



Contact:

Ivette Faulkner
Executive Vice President of Communication & Marketing
Florida Chamber of Commerce
850-521-1200
media@flchamber.com

Consumer Protection Coalition statement on start of Scot Strems trial before Miami circuit judge

The allegations leveled by the Florida Bar against trial attorney Scot Strems in his license suspension case provide disturbing insight into an out-of-control, litigation-for-profit feeding frenzy that rips off consumers, drives up business costs, and blatantly abuses Florida's court system.

The Supreme Court case, refereed by Miami Circuit Judge Dawn Denaro, also shines a glaring spotlight on systemic litigation abuses that Florida's elected leaders must curb or eliminate to protect the public. The case serves as a warning for homeowners to be especially careful when solicited by anyone seeking to represent them in an insurance claim.

The allegations detail how Strems and his Strems Law Firm engaged third parties, such as Public Adjusters or water mitigation firms, as insurance "consultants" to troll for unsuspecting homeowners to sign up for remediation services. Remarkably the Strems firm filed approximately 10,000 property insurance lawsuits, despite only employing about 20 lawyers statewide. (Some attorneys handled over 500 cases at a time). The firm allegedly filed as many as four separate lawsuits for the same location or home, often without the knowledge of the homeowner. It then allegedly pocketed tens of thousands of dollars in settlement money as "legal fees" on cases without informing the client and while ignoring sanctions and orders by judges across the state.

Especially damning was the assertion by two judges that the Strems firm violates the Rules of Professional Responsibility in... "virtually every case where he and his firm enter an appearance." Supporting documents provided 17 examples from different judges of admonishments, including monetary sanctions against the firm. One judge specifically stated that during an in-chamber meeting, a Strems lawyer said Scot Strems instructed him to file cases without proper support, to allege damages not supported by evidence or the insurance contract, to refuse to allow plaintiffs to participate in Examinations Under Oath or depositions, and to refuse to cooperate with the insurer being sued in basic discovery.

This alleged behavior raises urgent questions about how much Florida's attorney fee statutes incentivize attorneys to aggressively seek out potential customers, sign them up by any means, inflate

billable hours and fees, and then petition judges for even more under a “fee multiplier” approach that applies only in Florida.

The case also begs questions of how Strem’s allegedly improper activities could have persisted for so many years, despite admonishments from judges in multiple judicial circuits. The Florida Bar was forced by the judges’ complaints to seek an emergency suspension of Strem’s license, essentially taking three years to do so. During this time, unfortunately, thousands more consumers were being taken advantage of – for a trial lawyer payday.

The Consumer Protection Coalition is urging Florida’s elected leaders to pay close attention to details emerging from the Strem case – and what these details they say more broadly about the state’s litigation environment – with an eye toward addressing attorney fee and other reforms in the 2021 legislative session. The CPC also urges the courts and elected leaders to review the state’s system for identifying and addressing bad behavior among lawyers, and how to better equip consumers to evaluate beforehand the disciplinary record of the lawyer they are being solicited by or thinking of hiring. Consumers must be protected from a predatory litigation environment that does not put their best interests at the forefront.

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The Consumer Protection Coalition is a broad-based group of professionals advocating for reforms to end litigation and Assignment of Benefits (AOB) abuse. Members include the Florida Chamber of Commerce, American Property Casualty Insurance Association, Florida Justice Reform Institute, Florida Roofing and Sheet Metal Contractors Association, Insurance Information Institute, National Association of Mutual Insurance Companies, Personal Insurance Federation of Florida, Associated Builders and Contractors, Citizens Property Insurance Corp., Council of Property Claims Professionals, Florida Association of Insurance Agents, Florida Bankers Association, Florida Property and Casualty Association, Florida Realtors, Florida Refrigeration and Air Conditioning Contractors Association, Florida Retail Federation, Latin American Association of Insurance Agencies, National Insurance Crime Bureau, Professional Insurance Agents of Florida, Rytech and VetCor Services.