

LEGAL ANALYSIS OF LEASE AGREEMENT AND PAYMENT PRACTICES (AMARLU ENTERPRISES)

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The landlords, Luther Rollins and Mary O. Polk, along with their entity Amarlu Enterprises, have created a complex and opaque structure that undermines the transparency of their business practices and compliance with legal obligations in the State of Florida. Examination of records in **Catawba County, North Carolina**, where Amarlu Enterprises is registered, reveals the use of three assumed business names under the ownership of Rollins and Polk. These assumed names include **Amarlu Enterprises, Amarlu Company**, and **Amarlu Consulting**, none of which are registered or appear in any business or corporate filings in the **Florida Division of Corporations' database**.

The landlords' consistent use of unregistered entities to conduct business in Florida while directing tenants to remit payments to a North Carolina address under one of these assumed names raises significant concerns about their intent to evade legal requirements and obscure the nature of their business dealings.

Despite these assumed names being recorded in Catawba County, there is no evidence that the landlords or their entities sought foreign registration in Florida as required by **Florida Statutes § 605.0902**. This statute mandates that out-of-state entities, including assumed names used for business purposes, register with the state before conducting business, such as collecting rental income. By failing to do so, the landlords have violated Florida's foreign entity registration laws, and their omission has significant implications for the enforceability of their lease agreements and their standing in Florida courts.

Furthermore, the lease for the property at 2649 Tifton St S, Gulfport, Florida, identifies only Rollins and Polk as landlords, with no mention of Amarlu Enterprises or its assumed names. This omission denies the tenants knowledge of the true parties to whom they were financially

obligated and creates a veil of ambiguity over the landlords' business practices of the landlords. The tenants, in good faith, remitted payments totaling \$45,000 over 10 months to Amarlu Enterprises, unaware of its unregistered and undisclosed status in Florida.

Summary of Facts

1. Lease Agreement:

- The lease agreement explicitly identifies **Luther Rollins** and **Mary O. Polk** as landlords in their individual capacities.
- There is no mention of **Amarlu Enterprises**, a North Carolina-registered entity jointly owned by Rollins and Polk, as a party to the lease or as the recipient of rent payments.

2. Payment Instructions:

- Upon move-in, tenants were provided with pre-stamped, pre-addressed envelopes directing rent payments to **Amarlu Enterprises** at **231 Government Ave 3094, Hickory, NC 28602**.
- Rent payments were explicitly instructed to be made payable to Amarlu Enterprises, despite its complete omission from the lease agreement.

3. Payments and Income:

- Over the course of the 10-month lease term, the tenants paid a total of **\$45,000** in rent to Amarlu Enterprises.

4. Corporate Registration:

- **Amarlu Enterprises** is a registered business entity in North Carolina but does not appear in the **Florida Division of Corporations' records** as a foreign (out-of-state) entity authorized to conduct business in Florida.
- Collecting rental income for property in Florida constitutes business activity under Florida law and requires foreign LLC registration.

Legal Analysis

1. Violation of Florida Business Registration Requirements

Florida law, specifically **Florida Statutes § 605.0902**, requires that out-of-state entities register as foreign LLCs to conduct business within the state. The collection of rental income for property located in Florida unequivocally qualifies as conducting business.

- **Non-Compliance:** Amarlu Enterprises' failure to register as a foreign LLC in Florida directly violates this statutory requirement.

- **Consequences:**

- Amarlu Enterprises may lack standing to enforce any legal claims, including those arising from the lease agreement, in Florida courts.
- The landlords face potential fines and penalties for conducting unauthorized business in Florida.

2. Misrepresentation and Lack of Disclosure

Florida's landlord-tenant laws mandate clear disclosure of all parties involved in a rental agreement. By instructing tenants to remit payments to **Amarlu Enterprises**—an entity that was not mentioned or disclosed in the lease agreement—the landlords engaged in conduct that could be construed as deceptive and misleading.

- **Implications:**

- This discrepancy undermines the tenants' ability to fully understand their contractual obligations and the true nature of the lease agreement.
- The omission of Amarlu Enterprises from the lease agreement creates an impression that the entity was deliberately concealed, raising questions of good faith.

