

STATE OF SOUTH CAROLINA  
COUNTY OF BEAUFORT

IN THE COURT OF COMMON PLEAS  
FOURTEENTH JUDICIAL CIRCUIT  
CIVIL ACTION NO. 2021-CP-07-\_\_\_\_\_

Mackenzie Tracy Strauss,

Plaintiff,

vs.

Peter J. Strauss, Esq. and THE STRAUSS  
LAW FIRM, LLC,

Defendants.

## SUMMONS

TO THE DEFENDANTS ABOVE NAMED:

YOU ARE HEREBY SUMMONED and required to answer the Complaint in this action, a copy of which is hereby served upon you, and to serve a copy of your Answer to said Complaint on the subscriber at his office, PENDARVIS LAW OFFICES, P.C., 710 Boundary Street, Unit A-1, Beaufort, SC 29902-4188, within Thirty (30) days after the service hereof, exclusive of the date of such service; and if you fail to answer the Complaint within the time aforesaid, judgment by default will be rendered against you for the relief demanded in the Complaint.

Respectfully submitted,

PENDARVIS LAW OFFICES, P.C.

s/ Thomas A. Pendarvis  
Thomas A. Pendarvis (SC Bar #64918)  
710 Boundary St., Unit 1  
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Counsel for Plaintiff

Beaufort, South Carolina

July 30, 2021

STATE OF SOUTH CAROLINA  
COUNTY OF BEAUFORT

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Plaintiff,

vs.

Peter J. Strauss, J.D., LL.M. and THE  
STRAUSS LAW FIRM, LLC,

Defendants.

**VERIFIED COMPLAINT  
(Jury Trial Demanded)**

1. Professional Negligence
2. Breach of Fiduciary Duty
3. Breach of Contract

Plaintiff, Mackenzie Tracy Strauss, complaining of Defendants, Peter J. Strauss, J.D., LL.M. and THE STRAUSS LAW FIRM, LLC, respectfully shows unto the Court:

**SUMMARY OF THE CASE**

1. This breach of fiduciary duty case seeks recovery of damages caused by the Lawyer's breach of fiduciary duties of loyalty to his Client, who was also the Lawyer's spouse, while providing his estate planning and asset protection advice concerning their marital assets. The Lawyer simultaneously represented himself, as Settlor of a trust, and the Client as one of the beneficiaries while the trust was being created and also while marital assets were later allegedly transferred into the trust. The Lawyer included provisions in the trust where the Client would no longer be a beneficiary in the event of a separation or divorce, even if the Lawyer committed adultery. The Lawyer then convinced the Client to participate in a "mutual plan" where millions of dollars of otherwise marital assets would be allegedly placed in the trust.

2. The Lawyer's acts and omissions caused millions of dollars in damages to the Client, in terms of marital assets purportedly no longer part of the marital estate, and tens of thousands of dollars in additional legal fees devoted to challenging the trust as part of their divorce. Because the Lawyer's actions were a clear and serious breach of his fiduciary duties, the Lawyer should be ordered to disgorge all benefits obtained and forfeit all interests in the Trust.

### **PARTIES**

3. Defendant, THE STRAUSS LAW FIRM, LLC ("Law Firm"), is, upon information and belief, a Limited Liability Corporation organized and existing under the laws of the State of South Carolina and with offices in Beaufort County, South Carolina.

4. Defendant, Peter J. Strauss, J.D., LL.M. ("Mr. Strauss" or "Lawyer"), is, upon information and belief, a citizen and resident of Beaufort County, South Carolina; and is a lawyer licensed to practice law in South Carolina.

5. Plaintiff, Mackenzie Tracy Strauss ("Mackenzie" or "Client"), is a citizen and resident of Beaufort County, South Carolina.

### **JURISDICTION**

6. This Court has jurisdiction based upon Article V of the South Carolina Constitution, S.C. Code Ann. §§ 36-2-802 and 36-2-803, and its plenary powers.

