the Security Interest and the rights and remedies created hereby.

6. Events of Default. Each of the following occurrences shall constitute an event of default under this Agreement (herein called "Event of Default"):

6.1 The occurrence of any Event of Default as defined by the Note;

6.2 Obligor fails to observe or materially perform any material covenant or agreement contained in this Agreement, which failure is not cured within fifteen (15) days after written notice of such default is sent by Obligee, provided that if the default is such that it can be corrected, but not within such fifteen (15) days, it will not constitute an Event of Default if Obligor takes corrective action upon such notice and diligently pursues such cure until the default is corrected;

6.3 there is any levy, seizure, or attachment of all or any material portion of the Collateral, other than as set forth in this Agreement; or

6.4 any of the representations or warranties contained in Section 4 shall prove to have been incorrect in any material respect when made.

7. Remedies. Upon the occurrence of an Event of Default and at any time thereafter while the Event of Default is continuing, unless Obligee otherwise agrees, Obligee may, at its option, declare all Obligations secured hereby immediately due and payable without demand or notice of any kind, and the same thereupon shall immediately become and be due and payable without demand or notice. Obligee shall have and may exercise from time to time any and all rights and remedies of a secured party under the Uniform Commercial Code and any and all rights and remedies available to it under any other applicable law. Obligor shall promptly pay all costs of Obligee of collection of any and all the Obligations, and enforcement of rights hereunder, including reasonable attorneys' fees and legal expenses. Obligee will give Obligor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of

reasonable notice shall be met if such notice is mailed, postage prepaid, to Obligor at the address provided in Section 10, or at any other address shown on the records of Obligee, at least five (5) days before the time of the sale or disposition. Expenses of retaking, holding, preparing for sale, selling, or the like, shall include Obligee's reasonable attorneys' fees and legal expenses. Upon disposition of any Collateral after the occurrence of any default hereunder, Obligor shall be and remain liable for any deficiency; and Obligee shall account to Obligor for any surplus, but Obligee shall have the right to apply all or any part of such surplus, or to hold the same as a reserve, against all or any of the Obligations, regardless of whether they, or any of them, are then due, and in such order of application as Obligee may from time to time elect.

8. **No Waiver and Cumulative Remedies.** Obligee shall not by any act (except by a written instrument delivered pursuant to Section 10), delay, indulgence, omission, or otherwise, be deemed to have waived any right or remedy hereunder or to have acquiesced in any Event of Default. No failure on the part of Obligee to exercise, no course of dealing with respect to, and no delay on the part of Obligee in exercising, any right, power, or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power, privilege or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power, privilege or remedy; nor shall Obligee be required to look first to, enforce or exhaust any other security, collateral, or guaranties. All rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies provided by law.

9. **Miscellaneous.** This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by the party against whom such waiver, modification, amendment, termination, discharge or release is sought to be enforced. This Agreement shall be binding upon and inure to the benefit of Obligor and the Obligee and their respective participants, successors, and permitted assigns and shall take effect when signed by Obligor and Obligee, and Obligor waives notice of Obligee's acceptance hereof. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Florida, without regard to the principles of conflicts of law thereof. Each party agrees that any action, proceeding, counterclaim, crossclaim, or other dispute relating to, involving, or resulting from this Agreement or the transactions contemplated by this Agreement will be resolved exclusively in the state or federal courts located in Miami-dade County, Florida, and each party hereby waives the right to object to any such forum on any grounds. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery, and performance of this Agreement and the creation and payment of the Obligations.

10. **Notices.** Any and all notices, designations, consents, offers, acceptances, or any other communication provided for herein shall be given in writing and shall be deemed given (a) upon delivery, if delivered in person, (b) upon response, if by email to the email address known to be associated with such notice recipient and which email is confirmed or responded to by such receiving party, or (c) five (5) days following deposit with the United States Postal Service by registered or certified mail, with proper postage, which shall be addressed as follows:

If to Oblige: Scot Strem
scot@stremslaw.com

If to Obligor: The Property Advocates, Firm, P.A.
2525 Ponce de Leon Blvd., #600
Coral Gables, Florida 33134
Attention: Hunter Patterson

or to such other address and/or email address and/or to the attention of such other person as the recipient party has specified by written notice given to each other party five (5) days prior to the effectiveness of such change.

11. **Assignment**. This Agreement may be assigned by Oblige without the consent of Obligor; provided however, this Agreement may not be assigned by Obligor without the prior written consent of Oblige, or its successors or assignees.

12. **Termination**. This Agreement and the Security Interest shall terminate when the Note is satisfied or paid in full (whether by conversion, payment, or otherwise). Upon such termination, Oblige shall execute and deliver to the Obligor all UCC termination statements and similar documents which the Obligor shall reasonably request to evidence such termination.

13. **Counterparts**. This Agreement may be executed in several counterparts with the same effect as if the signature on each such counterpart were on the same instrument. A signed copy, including by DocuSign or other electronic signature, of this Agreement delivered by facsimile, e-mail, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[Signatures on following page]

IN WITNESS WHEREOF, the parties have duly executed and delivered this Security Agreement as of the Effective Date.

OBLIGEE:



SCOT-STREMS

OBLIGOR:

THE PROPERTY ADVOCATES, P.A.,
a Florida professional service corporation

By: _____
Hunter Patterson, its President

IN WITNESS WHEREOF, the parties have duly executed and delivered this Security Agreement as of the Effective Date.

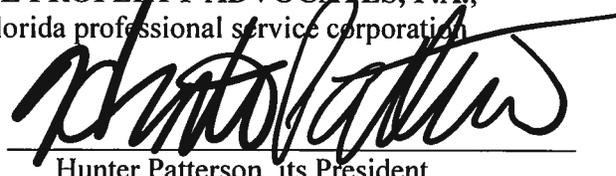
OBLIGEE:

SCOT STREMS

OBLIGOR:

THE PROPERTY ADVOCATES, P.A.,
a Florida professional service corporation

By: _____



Hunter Patterson, its President

EXHIBIT 4

STOCK ESCROW AGREEMENT

THIS STOCK ESCROW AGREEMENT (this “**Agreement**”) effective as of July 9, 2020, by and among **THE PROPERTY ADVOCATES, P.A.** f/k/a The Strems Law Firm, P.A., a Florida professional service corporation (the “**Corporation**”), **SCOT STREMS** (the “**Stockholder**”), and **MARK KAMILAR** (“**Escrow Agent**”).

RECITALS

WHEREAS, the Corporation has redeemed all of the shares of stock of the Corporation owned by the Stockholder (the “**Redeemed Shares**”) pursuant to that certain Redemption Agreement by and between the Corporation and the Stockholder, dated as of the date hereof (the “**Redemption Agreement**”);

WHEREAS, the Corporation has executed and delivered to the Stockholder that certain Promissory Note, dated as of the date hereof, in the principal amount of Forty Million Dollars (\$40,000,000.00) (the “**Note**”) to fund the purchase price pursuant to the Redemption Agreement; and

WHEREAS, to secure the payment of the Note to the Stockholder, the Corporation granted to the Stockholder a security interest in and to, among other assets, the Redeemed Shares by delivery of certificates evidencing such Redeemed Shares to the Escrow Agent pursuant to the terms of the Redemption Agreement and the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in the Note and herein, the parties hereto, intending to be legally bound, agree as follows:

1. **Recitals**. The foregoing recitals are true and correct and are incorporated herein by this reference.
2. **Escrow Agent**. The Stockholder and the Corporation do hereby appoint and designate MARK KAMILAR as the Escrow Agent under this Agreement, and Escrow Agent hereby accepts its appointment.
3. **Deposit of Shares**. The Corporation hereby pledges and deposits with Escrow Agent for the benefit of the Stockholder, and Escrow Agent hereby acknowledges receipt of negotiable stock certificates, endorsed in blank, evidencing the Redeemed Shares.
4. **Terms**. Escrow Agent will hold the Redeemed Shares in its possession until authorized hereunder to deliver same upon the happening of the following events:
 - (a) Upon the Corporation making all the payments provided for under the Note executed by the Corporation, Escrow Agent shall deliver the Redeemed Shares to the Corporation, duly endorsed for transfer and free and clear of any security interest of Stockholder therein. As evidence of such payments, Escrow Agent may, but shall not be required, to rely conclusively

upon either (i) a written notification to such effect by the Stockholder, or (ii) the exhibition by the Corporation of canceled checks or written receipts evidencing full payment of the amounts due. The parties acknowledge that no periodic distribution of the Redeemed Shares to the Corporation is intended.