3. Potential Tax Evasion

Directing payments to an unregistered, out-of-state entity raises serious concerns regarding the proper reporting of rental income and compliance with state and federal tax laws.

- **Application:**

- If the landlords used Amarlu Enterprises as a mechanism to obscure income or evade Florida tax obligations, they could face allegations of tax evasion.
- As Amarlu Enterprises is unregistered in Florida, this arrangement could also suggest an intent to avoid Florida's tax compliance requirements.
- **Legal Risks:** Tax evasion constitutes a federal and state crime with significant penalties, including fines, restitution, and potential imprisonment.

4. Fraudulent Conduct

Fraud is defined as the intentional deception of another party for personal or financial gain. The landlords' actions meet the key elements of fraud:

- **Elements of Fraud:**

- The intentional omission of **Amarlu Enterprises** from the lease agreement despite its role as the recipient of all rent payments.
- The concealment of Amarlu Enterprises' unregistered status in Florida while collecting rental income through the entity.
- **Consequences:** Fraudulent misrepresentation could result in both civil liability (including damages and legal fees) and criminal charges under Florida law.

Potential Legal Actions

1. **Restitution:**

Tenants reserve the right to seek restitution of all payments made to Amarlu Enterprises during the lease term on the basis that the entity was not legally authorized to collect such payments in Florida.

2. **Regulatory Complaints:**

- A formal complaint will be submitted to the **Florida Department of State** regarding Amarlu Enterprises' failure to register as a foreign LLC.
- Additional complaints will be filed with the **Florida Department of Revenue** and the **Internal Revenue Service (IRS)** to investigate potential tax violations.

3. **Civil Litigation:**

- Should these violations remain unresolved, tenants will pursue civil litigation to recover damages, legal fees, and other remedies under Florida law.

Clear Analysis of Business Conduct vs. Legal Requirements

1. Requirements for an Out-of-State Entity (e.g., Amarlu Enterprises) to Operate in Florida

Under **Florida Statutes § 605.0902**, any out-of-state entity conducting business in Florida must meet the following legal requirements:

1. **Register as a Foreign Entity:** The business must file with the **Florida Division of**

Corporations as a foreign LLC or corporation before engaging in any business activities, such as collecting rental income.

2. **Disclose Its Role in Agreements:** If the entity is involved in a landlord-tenant relationship, its name and role must be explicitly disclosed in the lease agreement.
3. **Meet Tax Obligations:** Registering as a foreign entity requires the business to comply with Florida tax laws, including remitting applicable state taxes on rental income.

Failure to meet these requirements renders the entity's activities non-compliant and exposes it to legal and financial penalties.

2. Requirements for Individuals (e.g., Luther Rollins and Mary O. Polk) Acting as Landlords

As individuals, Rollins and Polk could legally operate as landlords in Florida under the following conditions:

1. **Personally Own the Property:** They must act in their personal capacities as property owners and not involve an undisclosed business entity in collecting rent.
2. **Collect Rent in Their Own Names:** Rent payments must align with the lease agreement and be directed to the named landlords, not an unrelated or undisclosed entity.
3. **Full Disclosure in Lease:** Florida law requires landlords to clearly disclose all relevant parties, ensuring tenants understand the terms and the identity of all payment recipients.

When individuals operate within these boundaries, their actions comply with Florida law.

3. Documented Actions by the Landlords

- **Lease Agreement:** The lease identifies only Luther Rollins and Mary O. Polk as landlords. It makes no mention of Amarlu Enterprises or any related business entities, despite their involvement in the rental arrangement.
- **Payment Instructions:** At move-in, tenants were provided pre-stamped, pre-addressed envelopes directing payments to **Amarlu Enterprises** at **231 Government Ave 3094, Hickory, NC 28602**.
- **Catawba County Deeds Filing:** On **July 7, 2023**, Rollins and Polk filed documentation with the **Catawba County Register of Deeds** (Dona Hicks Spencer, Register of Deeds) in North Carolina, certifying that the entity would assume the following three assumed business names:

1. **Amarlu Enterprises**

2. **Amarlu Company**

3. **Amarlu Consulting**

- **Registration in Florida:** Despite this filing, none of these assumed business names appear in the **Florida Division of Corporations' database** as foreign entities authorized to operate in Florida.