### **VENUE**

7. Venue is proper in Beaufort County because it is, upon information and belief, the Lawyer resides in Beaufort County, and, the Law Firm operates in an office in Beaufort County, South Carolina.

## FACTS

8. On May 6, 2007, the Lawyer married the Client, and by May 2010, they had two children, and two additional children were born after May 2010.

9. On May 28, 2010, the Lawyer, while practicing with the Law Firm, prepared or had prepared the “Peter J. Strauss Irrevocable Trust” (“the Trust”), a copy of which is filed with this Verified Complaint as **Exhibit 1**.

10. The Lawyer later testified it was his idea to create the Trust and it was created with the Client’s “full knowledge.”

11. The Trust names the Lawyer as the Settlor and SOUTH PAC TRUST INTERNATIONAL, INC. (“Southpac”), an international company incorporated in the Cook Islands, as the Trustee.

12. The Trust states it is to be administered under the laws of the Cook Islands.

13. Article XVI, Section O of the Trust defines “Beneficiary or Beneficiaries” as those persons who are entitled to take being [*first child*], [*second child*], any issue of a beneficiary named in Paragraph O of Article XVI, subject to any limitations contained in the applicable provisions of the Trust Agreement that the Trustee is relying on, and the Settlor’s Spouse is defined in Paragraph P below.

14. Article XVI, Section P of the Trust defines the “Settlor’s Spouse” as the person who the Settlor is married to and not separated from or engaged in divorce proceedings with and shall mean, after the death of the Settlor the person, if any, who the Settlor was married to a not separated from or engaged in divorce proceedings with on the date of the Settlor’s death.

15. During the Lawyer’s marriage to the Client, the Lawyer consulted with and gave legal advice to the Client through which they developed a “mutual plan to get assets to the Trust” that would “not [be] part of the marital estate.”

16. The Lawyer did not obtain the Client's informed consent to waive the Lawyer's conflict of interest that arose when the Lawyer entered into this business transaction with the Client concerning transfer of their marital assets into the Trust.

17. The Lawyer did not advise the Client how or why the nature of the marital asset transfers into the Trust would have been fair and reasonable to the Client.

18. The Lawyer did not advise the Client of the desirability of seeking the advice of independent legal counsel on the "mutual plan to get assets to the Trust" that would "not [be] part of the marital estate."

19. The Lawyer did not allow the Client to seek the advice of independent legal counsel on the "mutual plan" the Lawyer concocted.

20. The Lawyer did not advise the Client if he committed adultery which led to a divorce the Trust language would allow the Lawyer to claim the Client was no longer a beneficiary of the Trust and the assets allegedly in the Trust were non-marital and not subject to equitable apportionment.

21. The Client reasonably relied on the Lawyer's advice concerning the Trust and the "mutual plan to get assets to the Trust" that would "not [be] part of the marital estate."

22. As part of the "mutual plan", the Lawyer allegedly transferred into the Trust millions of dollars of marital assets generated during the marriage.

23. Although the Lawyer understood trustees in South Carolina owe fiduciary duties to trust beneficiaries, the Lawyer was unaware of what duties the Cook Island trustee, Southpac, owed to the Trust beneficiaries.

24. After allegedly transferring assets and businesses valued in the millions of dollars into the Trust, the Lawyer treated those assets and businesses as if he had legal title and owned them, including signing a \$10,000,000 loan, signing mortgages, using the equity in those assets to develop real estate, purchasing real estate, deciding on income distributions from the businesses allegedly owned by the Trust, and purchasing jet airplanes, all without ever communicating with the Cook Islands trustee, Southpac. The Lawyer did not send Southpac information about any business or assets allegedly transferred into the Trust, including income and distributions from the businesses, loan documents, or financial statements. The Lawyer never asked Southpac for permission about any expenditures the Lawyer made on any of the assets or businesses allegedly in the Trust.

25. The Lawyer and the Client separated on June 30, 2017.

26. In August 2017 lawsuits were filed in Family Court in which the Client was seeking a divorce after discovering the Lawyer had committed adultery.