(b) Upon the occurrence of any of the events of default listed below, the Stockholder shall deliver to Escrow Agent, within ten (10) days after any such default, a written notice indicating the nature of such default (the “**Default Notice**”) which shall contain (i) an affidavit, sworn to by such representative, stating that the Corporation has defaulted, with specific reference to the date or dates of default; and (ii) direction to Escrow Agent to (A) sell all or whatever portion of the Redeemed Shares as is necessary and required in order to satisfy the unpaid principal amount, together with accrued interest to the date of payment, if any, due under the Note, or (B) to release and return the Redeemed Shares to the Stockholder; provided, however, that the foregoing shall be applicable only if the Stockholder is currently eligible to practice law in the State of Florida as determined by The Florida Bar.

(c) Upon receipt by Escrow Agent of the Default Notice, Escrow Agent shall forthwith notify the Corporation of such receipt. If the Corporation claims that no such default has occurred and the event of default set forth in the Default Notice is the nonpayment of amounts due under the Note, the Corporation must, within ten (10) days after receipt of such notice from Escrow Agent, exhibit to Escrow Agent canceled checks or written receipts evidencing payment of such alleged defaulted payments. If no controverting affidavit or other evidence of payment is received by Escrow Agent from the Corporation within such ten (10) day period and if the Stockholder has complied with all the requirements set forth herein, Escrow Agent shall sell or return, as applicable, all or whatever portion of Redeemed Shares in accordance with and pursuant to the direction given by such legal representative in the Default Notice to Escrow Agent. If the event of default set forth in the Default Notice is a default other than the nonpayment of amounts due under the Note, the Corporation shall, within the same ten (10) day period set forth above, exhibit to Escrow Agent evidence or an affidavit controverting the allegation of default.

(d) Upon Escrow Agent being directed by the Stockholder or his legal representative to sell or return, as applicable, all or any portion of the Redeemed Shares pursuant to the terms of this Section 4, the Corporation hereby agrees to execute and deliver any and all documents that Escrow Agent may request in order to empower it to take possession of and to sell or return, as applicable, such shares. In the event of a sale, upon receiving these documents, Escrow Agent shall undertake with all due deliberate speed to sell all or a portion of the Redeemed Shares at a public or private sale or sales, pursuant to the provisions of Chapter 679, Florida Statutes, then in effect. After paying the expenses of the sale or sales, Escrow Agent shall apply the proceeds of the sale or sales to the payment of the unpaid principal balance due under the Note, together with all interest accrued thereon to date of the payment. If such proceeds are sufficient to fully discharge and satisfy the Note, any excess sales proceeds shall be delivered to the Corporation. If all of the Redeemed Shares have been sold by Escrow Agent and the proceeds from the sales are insufficient to fully pay the principal amount and the accrued interest due under the Note, the Corporation shall remain liable to the Stockholder for any unpaid sum remaining due under the Note.

5. **Events of Default.** Upon the occurrence of any of the events listed below, the Stockholder shall be entitled to exercise all of the rights set forth above:

(a) The Corporation's failure to make timely payments of any amounts due under the Note.

(b) The sale, disposition, or other transfer of twenty-five percent (25%) or more of the the equity of the Corporation.

(c) The sale, disposition, or other transfer of fifty percent (50%) or more of the assets of the corporation, by book value.

(d) The insolvency of the Corporation, or the inability of the Corporation to pay its debts as they mature, the appointment of a receiver of its assets, or the institution of any voluntary or involuntary proceeding under any bankruptcy or insolvency law relating to debtors for the readjustment or relief of any indebtedness of the Corporation, whether as a reorganization, composition, extension or otherwise.

(e) The Corporation's failure to observe or perform any obligation, covenant, term or provision, required to be observed or performed by the Corporation when, and in the manner required, pursuant to the Note, Redemption Agreement, Security Agreement, this Agreement, or the Shareholders Agreement of the Corporation, effective as of July 9, 2020, by and among the Corporation and the Shareholders thereto (the "**Shareholders Agreement**" and, together with the Note, Redemption Agreement, Security Agreement, and this Agreement, collectively, the "**Transaction Documents**").

(e) The liquidation, dissolution, or merger of the Corporation.

6. **Voting Rights.** During the term of this Agreement and provided that the Corporation shall not be in default under the Transaction Documents, the Corporation shall be the beneficial owner of and exercise and enjoy all rights and incidents of ownership with respect to the Redeemed Shares, including the right to vote such shares.

7. **Termination of Escrow.** When satisfactory proof has been presented to Escrow Agent that all installments of the purchase price have been paid, the Escrow Agent shall deliver to Corporation the Redeemed Shares in its possession, and all obligations between the Stockholder, the Corporation, and Escrow Agent shall thereupon cease.

8. **Duties and Liability of Escrow Agent.** Escrow Agent shall be obligated only for the performance of such duties as are specifically set forth herein and may rely and shall be protected in acting or refraining from action on any instrument or signature believed by it to be genuine and to have been signed or presented by the proper party or parties duly authorized to do so. Escrow Agent shall have no responsibility for the contents of any writing contemplated herein and may rely without liability upon the contents thereof. Escrow Agent shall not be liable for any obligation taken or omitted by it in good faith and believed by it to be authorized hereby, nor for action taken or omitted by it in accordance with advice of counsel, and shall not be liable for any

mistake of fact or error of judgment or for any acts or omissions of any kind unless caused by willful misconduct or gross negligence. Each party agrees to indemnify Escrow Agent and hold it harmless against any and all liabilities incurred by it hereunder as a consequence of such party's action, and the parties agree jointly to indemnify Escrow Agent and hold it harmless against any and all liabilities incurred by it hereunder which are not a consequence of any party's action, except in either case for Escrow Agent's own willful misconduct or gross negligence. It is agreed that the duties of Escrow Agent are only such as are herein specifically provided being purely ministerial in nature.

9. **Escrow Expenses.** Escrow Agent hereby waives all fees for its services under this Agreement. The Corporation and the Stockholder agree to reimburse Escrow Agent for all reasonable expenses, disbursements and advances incurred or made by Escrow Agent in performance of its duties hereunder (including reasonable fees, expenses and disbursements of its counsel).

10. **Dispute.** It is understood and agreed that if any dispute arises with respect to the delivery and/or ownership or right of possession of the Redeemed Shares, or the facts upon which such determinations are based, or the duties of Escrow Agent hereunder, Escrow Agent, at its sole option, is authorized and directed to elect to either:

(a) retain in its possession, without liability to anyone, all or any part of the Redeemed Shares until such dispute shall have been settled, either by mutual agreement of the parties concerned (evidenced by appropriate instructions in writing to Escrow Agent, signed by all of the parties) or by binding arbitration, or by a final order, decree, or judgment of a court of competent jurisdiction in the State of Florida (the time for appeal having expired and no appeal having been perfected), all costs and expenses of which shall be paid by the parties, but Escrow Agent shall be under no duty whatsoever to institute or defend any such proceedings; or

(b) commence an action in the nature of an interpleader and seek to deposit the Redeemed Shares in the county in which the Corporation maintains a principal place of business, and the remaining parties hereto shall be thereupon permitted to pursue their remedies and claims, and resolve their disputes, in such court.

