

NOTES - Comprehensive Legal and Financial Summary

Comprehensive Legal and Financial Summary: All Details Included

Key Facts of the Case

1. The Lease Agreement:

- Property: 2649 Tifton St S, Gulfport, Florida.
- Landlords: Luther Rollins and Mary O. Polk.
- Terms: \$45,000 lease term total rent amount.
- Terms: \$4,500 per month
- Terms: \$4,500 upfront security deposit
- Terms: \$500 non-refundable pet-fee
- The lease explicitly identifies **Luther Rollins** and **Mary O. Polk** as landlords, omitting **Amarlu Enterprises** or any associated assumed business names (Amarlu Enterprises, Amarlu Company, Amarlu Consulting).

2. Payment Instructions:

- Tenants were provided with ten (10) pre-stamped, pre-addressed envelopes at move-in, directing payments to **Amarlu Enterprises** at **231 Government Ave 3094, Hickory, NC 28602**.
- Despite Amarlu Enterprises collecting rent, it was not disclosed in the lease agreement nor registered to conduct business in Florida.

3. Amarlu Enterprises and Assumed Business Names:

- Amarlu Enterprises is a North Carolina-registered entity, with assumed business names of **Amarlu Enterprises, Amarlu Company, and Amarlu Consulting**, filed on **July 7, 2023** with the **Catawba County Register of Deeds**.
- Furthermore, and with critical influence on the outcome of this dispute, Amarlu Enterprises, a

North Carolina entity owned by Luther Rollins and Mary O. Polk, is not registered as a foreign entity with the Florida Division of Corporations, violating Florida Statutes § 605.0902. However, this entity is collecting revenue illegally and in the shadows within the State of Florida via rental income.

4. **Evidence Supporting the Tenant's Case:**

- Proof of payments instructed to be made directly to Amarlu Enterprises.
- The lease agreement omits Amarlu Enterprises entirely.
- Instructions to tenants to use pre-stamped envelopes addressed to Amarlu Enterprises.
- Personal property worth \$4,200 was withheld by the landlords without legal justification.
- The landlords made a counteroffer of only 500 *for the withheld property* and 1,500 for the security deposit, failing to address the broader legal issues.

5. **Landlord's Professional Background:**

- Luther Rollins is a licensed attorney in good standing with the **North Carolina State Bar** and holds his license officially with the **** Missouri Bar****, practicing in North Carolina as an out-of-state member. His legal expertise heightens the expectation of compliance with state laws and ethical obligations. This is most critical as it relates to punitive claims against the landlord.

Legal Issues Identified

1. **Failure to Register as a Foreign Entity:**

- Florida law requires out-of-state entities like Amarlu Enterprises to register before conducting business in the state.
- By collecting \$45,000 in rent without registration, Amarlu Enterprises violated **Florida Statutes § 605.0902**. Under the law, this immediately renders the lease fully illegal, any dispute for security deposits defaults to the tenants' favor, property value to be restored in full, etc. Further, this could result in civil penalties.

2. **Fraudulent Misrepresentation:**

- The lease failed to disclose Amarlu Enterprises, yet tenants were instructed to make payments to this entity.
- Fraudulent misrepresentation arises from this intentional omission, as tenants were deprived of a full understanding of the parties involved in the agreement.

3. **Violation of Florida Landlord-Tenant Laws:**

- Florida Statutes § 83.49 requires landlords to return security deposits within 30 days of lease termination or provide an itemized list of deductions if retaining any portion of the security deposit, thus placing a claim on the deposit. Failure to comply can result in the forfeiture of the deposit and statutory penalties. The landlord met this timely obligation by issuing a certified letter on the 30th and final day of the 30-day window from the day the tenant vacated the property.
- Withholding personal property valued at \$4,200 violates **Florida Statutes § 83.67**, which prohibits landlords from unlawfully retaining or disposing of tenants' property.

4. **Ethical and Professional Misconduct:**

- As a licensed attorney, Luther Rollins is held to higher ethical standards. His involvement in structuring the lease and payment arrangements in violation of Florida law raises questions about professional misconduct under North Carolina and Missouri bar rules.

5. **Tax Evasion:**

- Payments directed to Amarlu Enterprises, an unregistered entity, raise concerns about compliance with Florida and federal tax laws. The lack of registration suggests an attempt to avoid Florida's tax obligations.

Revised & Increased Financial Claims Made by the Tenant

1. **Full Lease Payments:**

- Total: **\$45,000.**
- Rationale: The lease is to be deemed unenforceable because rent was fraudulently collected through an unregistered entity.

2. **Security Deposit:**

- Total: **\$4,500.**
- Rationale: Non-compliance with Florida Statutes § 83.49 entitles the tenant to a full refund.