27. During the divorce action, the Lawyer maintains the Client is not entitled to even “a dime” of the assets or business the Lawyer allegedly placed in the Trust.

28. As a direct, proximate and foreseeable result of the Lawyer’s acts and omissions, the Client suffered substantial financial damages, including expenditure of substantial legal fees necessary to mitigate or to rectify the harm caused by the Lawyer’s tax and omissions.

29. Had the Lawyer met the fiduciary standard of conduct and met the professional standard of care by referring the Client to another lawyer to obtain advice whether to participate in the “mutual plan to get assets to the Trust” that would “not [be]

part of the marital estate,” a substantial portion of the damages sustained by the Client should have been avoided.

30. The Lawyer is a Member of the Law Firm.

31. The negligent acts, omissions, and liability of the Law Firm includes its own acts and/or omissions and the acts and omissions of its agents, principals, employees and/or servants, including but not limited to those of its Member or Associate lawyers, both directly and vicariously, under principles and doctrines of non-delegable duty, corporate liability, apparent authority, agency, ostensible agency and/or *respondeat superior*.

32. The Law Firm acted through its employees and agents, including but not limited to the Lawyer, who acted within the course and scope of his employment and/or agency with all implied, inherent, apparent and express authority to so bind the Law Firm as master and principal by any negligent, willful, wanton and reckless actions and/or omissions by the Lawyer making the Law Firm vicariously liable for same under the principles and doctrines of non-delegable duty, corporate liability, apparent authority, agency, ostensible agency and/or *respondeat superior*.

**FOR A FIRST CAUSE OF ACTION**  
**(Breach of Fiduciary Duties)**

33. The foregoing factual and jurisdictional allegations are reiterated and realleged as though set forth verbatim.

34. At all relevant times, a client-lawyer relationship existed between the Client, on the one hand as the client, and the Lawyer, on the other, as the lawyer, regarding the “mutual plan to get assets to the Trust” that would “not [be] part of the marital estate.”

35. The Lawyer owed fiduciary duties to the Client.

36. The Lawyer's fiduciary duties included the duties of confidentiality and loyalty, and the duty to act single-mindedly in preserving, protecting and advancing the rights and interests of the Client.

37. The Lawyer failed to meet the minimum standard of conduct and acted in a manner establishing a clear and serious breach of his fiduciary duties of confidentiality and loyalty when the Lawyer allegedly transferred marital assets into the Trust.

38. The Lawyer failed to meet the minimum standard of conduct and thereby breached his fiduciary duties to the Client in such other particulars as the evidence in this case may demonstrate.

39. The Lawyer's acts and omissions in breach of his fiduciary duties to the Client substantially caused financial harm to the Client, and as such the Client is entitled to recover actual damages, consequential damages, incidental damages, and pre-judgment interest, all in an amount to be more specifically proven at trial.

40. As a direct and proximate result of the Lawyer's carelessness, recklessness, and utter disregard of their fiduciary duties the Client is entitled to recover punitive damages from the Lawyer.

41. Based on clear and serious breach of his fiduciary duties, and because Lawyer knew of these duties and their various breaches of the same, the Lawyer should be ordered to disgorge any benefits obtained while in derogation of his duties and forfeit his claims to interests in the Trust.

42. WHEREFORE, the Client prays for judgment on this cause of action against the Lawyer for actual, consequential, and incidental damages suffered, pre-judgment interest, for punitive damages, for disgorgement of benefits obtained by Defendants,



forfeiture of his interests in the Trust, and such other relief as the Court may deem reasonable and proper.

**FOR A SECOND CAUSE OF ACTION**  
**(Legal Professional Negligence)**

43. The foregoing factual and jurisdictional allegations are reiterated and realleged as though set forth verbatim.

44. A client-lawyer relationship existed between the Client, on the one hand as the client, and the Lawyer, on the other, as the lawyer, regarding the “mutual plan to get assets to the Trust” that would “not [be] part of the marital estate.”