11. **Expenses.** In the event the performance of the conditions of this Agreement shall be subject to litigation, the prevailing party shall be entitled to receive from the other party such attorneys' fees, expenses and other costs that may be incurred by the prevailing party, or, by the Escrow Agent in connection with the administration of the provisions of this Agreement.

12. **Counterparts.** This Agreement may be executed in several counterparts with the same effect as if the signature on each such counterpart were on the same instrument. A signed copy, including by DocuSign or other electronic signature, of this Agreement delivered by facsimile, e-mail, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

13. **Miscellaneous.** This Agreement can be waived, modified, amended, terminated or discharged only explicitly in a writing signed by the parties hereto. This Agreement shall be

binding upon and inure to the benefit of the Corporation and the Stockholder and their respective participants, successors, and permitted assigns and shall take effect when signed by the Corporation and the Stockholder. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Florida, without regard to the principles of conflicts of law thereof. Each party agrees that any action, proceeding, counterclaim, crossclaim, or other dispute relating to, involving, or resulting from this Agreement or the transactions contemplated by this Agreement will be resolved exclusively in the state or federal courts located in Miami-Dade County, Florida, and each party hereby waives the right to object to any such forum on any grounds. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby.

14. **Elibility to Practice.** Notwithstanding anything else herein to the contrary and, pursuant to the Redemption Agreement, if the Stockholder is cleared and eligible to practice law in the State of Florida by the Florida Bar at any time during which the Note is outstanding, such Redeemed Shares held by Escrow Agent pursuant to this Agreement that have not been paid for by the Corporation shall, at the option of the Stockholder, be released by Escrow Agent and delivered to the Stockholder and the remaining balance on the Note corresponding thereto shall be extinguished without further liability thereunder by the Corporation.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have duly executed and delivered this Security Agreement as of the Effective Date.

STOCKHOLDER:



SCOT STREMS

CORPORATION:

THE PROPERTY ADVOCATES, P.A.,
a Florida professional service corporation

By: _____
Hunter Patterson, its President

ESCROW AGENT:

MARK KAMILAR

IN WITNESS WHEREOF, the parties have duly executed and delivered this Security Agreement as of the Effective Date.

STOCKHOLDER:

SCOT STREMS

CORPORATION:

THE PROPERTY ADVOCATES, P.A.,
a Florida professional service corporation

By: _____



Hunter Patterson, its President

ESCROW AGENT:

MARK KAMILAR

IN WITNESS WHEREOF, the parties have duly executed and delivered this Security Agreement as of the Effective Date.

STOCKHOLDER:

SCOT STREMS

CORPORATION:

THE PROPERTY ADVOCATES, P.A.,
a Florida professional service corporation

By: _____
Hunter Patterson, its President

ESCROW AGENT:



MARK KAMILAR

EXHIBIT 5

EFRLAWFIRM

www.efrlawfirm.com

EDUARDO F. RODRIGUEZ

Office: (305)340-0034
Mobile: (305)978-9340
eddie@efrlawfirm.com

January 20, 2023

BY HAND DELIVERY

The Property Advocates, Firm, P.A.
2525 Ponce de Leon Blvd., #600
Coral Gables, Florida 33134
Attention: Hunter Patterson

BY E-MAIL ONLY

Hunter Patterson, Esq., President/Director
The Property Advocates, P.A.
hpatterson@thepropertyadvocates.com

BY E-MAIL ONLY

Christopher Narchet, Esq., Treasurer
The Property Advocates, P.A.
cnarchet@thepropertyadvocates.com

Re: NOTICE OF DEFAULT – FAILURE TO MAKE INSTALLMENT PAYMENTS OF PRINCIPAL AND INTEREST DUE UNDER \$40,000,000 PROMISSORY NOTE EXECUTED BY THE PROPERTY ADVOCATES, P.A. IN FAVOR OF SCOT STREMS

Dear Messrs. Patterson and Narchet:

We are writing in our capacity as legal counsel for Scot Strems, Esq. (“**Mr. Strems**”), the holder in due course of that certain \$40,000,000 Promissory Note dated July 9, 2020 that was executed by your company, The Property Advocates, P.A., as Obligor (the “**Obligor**”), in favor of Mr. Strems (the “**Note**”), which is secured by that certain Security Agreement dated July 9, 2020 executed by Mr. Strems and the Obligor (the “**Security Agreement**”) and the rights set forth in that certain Stock Escrow Agreement dated July 9, 2020 executed by Mr. Strems, the Obligor, and Mark Kamilar, as escrow agent (the “**Escrow Agreement**”). In accordance with the terms of the Note, we hereby provide written notice of the Obligor’s default of its obligation to make each of the semi-annual installment payments of \$2,000,000 due on December 31, 2020, June 30, 2021, December 31, 2021, June 30, 2022, and December 31, 2022. That is, as set forth in greater detail below, the Obligor made only partial payments towards each of the above semi-annual installment payments and, therefore, has defaulted in its obligation to make such payments in a timely manner. Accordingly, demand is hereby made that the Obligor cure its default within ten (10) days following the date of this correspondence, or by January 30, 2023, by paying the sum of \$5,150,000, which is the total shortfall for the above installment payments, to Mr. Strems. Should Obligor fail to cure its defaults under the Note in a timely manner, Mr. Strems shall declare the total unpaid principal and accrued interest due under the Note to be immediately due and payable.

The Note, which was executed by the Obligor in favor of Mr. Stremms in conjunction with the execution of that certain Redemption Agreement executed between Mr. Stremms and the Obligor also on June 9, 2020, provided for the Obligor to pay the sum of \$40,000,000, along with interest at an annual rate of forty-five hundredths percent (0.45%), to Mr. Stremms by making semi-annual installment payments of \$2,000,000 on December 31 and June 30 of each calendar year (the “**Installment Payments**”), and by paying the entire principal balance plus any accrued interest due thereon on July 1, 2030 (the “**Maturity Date**”). The Note provides for the right to accelerate the amounts due and owing under the Note, as follows:

In the event (i) Obligor shall default on any installment payment of principal or interest under this Note when the same is due and payable, which default is not cured within ten (10) days following written notice of such default is provided by Holder [i.e., Mr. Stremms], (ii) Obligor shall make an assignment for the benefit of creditors, or (iii) Obligor shall admit in writing its inability to pay its debts as they become due or shall file a voluntary petition in bankruptcy or shall be adjudicated bankrupt, then upon the occurrence of any such events, the total unpaid principal and accrued interest due under this Note may be declared immediately due and payable at the option of Holder [i.e., Mr. Stremms].”

The Note provides that a “[f]ailure to exercise this option shall not constitute a waiver of the right to exercise same at a later time for any subsequent default.” Further, Mr. Stremms is entitled to recover from Obligor “all costs of collection, including reasonable attorneys’ fees and costs.” Finally, the Note provides for the payment of default interest “at the lesser of eighteen percent (18%) per annum, or the maximum interest rate allowed by the law of the State of Florida.”

The Note was secured by the Security Agreement, pursuant to which Obligor granted a security interest in substantially all of the assets of Obligor and one hundred percent (100%) of the issued and outstanding stocks of Obligor that had been transferred to the Obligor in connection with the Redemption Agreement (the “**Redeemed Shares**”) as collateral to secure the repayment of the obligations under the Note (the “**Collateral**”). Security Agreement at ¶¶ 2, 3. Further, the Security Agreement expressly provided that “until the Note shall have been satisfied in full (whether by conversion, payment, or otherwise), Obligor shall not, without Obligee’s [i.e., Mr. Stremms’] prior consent, assign, transfer, encumber, or otherwise dispose of the Collateral, or any interest therein, except in the ordinary course of Obligor’s business.” *Id.* at ¶ 5.1. And, further, the Security Agreement provides in pertinent part that “Obligor shall not ... grant any security interest in the Collateral.” *Id.* at ¶ 5.2. The Security Agreement also provides that an “Event of Default” under the Note shall constitute an “Event of Default” under the Security Agreement. *Id.* at ¶ 6.1. Finally, the Security Agreements provides that, upon an “Event of Default” under the Security Agreement, Mr. Stremms “may ... declare all Obligations secured hereby immediately due and payable without demand or notice of any kind, and the same thereupon shall immediately become and be due and payable without demand or notice” and that he “shall have and may exercise from time to time any and all rights and remedies of a secured party under the Uniform Commercial Code and any and all rights and remedies available to it under any other applicable law.” *Id.* at ¶ 7.