3. **Dog Deposit:**

- Total: **\$500.**
- Rationale: If the lease is invalidated, the non-refundable nature of this deposit becomes moot, and it should be returned.

4. **Treble Damages:**

- Total: **Up to \$13,500 (3x Security Deposit).**
- Rationale: Florida law permits treble damages for willful and intentional violations of deposit handling laws.

5. **Value of Withheld Property:**

- Total: **\$4,200.**
- Rationale: Compensation for personal property unlawfully withheld by the landlord.

6. **Punitive Damages:**

- Range: 45,000–**135,000 (1-3x Lease Payments).**
- Rationale: Courts may award punitive damages for egregious misconduct, such as fraud and intentional misrepresentation.

7. **Statutory Penalties:**

- Range: **Up to 15,000–25,000.**
- Rationale: Penalties for multiple statutory violations, including deposit mishandling and illegal business operations.

8. **Legal Fees:**

- Range: 5,000–**15,000.**
- Rationale: Recoverable under Florida law if you prevail in court.

9. **Emotional Distress Damages** (Optional):

- Range: 5,000–**10,000.**
- Rationale: If the landlords' conduct caused significant emotional harm, you may argue for these damages.

Total Financial Potential

- **Conservative Estimate: \$100,200** (Lease + Security Deposit + Property Value).
- **Maximum Recovery:**

\$175,000 upwards of 200,000 dollars, including punitive damages, treble damages, and penalties.

Strategic Recommendations

1. Settlement Counteroffer:

- Demand \$150,000, inclusive of the lease payments, security deposit, withheld property, and a punitive damages component. Highlight the legal risks the landlords face, including fraud claims, statutory violations, and regulatory penalties.
- Provide a deadline for settlement to encourage a prompt resolution.
- I am prepared to file complaints with:
 - **Florida Department of State** for the entity's failure to register.
 - **Florida Department of Revenue** for potential tax violations.
 - **North Carolina and Missouri Bar Associations** regarding Luther Rollins' professional misconduct.

Conclusion

The landlords' actions represent significant legal violations, including fraud, non-compliance with Florida business registration requirements, and violations of landlord-tenant laws. With compelling evidence, you are in a strong position to pursue substantial financial recovery through negotiation or litigation, including full restitution of lease payments, treble damages, and punitive damages. This case highlights the egregiousness of their conduct and provides a pathway to hold them accountable under Florida law.

Key Facts of the Case

This case involves significant breaches of Florida landlord-tenant law, fraudulent misrepresentation, and violations of Florida business statutes. Below is a detailed overview:

1. The Lease Agreement:

- The lease was for the property located at **2649 Tifton St S, Gulfport, Florida**.
- Landlords listed in the lease: **Luther Rollins** and **Mary O. Polk**, named in their individual capacities.
- Lease terms:

- **10-month term** at 4,500permonth, totaling * *45,000**.
- Security deposit: **\$4,500**.
- Non-refundable dog deposit: **\$500**.
- Critical omission: The lease makes **no mention** of **Amarlu Enterprises**, a North Carolina-registered entity owned by Rollins and Polk, nor of its role in collecting rent or managing the property.

2. **Payment Instructions:**

- Upon move-in, tenants were provided with **pre-stamped, pre-addressed envelopes** directing all rent payments to **Amarlu Enterprises** at **231 Government Ave 3094, Hickory, NC 28602**.
- Every payment for the full lease term (totaling \$45,000) was made to Amarlu Enterprises, despite its omission from the lease agreement.
- This discrepancy between the lease agreement and payment practices forms the basis for allegations of fraud and misrepresentation.

3. **Amarlu Enterprises and Assumed Business Names:**

- On **July 7, 2023**, Rollins and Polk filed documentation with the **Catawba County Register of Deeds**, certifying that Amarlu Enterprises would operate under three assumed business names:

1. **Amarlu Enterprises.**

2. **Amarlu Company.**

3. **Amarlu Consulting.**

- However, **none of these entities or assumed names are registered with the Florida Division of Corporations** as required by **Florida Statutes § 605.0902**, which mandates foreign business registration before conducting business in Florida.
- The use of an unregistered foreign entity to collect rent in Florida constitutes a direct violation of state law.

4. **Personal Property Withheld:**

- Upon termination of the lease, the landlords withheld personal property belonging to the

tenants, valued at **\$4,200** after depreciation.

- Florida Statutes § 83.67 prohibits landlords from unlawfully retaining or disposing of tenant property. The withholding of personal items constitutes another legal violation.

5. **Landlords' Counteroffer:**

- In response to initial demands for the return of the withheld property and a portion of the security deposit, the landlords offered:
 - **\$500 for the personal property** (far below its depreciated value).
 - 1,500 *of the* **4,500 security deposit**.
- This counteroffer fails to address the broader legal violations, including fraudulent collection of rent and failure to register Amarlu Enterprises in Florida.

