

# Florida Supreme Court Suspends Attorney Behind Thousands of Insurer Lawsuits

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By [Amy O'Connor](#) | June 10, 2020

The Florida Supreme Court has granted an emergency request by the Florida bar to immediately suspend an attorney who, with his firm, has filed thousands of assignment of benefit and first party lawsuits against Florida property insurers over the last several years.

The state's [high court approved the petition for an emergency suspension](#) of Scot Strems, owner and sole named partner of Coral Gables-based Strems Law Firm, on June 9. The move came after The Florida bar [filed a 48-page petition](#) on June 4 alleging that Strems has been the respondent of several complaints before the Florida bar and that he and his firm are “causing great public harm.”

Strems' firm is accused by the bar of engaging in “mendacious, bad-faith conduct” and making dishonest or even fraudulent statements to other parties involved in suits, including the court. The bar also accuses Strems of illegally filing multiple lawsuits on an individual policy claim, delaying and ignoring court deadlines, and violating court orders.

“Mr. Strems sits at the head of a vast campaign of unprofessional, unethical, and fraudulent conduct that now infects courts and communities across the state,” the petition states.

The bar's petition said that given the pattern of conduct by Strems and his firm and the “clear and unquestionable” harm to the public, the immediate suspension was warranted.

Strems did not respond to multiple requests for comment but his attorney Mark Kamilar said in an email to Insurance Journal Wednesday that, “Scot Strems strongly disputes the allegations and is working with The Bar to set a hearing to present his defense.” The firm's website states the firm has approximately 20 attorneys across six offices in the state and that it specializes in first-party property claims, in which it represents homeowners against their property insurers.

A former associate of the firm testified it had filed more than 10,000 suits against Florida property insurance companies.

## [Industry Calls On Florida Lawmakers to Reform Lawsuit Abuse](#)

The industry again expresses concern over an explosion of AOB claims over the last several years.

## [Study Cites AOB Abuse for Increasing Insurance Costs In Florida](#)

The I.I.I. report says the AOB “mini-industry has cost consumers billions of dollars as they are forced to pay higher premiums to cover needless repairs and excessive legal fees.”

“Despite the professional veneer of the firm’s website, dockets across Florida are replete with orders sanctioning Mr. Strems and his subordinates for the delay, misrepresentation, and bad faith that have become the hallmarks of their firm’s litigation practice,” the bar stated in its petition.

The petition says Strems’ firm files separate lawsuits against insurers for individual claims, “even though they occur under the same policy, at the same property, and at the same time.” After these cases are filed, water mitigation firm All Insurance Restoration Services, Inc. (AIRS), subsequently files multiple lawsuits in county courts relating to the same losses. The bar petition states that while SLF does not typically represent AIRS, the water mitigation firm will proceed under an AOB that has been executed by SLF’s clients.

“The end result is that the involvement of respondent and his firm results in four separate lawsuits filed resulting from the same alleged occurrence,” the bar petition says.

The bar cites a motion from Avatar Insurance Co. that the firm has worked in tandem with AIR and the public adjusting firm Contender Claims Consultants, noting the entities are involved in “literally thousands of claims together, more likely tens of thousands of claims.”

Cited in the [700-pages of documents](#) that accompany the petition as evidence are:

- More than 30 orders and other filings of case dismissals with prejudice because of “willful violations” of a court’s orders or purposeful delays, as well as sanctions against the firm, involving 18 cases against eight different insurance companies.
- A class action lawsuit by claimants who say they were illegally solicited and profited off of by the firm and other third parties.
- Affidavits by two Thirteenth Judicial Circuit Court judges who have handled hundreds of cases brought by Strems.
- A deposition of the firm’s former litigation manager who testified that the firm has handled as many as 10,000 suits at once, that Strems attorney’s for the firm didn’t keep track of their time and fee sheets stating time spent on cases were falsified.

The bar said “numerous parties have been and continue to be injured by [Strems] bad faith,” including: insurers and their counsel who must litigate these cases; the courts; the public and Florida homeowners “whose premiums ultimately fund both sides of SLF’s cases” and the clients of Strems’ “who are sometimes conscripted (unwittingly or otherwise) into the firm’s conduct, and whose claims are frequently rendered worthless due to court sanctions.”

Also cited in the petition are synopses of orders and other filings across 18 separate cases that “lay bare the pattern of unethical and unprofessional conduct by respondent and SLF.”

“The orders ... by no means represent the totality of sanctions issued against respondent and his firm. Indeed, the orders themselves make reference to yet more sanctions orders which are not addressed in this petition,” the bar states.

In an affidavit dated May 4, Judge Gregory Holder of the Thirteenth Circuit Court in Hillsborough County, Fla., said he personally had presided over hundreds of first-party property claims cases involving Scot Stremms or the Stremms Law Firm. Holder said he and other judges in the court’s General Civil Division have had many conversations concerning the pattern and practice of Stremms and the Stremms Law Firm.