To facilitate the rights and remedies available to Mr. Stremms, as a secured creditor, under the Security Agreement upon the occurrence of an “Event of Default” of the Obligor’s obligations under the Note, and in particular the obligation to make timely payments due and owing under the Note, the parties entered into the Escrow Agreement, which contemplates a procedure for Mr. Stremms to direct Mr. Kamilar, as escrow agent, “to ... sell all or whatever portion of the Redeemed Shares as is necessary and required in order to satisfy the unpaid principal amount, together with accrued interest to the date of payment, of any, due under the Note...” Escrow Agreement at ¶ 4(b).

The Obligor failed to make each of the Installment Payments due on December 31, 2020, June 30, 2021, December 31, 2021, June 30, 2022, and December 31, 2022, respectively, in their entirety, choosing instead to make sporadic partial payments that resulted in a shortfall with respect to each of those payments, as follows:

- **December 31, 2020 Installment:** Obligor made loan payments totaling \$500,000 between July 9, 2020 and December 31, 2020, resulting in a shortfall of \$1,500,000 for the December 31, 2020 installment payment;
- **June 30, 2021 Installment:** Obligor made loan payments totaling \$1,002,000 between January 1, 2021 and June 30, 2021, resulting in a shortfall of \$998,000 for the June 30, 2021 installment payment;
- **December 31, 2021 Installment:** Obligor made loan payments totaling \$1,732,000 between July 1, 2021 and December 31, 2021, resulting in a shortfall of \$268,000 for the December 31, 2021 installment payment;
- **June 30, 2022 Installment:** Obligor made loan payments totaling \$1,016,000 between January 1, 2022 and June 30, 2022, resulting in a shortfall of \$984,000 for the June 30, 2022 installment payment; and
- **December 31, 2022 Installment:** Obligor made loan payments totaling \$600,000 between July 1, 2022 and December 31, 2022, resulting in a shortfall of \$1,400,000 for the December 31, 2022 installment payment.

In total, Obligor has failed to make a total of \$5,150,000 in Installment Payments when due and is, therefore, in default of such payment obligations.

Demand is hereby made that the Obligor cure the above defaults within ten (10) days of the date of this correspondence by paying the sum of \$5,150,000 to Mr. Stremms as agreed. Should Obligor not cure its defaults in a timely manner, Mr. Stremms will be left no alternative but to declare the entire principal and interest due and owing under the Note to be immediately due, along with default interest at the right of eighteen percent (18%) per annum, and to enforce his rights and remedies available under the Note, the Redemption Agreement, the Security Agreement, and the Escrow Agreement (collectively, the “**Transaction Documents**”), including the rights available to him as a secured creditor and the right to direct Mr. Kamilar to sell the

Redeemed Shares to satisfy the principal and interest due under the Note. We trust that such a course of action will prove unnecessary, and that the Obligor will honor its obligations under the Note and the other Transaction Documents.

Nothing in this letter is a waiver of any of our client's rights and remedies with respect to the foregoing matters, all of which are hereby expressly reserved.

PLEASE GOVERN YOURSELVES ACCORDINGLY.

Very truly yours,



Eduardo F. Rodriguez

Cc: Robert Q. Lee, Esq. (via e-mail)
Scott Rost, Esq. (via e-mail)

EXHIBIT 6

EFRLAWFIRM

www.efrlawfirm.com

EDUARDO F. RODRIGUEZ

Office: (305)340-0034
Mobile: (305)978-9340
eddie@efrlawfirm.com

February 9, 2023

BY E-MAIL ONLY

(croesch@shuffieldlowman.com)

Clay Roesch, Esq.
Shuffield Lowman
1000 Legion Place, Suite 1700
Orlando, Florida 32801

Re: Scot Strems, Esq. adv. The Property Advocates, P.A. – Notice of Acceleration of Principal and Interest Due Under Promissory Note dated July 9, 2020

Dear Mr. Roesch:

We are writing in our capacity as legal counsel for Scot Strems, Esq. (“**Mr. Strems**”), the former owner of a one hundred percent (100%) ownership interest in The Property Advocates, P.A. (the “**Company**”), which we understand is represented by you. We write in response to your correspondence dated January 30, 2023. We request that you confirm whether we should direct this correspondence directly to your client.

As set forth in the separate correspondence sent to the Company and the shareholders of the Company, in their capacities as officers and/or directors of the Company, on January 20, 2023, the Company is currently in default on its obligations under that certain secured Promissory Note executed by the Company in favor of Mr. Strems on July 9, 2020 (the “**Note**”) by failing to make the semi-annual installment payments due thereunder in a timely manner. The Company did not cure the shortfall in those payments within ten (10) days as demanded in the undersigned’s January 20, 2023 notice of default. Accordingly, as set forth in the Note, the total unpaid principal and accrued interest due thereunder may be declared due and payable at the option of Mr. Strems, which option is hereby exercised in accordance with the terms of the Note. Despite your assertions to the contrary, the Company is clearly in default under its obligations under the Note and the total balance due thereunder as of February 9, 2023 is \$35,589,784.82, which consists of principal of \$35,566,982.97 and accrued interest through February 9, 2023 of \$22,801.85, all of which is hereby declared to be immediately due and owing and shall bear interest at the rate of eighteen percent (18%) per annum from February 9, 2023 until paid.

Mr. Strems disputes the salacious and false accusations made in your correspondence, and denies that he has in any way misappropriated funds from the Company, and/or violated any duties owed to the Company, of which he was the sole shareholder prior to July 9, 2020. The assertions made in your correspondence are defamatory in nature, are based on half-truths, and, frankly, do not merit a further response by Mr. Strems.

It is Mr. Strems' hope, expectation, and preference that the Company will honor its obligations to repay the amounts due under the Note as demanded herein and that this matter be resolved amicably. Mr. Strems will not, however, simply ignore his rights to be repaid the amounts due under the Note. To that end, should the demands made herein not be met within ten (10) days, Mr. Strems has instructed our firm to commence legal action against the Company to enforce the Note.

Nothing in this letter is a waiver of any of our client's rights and remedies with respect to the foregoing matters, all of which are hereby expressly reserved.

Very truly yours,



Eduardo F. Rodriguez

EXHIBIT 7

EFRLAWFIRM

www.efrlawfirm.com

EDUARDO F. RODRIGUEZ

Office: (305)340-0034
Mobile: (305)978-9340
eddie@efrlawfirm.com

February 9, 2023

BY E-MAIL (kamilar@bellsouth.net)
& FEDERAL EXPRESS

Mark A. Kamilar, Esq.
Law Office of Mark A. Kamilar
2921 S.W. 27 Avenue
Coconut Grove, Florida 33133

Re: Scot Strems, Esq. adv. The Property Advocates, P.A. – Notice of Event of Default Pursuant to Stock Escrow Agreement Dated July 9, 2020 and Entered Among The Property Advocates, P.A. f/k/a The Strems Law Firm, P.A., Scot Strems, and Mark Kamilar (the “Escrow Agreement”)

Dear Mr. Kamilar:

We are writing in our capacity as legal counsel for Scot Strems, Esq. (“**Mr. Strems**”), the former owner of a one hundred percent (100%) ownership interest in The Property Advocates, P.A. (the “**Corporation**”).