- **Rental Income Collected:** Over the 10-month lease term, tenants paid a total of **\$45,000** directly to Amarlu Enterprises, which was not disclosed in the lease agreement.

4. **Breaches and Legal Issues Identified**

1. **Violation of Florida Foreign Entity Registration Laws:**

- Florida law requires foreign entities, including those operating under assumed names, to register before conducting business in the state. By collecting rent without such registration, **Amarlu Enterprises, Amarlu Company, and Amarlu Consulting** are in clear violation of **Florida Statutes § 605.0902**.

2. **Omission of Business Entities in the Lease:**

- The lease agreement failed to disclose the involvement of Amarlu Enterprises or its assumed names, denying tenants the transparency required by Florida landlord-tenant laws. Payments directed to Amarlu Enterprises conflict with the terms of the lease, which identified only Rollins and Polk as landlords.

3. **Improper Payment Instructions:**

- Tenants were instructed to remit payments to Amarlu Enterprises, a business entity, rather than the landlords named in the lease. This constitutes a misrepresentation of the true financial arrangement and violates legal norms for lease agreements.

4. **Potential Tax Evasion:**

- By funneling rental payments through Amarlu Enterprises—an entity unregistered in Florida—the landlords may have obscured the flow of income to avoid Florida tax obligations. This raises significant concerns about compliance with federal and state tax laws.

Comparison: Good vs. Bad Business Practices

Aspect	Good Business Practice	What Was Done	Breach
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Lease Agreement

Identifies all parties (landlord and tenant parties) and includes applicable business entities such as Compass Realty (associated with Mr. Steinberger's associated realty office with Mr. Steinberger being appointed and declared the out-of-state landlord's paralegal outlined clearly on page 1 of the fully executed lease agreement.

The fully executed lease agreement names the landlords as Luther Rollins and Mary O'Polk and omits any mention of any entity related to, overseeing, or connected to the fully executed lease agreement. Amarlu Enterprises (and its related Assumed Business Names) are fully and deliberately excluded. The non-disclosure of Amarlu Enterprises violates transparency and landlord-tenant laws.

Gross Breach of Florida Statutes § 605.0902- Entity Registration

Register Amarlu Enterprises and assumed names as foreign entities. Amarlu Enterprises, Amarlu Company, and Amarlu Consulting were not registered in Florida.

Payment Instructions

Align payment recipient with the lease terms. Rent payments were directed to Amarlu Enterprises, contrary to the lease terms. Misrepresentation of the payment recipient.

Tax Compliance Report income under the registered entity in both Florida and NC. Payments were funneled to an unregistered entity, raising potential tax evasion concerns. Possible tax evasion due to failure to meet Florida tax obligations.

5. Why This Matters

The landlords' actions represent a deliberate attempt to obscure the true nature of their business activities and evade critical legal obligations. Filing assumed names in North Carolina without registering in Florida allowed the landlords to:

- Conduct business under the guise of legitimacy while avoiding Florida's registration and tax laws.
- Mislead tenants by instructing payments to an undisclosed and unregistered entity.
- Potentially benefit from tax advantages while failing to meet their financial and legal responsibilities.

Conclusion

The landlords, Luther Rollins and Mary O. Polk, engaged in practices that deviate significantly from lawful and transparent business operations. Their failure to register Amarlu Enterprises, Amarlu Company, and Amarlu Consulting as foreign entities in Florida, coupled with their omission of these names in the lease agreement, violates Florida law and tenant rights. These actions create grounds for restitution, regulatory investigation, and potential civil or criminal liability. Regulatory bodies must investigate these breaches to ensure accountability and compliance with Florida statutes.

Luther Rollins and Mary O. Polk's actions, including omitting Amarlu Enterprises from the lease agreement and directing payments to an unregistered entity, constitute significant legal and ethical violations. These practices violate Florida's business registration statutes and landlord-tenant laws and raise serious concerns about potential fraud and tax evasion.