6. **Landlord's Legal Background:**

- **Luther Rollins** is a licensed attorney in good standing with the **North Carolina State Bar** and an out-of-state member of the **Missouri Bar**.
- His legal expertise increases his accountability for ensuring compliance with state laws and ethical practices. Using his professional knowledge to structure lease and payment arrangements that circumvent Florida law raises serious ethical concerns and potential bar violations.

Legal Issues Identified

1. **Violation of Florida Business Registration Laws:**

- **Florida Statutes § 605.0902** requires foreign entities to register with the Florida Division of Corporations before conducting business in the state.
- Amarlu Enterprises collected rent for a Florida property without registering, making its actions **illegal** and potentially invalidating the lease agreement.
- Consequences of this violation:
 - Amarlu Enterprises cannot enforce any legal claims in Florida courts until it registers as a foreign entity.
 - Tenants may seek full restitution of rent payments made to an unregistered entity.

2. **Fraudulent Misrepresentation:**

- The landlords failed to disclose Amarlu Enterprises in the lease agreement while directing payments to the entity.
- This deliberate omission constitutes **fraudulent misrepresentation**, depriving tenants of the opportunity to understand the true parties involved in the lease.
- Fraudulent intent is further evidenced by:
 - The use of pre-stamped envelopes addressed to Amarlu Enterprises.
 - The landlords' failure to comply with Florida's business and tax laws.

3. **Violation of Florida Landlord-Tenant Laws:**

• **Security Deposit Mishandling:**

- Florida Statutes § 83.49 requires landlords to return security deposits within 15 days of lease termination or provide an itemized list of deductions.
- The landlords' failure to meet these requirements entitles the tenant to the full deposit amount, plus potential penalties for bad faith.

• **Unlawful Retention of Property:**

- Florida Statutes § 83.67 prohibits landlords from withholding or disposing of tenant property. The landlords' actions in withholding \$4,200 worth of personal property violate this statute.

4. **Tax Evasion:**

- By funneling rental income through an unregistered entity, the landlords may have failed to report income properly to Florida tax authorities.
- This raises potential tax evasion concerns at both the state and federal levels.

5. **Ethical and Professional Misconduct:**

- As a licensed attorney, Rollins is held to higher ethical standards under bar rules in North Carolina and Missouri.
- Structuring a fraudulent lease arrangement to avoid legal and tax obligations could result in disciplinary action from the respective bar associations.

Potential Financial Claims

1. Full Lease Payments: \$45,000

- Rationale: The lease agreement is likely invalid due to the fraudulent collection of rent through an unregistered entity.

2. Full Security Deposit: \$4,500

- Rationale: Non-compliance with Florida Statutes § 83.49 entitles the tenant to the full return of the deposit.

3. Dog Deposit: \$500

- Rationale: If the lease is invalid, the non-refundable status of the dog deposit is unenforceable.

4. Withheld Personal Property: \$4,200

- Rationale: Compensation for property unlawfully withheld.

5. Treble Damages: Up to \$13,500 (3x Security Deposit).

- Rationale: Florida law allows for treble damages in cases of willful or bad-faith violations of security deposit handling laws.

6. Punitive Damages: 45,000–135,000

- Rationale: Courts may award 1–3x compensatory damages as punitive damages for fraudulent and egregious misconduct.

7. Statutory Penalties: Up to \$25,000

- Rationale: Penalties for multiple statutory violations, including unregistered business operations and mishandling of deposits.

8. Legal Fees: 5,000–15,000

- Rationale: Recoverable under Florida landlord-tenant laws if you prevail in court.

9. Emotional Distress Damages: 5,000–10,000

- Rationale: If the landlords' conduct caused significant distress.

Total Potential Financial Recovery

- Conservative Estimate: \$100,200.

- **Maximum Estimate:** 175,000–**215,000+**, depending on court discretion regarding punitive and treble damages.

Strategic Recommendations

1. Final Counteroffer:

- Demand a full settlement of 100,000–**150,000**, including the lease payments, deposit, property value, and punitive damages.
- Highlight the fraud, statutory violations, and potential bar complaints to pressure the landlords into settling.

2. Prepare for Court:

- File in Florida Circuit Court if the landlords fail to meet your settlement demands.
- Pursue full restitution, treble damages, punitive damages, and legal fees.

3. Regulatory Complaints:

- File complaints with the **Florida Department of State, Florida Department of Revenue**, and bar associations in North Carolina and Missouri.

This detailed summary provides a strong foundation for negotiations or legal action, ensuring every violation and financial claim is clearly articulated.