We write to you in your capacity as the Escrow Agent under the above referenced Escrow Agreement. As you know, the Escrow Agreement was executed among its parties, including you as the Escrow Agent thereunder, in connection with that certain Redemption Agreement entered between the Corporation and Mr. Strems on July 9, 2020 (the “**Redemption Agreement**”), pursuant to which the Corporation redeemed all of Mr. Strems’ shares of stock in the Corporation (the “**Redeemed Shares**”) in exchange for that certain Promissory Note in the amount of \$40,000,000 executed by the Corporation in favor of Mr. Strems on July 9, 2020 (the “**Note**”), the repayment of which was secured through a security interest in and to, among other assets, the Redeemed Shares by delivery of the certificates evidencing the Redeemed Shares to you, as the Escrow Agent, in accordance with the terms of Escrow Agreement.

The Note provided for the Corporation, as the Obligor thereunder, to pay the sum of \$40,000,000, along with interest at an annual rate of forty-five hundredths percent (0.45%), to Mr. Strems by making semi-annual installment payments of \$2,000,000 on December 31 and June 30 of each calendar year (the “**Installment Payments**”), and by paying the entire principal balance plus any accrued interest due thereon on July 1, 2030 (the “**Maturity Date**”). The Note provides for the right to accelerate the amounts due and owing under the Note, as follows:

In the event (i) Obligor shall default on any installment payment of principal or interest under this Note when the same is due and payable, which default is not cured within ten (10) days following

written notice of such default is provided by Holder [i.e., Mr. Strems], (ii) Obligor shall make an assignment for the benefit of creditors, or (iii) Obligor shall admit in writing its inability to pay its debts as they become due or shall file a voluntary petition in bankruptcy or shall be adjudicated bankrupt, then upon the occurrence of any such events, the total unpaid principal and accrued interest due under this Note may be declared immediately due and payable at the option of Holder [i.e., Mr. Strems].”

The Note provides that a “[f]ailure to exercise this option shall not constitute a waiver of the right to exercise same at a later time for any subsequent default.” Further, Mr. Strems is entitled to recover from the Corporation “all costs of collection, including reasonable attorneys’ fees and costs.” Finally, the Note provides for the payment of default interest “at the lesser of eighteen percent (18%) per annum, or the maximum interest rate allowed by the law of the State of Florida.”

Section 4(b) of the Escrow Agreement provides, in pertinent part, as follows:

Upon the occurrence of any of the events of default listed below, the Stockholder [i.e., Mr. Strems] shall deliver to Escrow Agent, within ten (10) days after any such default, a written notice indicating the nature of such default (the “**Default Notice**”) which shall contain (i) an affidavit, sworn to by such representative, stating that the Corporation has defaulted, with specific reference to the date or dates of default; and (ii) direction to Escrow Agent to ... sell all or whatever portion of the Redeemed Shares as is necessary and required in order to satisfy the unpaid principal amount, together with accrued interest to the date of payment, if any, due under the Note....

Section 5(a) of the Escrow Agreement provided that “[t]he Corporation’s failure to make timely payments of any amounts due under the Note” shall constitute an event of default upon the occurrence of which, Mr. Strems is entitled to exercise all of his rights set forth in the Escrow Agreement.

As set forth in the separate correspondence sent by the undersigned to the Corporation and its current shareholders, in their capacities as officers and/or directors of the Corporation, on January 20, 2023, a copy of which is attached to Mr. Strems’ affidavit submitted along with this correspondence, the Corporation failed to make the semi-annual installment payments due under the Note in a timely manner. More specifically, the Corporation failed to make each of the Installment Payments due on December 31, 2020, June 30, 2021, December 31, 2021, June 30, 2022, and December 31, 2022, respectively, in their entirety, choosing instead to make sporadic partial payments that resulted in a shortfall with respect to each of those payments, as follows:

- **December 31, 2020 Installment:** the Corporation made loan payments totaling \$500,000 between July 9, 2020 and December 31, 2020, resulting in a shortfall of \$1,500,000 for the December 31, 2020 installment payment;
- **June 30, 2021 Installment:** the Corporation made loan payments totaling \$1,002,000 between January 1, 2021 and June 30, 2021, resulting in a shortfall of \$998,000 for the June 30, 2021 installment payment;
- **December 31, 2021 Installment:** the Corporation made loan payments totaling \$1,732,000 between July 1, 2021 and December 31, 2021, resulting in a shortfall of \$268,000 for the December 31, 2021 installment payment;
- **June 30, 2022 Installment:** the Corporation made loan payments totaling \$1,016,000 between January 1, 2022 and June 30, 2022, resulting in a shortfall of \$984,000 for the June 30, 2022 installment payment; and
- **December 31, 2022 Installment:** the Corporation made loan payments totaling \$600,000 between July 1, 2022 and December 31, 2022, resulting in a shortfall of \$1,400,000 for the December 31, 2022 installment payment.

In total, the Corporation failed to make \$5,150,000 in Installment Payments when due. The Corporation did not cure the shortfall in those payments within ten (10) days as demanded in the undersigned's January 20, 2023 notice of default and, therefore, as set forth in the Note, was in default of its payment obligations due under the Note as of January 31, 2023. As provided in the Note, Mr. Strems directed the undersigned counsel to send correspondence to the Corporation's counsel just prior to sending you this correspondence, to exercise his option to accelerate the total unpaid principal and accrued interest due thereunder, which correspondence is also attached to the affidavit of Mr. Strems submitted along with this correspondence. The Corporation is clearly in default under its obligations under the Note and the total balance due thereunder as of February 9, 2023 is \$35,589,784.82, which consists of principal of \$35,566,982.97 and accrued interest through February 9, 2023 of \$22,801.85, all of which is hereby declared to be immediately due and owing and shall bear interest at the rate of eighteen percent (18%) per annum from February 9, 2023 until paid (the "**Outstanding Balance**").

Pursuant to Section 4(b) of the Escrow Agreement, we hereby provide you with written notice that the Corporation has defaulted under the terms of Note by failing to make the semi-annual installment payments due thereunder in a timely manner and, after receiving notice of such payment default, failing to cure the default within ten (10) days as set forth in the Note. As set forth above, Mr. Strems has exercised his option to declare the Outstanding Balance to be immediately due and owing. Accordingly, as set forth in Section 5(a) of the Escrow Agreement, Mr. Strems is entitled to exercise all of the rights set forth therein.

To that end, as required under Section 4(b) of the Escrow Agreement, enclosed with this correspondence is an affidavit sworn to by Mr. Strems stating that, as of January 30, 2023, the Corporation has defaulted under the obligations under the Note and with specific reference to the date or dates of default. Further, as contemplated thereby, we hereby direct you, as the Escrow

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Agent under the Escrow Agreement, to “sell all or whatever portion of the Redeemed Shares as is necessary and required in order to satisfy the unpaid principal amount, together with accrued interest to the date of payment, if any, due under the Note.”

As set forth in Section 4(c) of the Escrow Agreement, it is our understanding that you are required to notify the Corporation of your receipt of this Default Notice forthwith and that, if the Corporation claims that no such defaults have occurred, which we anticipate they will do, and, because the event of default set forth herein is the nonpayment of amounts due under the Note, the Corporation must, within ten (10) days after receipt of this Default Notice from you, exhibit to you “canceled checks or written receipts evidencing payment of such alleged defaulted payments.” The Corporation will be unable to meet this burden of establishing that it is not in default of its payment obligations under the Note and, therefore, we anticipate that you, as the Escrow Agent, will be required to sell the Redeemed Shares in accordance with the directions set forth in this Default Notice and in accordance with the Escrow Agreement.

We have copied Clay Roesch, Esq. of Shuffield Lowman in Orlando, who is counsel for the Corporation.

Nothing in this letter is a waiver of any of our client’s rights and remedies with respect to the foregoing matters, all of which are hereby expressly reserved.

Very truly yours,



Eduardo F. Rodriguez

Cc: Clay Roesch, Esq. (via e-mail)

AFFIDAVIT OF SCOT STREMS

STATE OF FLORIDA)
) S.S.
COUNTY OF MIAMI-DADE)

Before me, the undersigned authority, appeared Scot Stremms, who after being duly sworn, deposes and states:

1. My name is Scot Stremms, I am over 18 years of age, and am competent to testify as to the matters set forth herein.

2. The statements made in this affidavit are based upon my personal knowledge and/or my review of properly maintained books and records.