“Universally, these discussions have noted his absolute violations of the Rules of Professional Responsibility and blatant obstruction of justice in virtually every case where he and his firm enter an appearance,” Holder stated.

Holder also noted Stremms’ conduct has resulted in “clear and unquestionable great harm to these Florida citizens who have chosen Mr. Stremms and his firm to represent their interests.”

#### **Affected Companies**

Florida-based Security First Insurance Co. has litigated hundreds of Stremms cases and filed multiple sanctions against the firm. Representatives from the company told Insurance Journal the firm engaged in the aforementioned delay tactics on claims investigations, inflated or misrepresented claims, and delayed court proceedings like discovery efforts and depositions on claims lawsuits in attempts to increase its fee payouts. Security First currently has 209 open cases with the Stremms firm.

In January, Security First deposed former Stremms litigation manager and managing partner Christian Aguirre in a \$321,000 fee dispute. Aguirre, who resigned from the firm in 2018, testified that at one point during his tenure the firm had as many as 10,000 lawsuits against insurance companies and that he personally handled as many as 700 in one year for the firm.

In the deposition, included as evidence in the petition for Stremms emergency suspension, Aguirre said the Stremms firm did not instruct him to keep track of his time and the law firm billed for case meetings that never occurred.

Bill Mitchell, head of the First Party Practice Group for insurance defense firm Conroy Simberg in Tampa, called the Stremms Law Firm “the worst” in terms of firms that sue Florida insurers. He said he personally had multiple interactions with the Stremms firm in cases he worked where its attorney’s would fail to show up for examination under oath requests, depositions, and not respond to discovery. The goal of Stremms, he said, was to incur larger fees by dragging out the cases.

“When you negotiate a settlement after a year and a half, they feel they are entitled to a higher fee of that settlement when in reality that claim could have been settled in 30 days,” Mitchell said.

Roger Desjadon, CEO of Florida Peninsula Insurance Co., said the company has had a “magnitude” of lawsuits submitted by the Strems firm – and in many cases it has been multiple lawsuits on the same loss. He described Strems as among the top three or four firms filing lawsuits against his company.

“This particular law firm is a very well recognized name in the state of Florida in the realm of lawsuits for profit, or the allegation of lawsuits for profit,” he said.

#### **What’s Next**

The Supreme Court’s emergency suspension states that Strems may no longer accept new clients and must cease to represent any clients after 30 days of the court order. In addition, Strems must notify all clients, opposing counsel and courts where he is counsel of record of his suspension, which Mitchell said leaves any case for which he is personally named on the retaining agreements in limbo. It was not clear if the other attorneys at the firm will take over these cases for the Strems firm. Additionally, Strems must provide The Florida Bar with the requisite affidavit listing all clients, opposing counsel and courts informed of the order within 30 days.

Strems was further ordered by the court to stop disbursing or withdrawing any funds from any trust account related to his law practice without approval of the Florida Supreme Court or appointees, as well as other conditions related to financials.

A referee will be appointed by the Florida Supreme Court within 14 days and a case management conference will be conducted within the next two months. Strems is expected to respond to the Florida Bar’s petition.

#### **AOB & Lawsuit Abuse**

Some in the insurance industry hope this situation will be an example to the Florida Legislature of how certain law firms are taking advantage of insureds and exploiting the state’s legal system for their own gain, and that lawmakers take steps to address the issue.

“I would like to see a greater focus on how these sort of actions impact the industry as a whole and consumers as a whole, because unfortunately I think a lot of people have the misconception that when we, being insurance companies, pay fraudulent, frivolous or over-inflated claims, that it’s a victimless crime and that it doesn’t matter,” said Melissa Burt DeVriese, president of Security First.

DeVriese said insurers in Florida are filing large rate increases because of losses related to excessive litigation like what was happening with Strems, and, “Guess who pays those rate increases? The consumer.”

“The vast majority of people do not file frivolous lawsuits. They do not file frivolous claims, but they’re all bearing the cost of a handful of bad actors,” she said. “That’s what I’d like to see come out of this situation is a focus on bad actors, a focus on the cost drivers in the Florida market that are leading consumers to pay more for their homeowners insurance than they should be.”

Desjadon said addressing the issues with this one particular law firm is a good step, but the problems won't go away even if Stremis is disbarred. He said the legislature needs to look at the one-way attorney fee statute and changing the formula of fee multipliers on first party lawsuits so attorneys are not incentivized to file frivolous claims.

"I think that this for everyone really is kind of a wake-up call that something needs to be done, or the alternative is there will undoubtedly continue to be problems with pricing and problems with availability," he said.