3. I am the holder in due course of that certain \$40,000,000 Promissory Note executed by The Property Advocates, P.A. (the “**Corporation**”) on July 9, 2020 in my favor, a copy of which is attached hereto as Exhibit 1 (the “**Note**”).

4. The Note provided for the Corporation, as the Obligor thereunder, to pay the sum of \$40,000,000, along with interest at an annual rate of forty-five hundredths percent (0.45%), to Mr. Stremms by making semi-annual installment payments of \$2,000,000 on December 31 and June 30 of each calendar year (the “**Installment Payments**”), and by paying the entire principal balance plus any accrued interest due thereon on July 1, 2030 (the “**Maturity Date**”).

5. The Corporation failed to make each of the Installment Payments due on December 31, 2020, June 30, 2021, December 31, 2021, June 30, 2022, and December 31, 2022, respectively, in their entirety, choosing instead to make sporadic partial payments that resulted in a shortfall with respect to each of those payments, as follows:

- **December 31, 2020 Installment**: the Corporation made loan payments totaling \$500,000 between July 9, 2020 and December 31, 2020, resulting in a shortfall of \$1,500,000 for the December 31, 2020 installment payment;

- **June 30, 2021 Installment:** the Corporation made loan payments totaling \$1,002,000 between January 1, 2021 and June 30, 2021, resulting in a shortfall of \$998,000 for the June 30, 2021 installment payment;
- **December 31, 2021 Installment:** the Corporation made loan payments totaling \$1,732,000 between July 1, 2021 and December 31, 2021, resulting in a shortfall of \$268,000 for the December 31, 2021 installment payment;
- **June 30, 2022 Installment:** the Corporation made loan payments totaling \$1,016,000 between January 1, 2022 and June 30, 2022, resulting in a shortfall of \$984,000 for the June 30, 2022 installment payment; and
- **December 31, 2022 Installment:** the Corporation made loan payments totaling \$600,000 between July 1, 2022 and December 31, 2022, resulting in a shortfall of \$1,400,000 for the December 31, 2022 installment payment.

6. On January 20, 2023, my legal counsel provided the Corporation with a notice of default and opportunity to cure, which advised the Corporation that it had failed to make a total of \$5,150,000 in Installment Payments when due and demanded that such payment default be cured within ten (10) days as provided in the Note. A true and correct copy of my counsel's January 20, 2023 correspondence is attached hereto as Exhibit 2.

7. The Corporation did not cure the payment default within the ten (10) days' cure period provided in my counsel's January 20, 2023 correspondence and as required under the Note and, therefore, defaulted under the terms of the Note as of January 30, 2023.

8. As set forth in the correspondence sent by my counsel to the Corporation's counsel on February 9, 2023, a copy of which is attached hereto as Exhibit 3, and as provided in the Note, I have elected to declare the entire principal and interest balance due to me under the Note to be immediately due and owing as of February 9, 2023, the total outstanding balance of which as of February 9, 2023 is \$35,589,784.82, which consists of principal of \$35,566,982.97 and accrued interest through February 9, 2023 of \$22,801.85, and which shall bear interest at the rate of eighteen percent (18%) per annum from February 9, 2023 until paid.

EXHIBIT 1

PROMISSORY NOTE

\$40,000,000.00

Miami-Dade County, Florida

July 9, 2020

FOR VALUE RECEIVED, the undersigned, **THE PROPERTY ADVOCATES, P.A.** f/k/a The Strems Law Firm, P.A., a Florida professional service corporation ("**Obligor**"), promises to pay to the order of **SCOT STREMS** ("**Holder**") at such places as Holder may from time to time designate, the principal sum of Forty Million Dollars (\$40,000,000.00) with interest at an annual rate of forty-five hundredths percent (0.45%) compounded annually.

This Note is executed and delivered in connection with Obligor's purchase from Holder of one hundred percent (100%) of the issued and outstanding shares of stock of Obligor owned by Holder pursuant to that certain Redemption Agreement, dated even date herewith, by and between Obligor and Holder (the "**Redemption Agreement**"). The repayment of this Note is secured by the Collateral, as defined in that certain Security Agreement, dated even date herewith, by and between Holder and Obligor ("**Security Agreement**"), the terms of which are incorporated herein by this reference. Any failure to comply with the terms of said Security Agreement shall constitute a default under this Note.

Semi-annual payments in the amount of two million dollars (\$2,000,000.00), shall be due and payable, on December 31 and June 30 of each year, including for the current year. The entire principal balance plus any accrued interest shall be due and payable on July 1, 2030 (the "**Maturity Date**"). In the event Obligor cannot make such annual payments to Oblige, Oblige, in its sole and absolute discretion, has the option to extend the Maturity Date.

This Note may be prepaid only with the express prior written consent of Holder.

In the event (i) Obligor shall default on any installment payment of principal or interest under this Note when the same is due and payable, which default is not cured within ten (10) days following written notice of such default is provided by Holder, (ii) Obligor shall make an assignment for the benefit of creditors, or (iii) Obligor shall admit in writing its inability to pay its debts as they become due or shall file a voluntary petition in bankruptcy or shall be adjudicated bankrupt, then upon the occurrence of any such events, the total unpaid principal and accrued interest due under this Note may be declared immediately due and payable at the option of Holder. Failure to exercise this option shall not constitute a waiver of the right to exercise the same at a later time for any subsequent default. In the event of default in the payment of this Note, and if the same is placed in the hands of any attorney for collection, Obligor hereby agrees to pay all costs of collection, including reasonable attorneys' fees and costs.

Obligor waives presentment for payment, demand, protest and notice of demand, protest and nonpayment, and consents to any and all renewals, extensions or modifications which may be made by Holder as to the time of payment of this Note, from time to time, and further agrees that any security for this Note or any portion of such security may be from time to time modified or released in whole or in part without affecting the liability of any party liable for the payment of this Note. Holder shall at all times have the right to proceed against any obligor of, and any

portion of any security for, this Note in any order and in any manner as Holder may choose, and without waiving rights with respect to any other obligor or security, as the case may be. Obligor also waives any right to direct the application of any payments or collateral proceeds received by Holder.

Any amounts due hereunder not paid when due shall bear interest at the lesser of eighteen percent (18%) per annum, or the maximum interest rate allowed by the law of the State of Florida. This Note shall be governed by and controlled by the laws of the State of Florida. Obligor and Holder agree that exclusive venue shall be in the courts of Miami-Dade County, Florida for all disputes arising out of this Note. Obligor and Holder each hereby consent to the jurisdiction of such courts, agree to accept service of process by mail, and hereby waive any jurisdictional or venue defenses otherwise available to them. If any provision of this Note or application hereof to any person or circumstance which, for any reason and to any extent, is invalid or unenforceable, neither the remainder of this Note nor the application of such provision to any other person or circumstance shall be affected by it, but rather the same shall be enforced to the fullest extent permitted by law.

OBLIGOR AND HOLDER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE AND ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR HOLDER ENTERING INTO THIS NOTE.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this Note as of the date first written above.

OBLIGOR:

THE PROPERTY ADVOCATES, P.A.,
a Florida professional service corporation

By: 

Hunter Patterson, its President

6345532_1

[Signature Page to Promissory Note]

EXHIBIT 2

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EDUARDO F. RODRIGUEZ

Office: (305)340-0034
Mobile: (305)978-9340
eddie@efrlawfirm.com

January 20, 2023

BY HAND DELIVERY

The Property Advocates, Firm, P.A.
2525 Ponce de Leon Blvd., #600
Coral Gables, Florida 33134
Attention: Hunter Patterson

BY E-MAIL ONLY

Hunter Patterson, Esq., President/Director
The Property Advocates, P.A.
hpatterson@thepropertyadvocates.com

BY E-MAIL ONLY

Christopher Narchet, Esq., Treasurer
The Property Advocates, P.A.
cnarchet@thepropertyadvocates.com

**Re: NOTICE OF DEFAULT – FAILURE TO MAKE INSTALLMENT
PAYMENTS OF PRINCIPAL AND INTEREST DUE UNDER \$40,000,000
PROMISSORY NOTE EXECUTED BY THE PROPERTY ADVOCATES,
P.A. IN FAVOR OF SCOT STREMS**

Dear Messrs. Patterson and Narchet:

We are writing in our capacity as legal counsel for Scot Strem, Esq. (“**Mr. Strem**”), the holder in due course of that certain \$40,000,000 Promissory Note dated July 9, 2020 that was executed by your company, The Property Advocates, P.A., as Obligor (the “**Obligor**”), in favor of Mr. Strem (the “**Note**”), which is secured by that certain Security Agreement dated July 9, 2020 executed by Mr. Strem and the Obligor (the “**Security Agreement**”) and the rights set forth in that certain Stock Escrow Agreement dated July 9, 2020 executed by Mr. Strem, the Obligor, and Mark Kamilar, as escrow agent (the “**Escrow Agreement**”). In accordance with the terms of the Note, we hereby provide written notice of the Obligor’s default of its obligation to make each of the semi-annual installment payments of \$2,000,000 due on December 31, 2020, June 30, 2021, December 31, 2021, June 30, 2022, and December 31, 2022. That is, as set forth in greater detail below, the Obligor made only partial payments towards each of the above semi-annual installment payments and, therefore, has defaulted in its obligation to make such payments in a timely manner. Accordingly, demand is hereby made that the Obligor cure its default within ten (10) days following the date of this correspondence, or by January 30, 2023, by paying the sum of \$5,150,000, which is the total shortfall for the above installment payments, to Mr. Strem. Should Obligor fail to cure its defaults under the Note in a timely manner, Mr. Strem shall declare the total unpaid principal and accrued interest due under the Note to be immediately due and payable.

The Note, which was executed by the Obligor in favor of Mr. Stremis in conjunction with the execution of that certain Redemption Agreement executed between Mr. Stremis and the Obligor also on June 9, 2020, provided for the Obligor to pay the sum of \$40,000,000, along with interest at an annual rate of forty-five hundredths percent (0.45%), to Mr. Stremis by making semi-annual installment payments of \$2,000,000 on December 31 and June 30 of each calendar year (the “**Installment Payments**”), and by paying the entire principal balance plus any accrued interest due thereon on July 1, 2030 (the “**Maturity Date**”). The Note provides for the right to accelerate the amounts due and owing under the Note, as follows:

In the event (i) Obligor shall default on any installment payment of principal or interest under this Note when the same is due and payable, which default is not cured within ten (10) days following written notice of such default is provided by Holder [i.e., Mr. Stremis], (ii) Obligor shall make an assignment for the benefit of creditors, or (iii) Obligor shall admit in writing its inability to pay its debts as they become due or shall file a voluntary petition in bankruptcy or shall be adjudicated bankrupt, then upon the occurrence of any such events, the total unpaid principal and accrued interest due under this Note may be declared immediately due and payable at the option of Holder [i.e., Mr. Stremis].”

The Note provides that a “[f]ailure to exercise this option shall not constitute a waiver of the right to exercise same at a later time for any subsequent default.” Further, Mr. Stremis is entitled to recover from Obligor “all costs of collection, including reasonable attorneys’ fees and costs.” Finally, the Note provides for the payment of default interest “at the lesser of eighteen percent (18%) per annum, or the maximum interest rate allowed by the law of the State of Florida.”

The Note was secured by the Security Agreement, pursuant to which Obligor granted a security interest in substantially all of the assets of Obligor and one hundred percent (100%) of the issued and outstanding stocks of Obligor that had been transferred to the Obligor in connection with the Redemption Agreement (the “**Redeemed Shares**”) as collateral to secure the repayment of the obligations under the Note (the “**Collateral**”). Security Agreement at ¶¶ 2, 3. Further, the Security Agreement expressly provided that “until the Note shall have been satisfied in full (whether by conversion, payment, or otherwise), Obligor shall not, without Obligees’ [i.e., Mr. Stremis’] prior consent, assign, transfer, encumber, or otherwise dispose of the Collateral, or any interest therein, except in the ordinary course of Obligor’s business.” *Id.* at ¶ 5.1. And, further, the Security Agreement provides in pertinent part that “Obligor shall not ... grant any security interest in the Collateral.” *Id.* at ¶ 5.2. The Security Agreement also provides that an “Event of Default” under the Note shall constitute an “Event of Default” under the Security Agreement. *Id.* at ¶ 6.1. Finally, the Security Agreement provides that, upon an “Event of Default” under the Security Agreement, Mr. Stremis “may ... declare all Obligations secured hereby immediately due and payable without demand or notice of any kind, and the same thereupon shall immediately become and be due and payable without demand or notice” and that he “shall have and may exercise from time to time any and all rights and remedies of a secured party under the Uniform Commercial Code and any and all rights and remedies available to it under any other applicable law.” *Id.* at ¶ 7.

To facilitate the rights and remedies available to Mr. Strems, as a secured creditor, under the Security Agreement upon the occurrence of an “Event of Default” of the Obligor’s obligations under the Note, and in particular the obligation to make timely payments due and owing under the Note, the parties entered into the Escrow Agreement, which contemplates a procedure for Mr. Strems to direct Mr. Kamilar, as escrow agent, “to ... sell all or whatever portion of the Redeemed Shares as is necessary and required in order to satisfy the unpaid principal amount, together with accrued interest to the date of payment, of any, due under the Note....” Escrow Agreement at ¶ 4(b).

The Obligor failed to make each of the Installment Payments due on December 31, 2020, June 30, 2021, December 31, 2021, June 30, 2022, and December 31, 2022, respectively, in their entirety, choosing instead to make sporadic partial payments that resulted in a shortfall with respect to each of those payments, as follows:

- **December 31, 2020 Installment:** Obligor made loan payments totaling \$500,000 between July 9, 2020 and December 31, 2020, resulting in a shortfall of \$1,500,000 for the December 31, 2020 installment payment;
- **June 30, 2021 Installment:** Obligor made loan payments totaling \$1,002,000 between January 1, 2021 and June 30, 2021, resulting in a shortfall of \$998,000 for the June 30, 2021 installment payment;
- **December 31, 2021 Installment:** Obligor made loan payments totaling \$1,732,000 between July 1, 2021 and December 31, 2021, resulting in a shortfall of \$268,000 for the December 31, 2021 installment payment;
- **June 30, 2022 Installment:** Obligor made loan payments totaling \$1,016,000 between January 1, 2022 and June 30, 2022, resulting in a shortfall of \$984,000 for the June 30, 2022 installment payment; and
- **December 31, 2022 Installment:** Obligor made loan payments totaling \$600,000 between July 1, 2022 and December 31, 2022, resulting in a shortfall of \$1,400,000 for the December 31, 2022 installment payment.

In total, Obligor has failed to make a total of \$5,150,000 in Installment Payments when due and is, therefore, in default of such payment obligations.

Demand is hereby made that the Obligor cure the above defaults within ten (10) days of the date of this correspondence by paying the sum of \$5,150,000 to Mr. Strems as agreed. Should Obligor not cure its defaults in a timely manner, Mr. Strems will be left no alternative but to declare the entire principal and interest due and owing under the Note to be immediately due, along with default interest at the right of eighteen percent (18%) per annum, and to enforce his rights and remedies available under the Note, the Redemption Agreement, the Security Agreement, and the Escrow Agreement (collectively, the “**Transaction Documents**”), including the rights available to him as a secured creditor and the right to direct Mr. Kamilar to sell the

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Redeemed Shares to satisfy the principal and interest due under the Note. We trust that such a course of action will prove unnecessary, and that the Obligor will honor its obligations under the Note and the other Transaction Documents.

Nothing in this letter is a waiver of any of our client's rights and remedies with respect to the foregoing matters, all of which are hereby expressly reserved.

PLEASE GOVERN YOURSELVES ACCORDINGLY.

Very truly yours,



Eduardo F. Rodriguez

Cc: Robert Q. Lee, Esq. (via e-mail)
Scott Rost, Esq. (via e-mail)

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EXHIBIT 3

EFRLAWFIRM

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EDUARDO F. RODRIGUEZ

Office: (305)340-0034
Mobile: (305)978-9340
eddie@efrlawfirm.com

February 9, 2023

BY E-MAIL ONLY
(croesch@shuffieldlowman.com)

Clay Roesch, Esq.
Shuffield Lowman
1000 Legion Place, Suite 1700
Orlando, Florida 32801

Re: Scot Strems, Esq. adv. The Property Advocates, P.A. – Notice of Acceleration of Principal and Interest Due Under Promissory Note dated July 9, 2020

Dear Mr. Roesch:

We are writing in our capacity as legal counsel for Scot Strems, Esq. (“Mr. Strems”), the former owner of a one hundred percent (100%) ownership interest in The Property Advocates, P.A. (the “Company”), which we understand is represented by you. We write in response to your correspondence dated January 30, 2023. We request that you confirm whether we should direct this correspondence directly to your client.

As set forth in the separate correspondence sent to the Company and the shareholders of the Company, in their capacities as officers and/or directors of the Company, on January 20, 2023, the Company is currently in default on its obligations under that certain secured Promissory Note executed by the Company in favor of Mr. Strems on July 9, 2020 (the “Note”) by failing to make the semi-annual installment payments due thereunder in a timely manner. The Company did not cure the shortfall in those payments within ten (10) days as demanded in the undersigned’s January 20, 2023 notice of default. Accordingly, as set forth in the Note, the total unpaid principal and accrued interest due thereunder may be declared due and payable at the option of Mr. Strems, which option is hereby exercised in accordance with the terms of the Note. Despite your assertions to the contrary, the Company is clearly in default under its obligations under the Note and the total balance due thereunder as of February 9, 2023 is \$35,589,784.82, which consists of principal of \$35,566,982.97 and accrued interest through February 9, 2023 of \$22,801.85, all of which is hereby declared to be immediately due and owing and shall bear interest at the rate of eighteen percent (18%) per annum from February 9, 2023 until paid.

Mr. Strems disputes the salacious and false accusations made in your correspondence, and denies that he has in any way misappropriated funds from the Company, and/or violated any duties owed to the Company, of which he was the sole shareholder prior to July 9, 2020. The assertions made in your correspondence are defamatory in nature, are based on half-truths, and, frankly, do not merit a further response by Mr. Strems.

It is Mr. Strems' hope, expectation, and preference that the Company will honor its obligations to repay the amounts due under the Note as demanded herein and that this matter be resolved amicably. Mr. Strems will not, however, simply ignore his rights to be repaid the amounts due under the Note. To that end, should the demands made herein not be met within ten (10) days, Mr. Strems has instructed our firm to commence legal action against the Company to enforce the Note.

Nothing in this letter is a waiver of any of our client's rights and remedies with respect to the foregoing matters, all of which are hereby expressly reserved.

Very truly yours,



Eduardo F. Rodriguez

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EXHIBIT 8



1000 LEGION PLACE, SUITE 1700 • ORLANDO, FL 32801
PHONE: 407-581-9800 • FAX: 407-581-9801

February 9, 2023

VIA ELECTRONIC MAIL

Mark Kamilar
2921 S.W. 27th Ave
Coconut Grove, FL 33133
Kamilar@bellsouth.net

**RE: STOCK ESCROW AGREEMENT DATED JULY 9, 2020 BETWEEN THE
PROPERTY ADVOCATES, P.A., SCOT STREMS AND MARK KAMILAR
(THE “ESCROW AGREEMENT”) - NOTICE OF NO DEFAULT**

Dear Mr. Kamilar,

We have the pleasure of representing The Property Advocates, P.A. (the “Firm”) in connection with the above captioned matter. I write in response to the letter dated February 9, 2023 from Eduardo Rodriguez a counsel from Scot Stremms asserting that the Firm is in default of its obligations under the Note. Please be advised that the Firm denies that any such default has occurred as Mr. Stremms waived and is otherwise estopped from asserting a default based on non-payment. As you know Section 4(c) of the Agreement permits the Firm to contest any claimed default by providing an affidavit to you or evidence of payment. Enclosed please find the Affidavit of Hunter Patterson controverting the default claimed by Stremms. I have also enclosed our correspondence to Mr. Stremms advising him that he waived and is estopped from declaring a default under the Note.

Notice is hereby given that if you accept any direction from Stremms to sell or return any portion of the Redeemed Shares pursuant to the Escrow Agreement, the Firm will take legal action against you. Please feel free to contact me if you have any questions or would like to discuss this matter further.

Neither this letter, nor any part of it, constitutes an admission on the part of the Firm and no statement herein shall in any way be interpreted as affecting or limiting the Firm’s rights; nor shall any statement contained herein constitute an express or implied waiver of any rights, remedies, or defenses as such may relate to any matter referred to herein.

Sincerely,

A handwritten signature in blue ink, appearing to read "Robert Clayton Roesch".

Robert Clayton Roesch

cc: Hunter Patterson, Esq., President The Property Advocates, P.A. (via electronic mail)
Eduardo Rodriguez (via electronic mail)

AFFIDAVIT OF HUNTER PATTERSON

STATE OF FLORIDA)
) ss:
COUNTY OF ORANGE)

BEFORE ME, the undersigned authority, appeared Hunter Patterson, Esquire, who, being first duly sworn, swears based on his own personal knowledge that the following is true and correct:

1. I am an attorney in the State of Florida and am President of the Property Advocates, P.A. (the “Firm”)

2. I am familiar with the provision of the Note between the Firm and Scot Strem. Specifically, the Note provides that the Firm will make semi-annual payments in the amount of two million dollars (\$2,000,000.00) (the “Installment Amounts”).

3. On October 12, 2020, I sent a message to Strem stating that the Firm would “see what we can pay you” in reference to the payment of the initial Installment Amount.

4. That same day, Strem responded stating that the Firm should pay “anything feasible ... I don’t wanna handicap the firm”.

5. Between December 21, 2020 and December 31, 2022, the Firm made partial payments of the Installment Amounts to Strem (the “Partial Payments”).

6. At no time prior to January 20, 2023, did Strem directly communicate to me that he (a) objects to receiving less than the full amounts due under the Note or (b) declares the Firm to be in default for failure to pay the full amounts due under the Note. As such, Strem has waived, and is otherwise estopped, from declaring the Firm to be in default for failure to pay the full amounts due between December 31, 2020 and December 31, 2022.

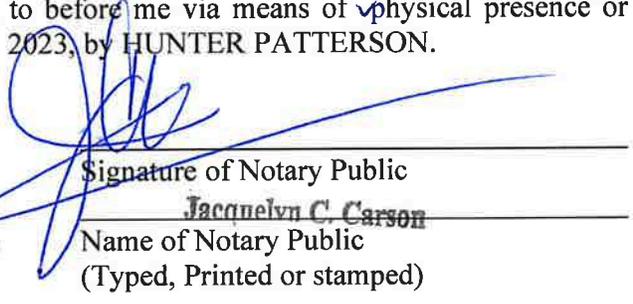
FURTHER AFFIANT SAYETH NAUGHT.


HUNTER PATTERSON

STATE OF FLORIDA)
) ss:
COUNTY OF Orange)

The foregoing instrument was sworn to before me via means of physical presence or online notarization this 7th day of February, 2023, by HUNTER PATTERSON.





Signature of Notary Public
Jacquelyn C. Carson

Name of Notary Public
(Typed, Printed or stamped)

Personally Known _____ OR Produced Identification
Type of Identification Produced: DRIVERS LICENSE