45. The Lawyer owed professional duties to the Client to adequately and competently provide legal services, counsel, and advice regarding the “mutual plan to get assets to the Trust” that would “not [be] part of the marital estate.”

46. The Lawyer failed to meet the minimum standard of care thereby breaching professional duties to the Client to adequately and competently provide legal services, counsel, and advice regarding the “mutual plan to get assets to the Trust” that would “not [be] part of the marital estate,” and otherwise acted in a negligent, grossly negligent, willful, wanton and reckless manner to protect, preserve and advance the rights and interests of the Client.

47. The Lawyer breached professional duties and otherwise failed to meet the minimum standard of care thereby breaching professional duties to the Client by other such particulars as the evidence in this case may demonstrate.

48. As a direct, proximate, and foreseeable result of the Lawyer’s professional errors, the Client sustained financial damages.

49. As a direct, proximate, and foreseeable result of the Lawyer's professional errors, the Client sustained additional damages in the form of physical, mental and emotional suffering because of creation or exacerbation of conditions the Lawyer either knew about, should have known about, or could foresee.

50. The Client is entitled to judgment against the Lawyer for all damages, actual and consequential, suffered that were directly, proximately, and foreseeably caused by the Lawyer's negligence in an amount to be proven at the trial of this case.

51. WHEREFORE, the Client prays for judgment on this cause of action against the Lawyer for actual, special, consequential, and incidental damages suffered, pre-judgment interest, and for such other relief as the Court may deem reasonable and proper.

**FOR A THIRD CAUSE OF ACTION**  
**(Breach of Contract)**  
**(Against the Law Firms)**

52. The foregoing factual and jurisdictional allegations are reiterated and realleged as though set forth verbatim.

53. The Law Firm entered into a contract with the Client agreeing and contracting to provide competent legal services to represent the Client concerning the "mutual plan to get assets to the Trust" that would "not [be] part of the marital estate."

54. The Law Firms breached the contract by failing to provide such services.

55. The Client satisfied all necessary preconditions, if any, and performed her part of the contract, and/or was, at the appropriate time, able, ready, and willing to perform.

56. As a direct and proximate result of the Law Firm's breach of its contractual duties, the Client sustained actual, consequential and incidental damages in an amount to be determined by the jury at the trial of this case.

57. WHEREFORE, the Client prays for judgment on this cause of action against the Law Firms for actual, special, consequential and incidental damages suffered, pre-judgment interest, and such other relief as the Court may deem reasonable and proper.

#### **TRIAL BY JURY**

58. The Client requests and demands a jury trial on all claims and issues so triable.

#### **EXPERT AFFIDAVIT**

59. The Client first learned of the Lawyer's errors during a mediation on August 8, 2018. Plaintiff has a good faith basis to believe the three-year statute of limitations on Plaintiff's legal professional negligence cause of action against the Lawyer and Law Firm would expire on August 8, 2021. Because of time constraints, an affidavit of an expert could not be prepared in time to be filed with this Summons & Verified Complaint. Under S.C. CODE ANN. § 15-36-100(C)(1), because this Verified Complaint is being filed when there is a good faith basis to believe the expiration of the statute of limitations is imminent or that the Lawyer may argue that the expiration of the statute of limitations may expire, it is filed without an affidavit by expert licensed by the Supreme Court of the State of South Carolina specifying at least one negligent act or omission claimed to exist and the factual basis for each claim based on the available evidence at the time of filing the affidavit. The Client intends to file an Amended Complaint with an expert affidavit within forty-five (45) days.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiff, Mackenzie Tracy Strauss, prays for judgment against Defendants, Peter J. Strauss, J.D., LL.M. and THE STRAUSS LAW FIRM, LLC, for all actual damages, consequential damages, and incidental damages; disgorgement of all benefits the Lawyer obtained and forfeiture of all interest the Lawyer may claim in the Trust; punitive damages, and prejudgment interest, all in an amount to be more specifically proven at trial, together with the costs of this action and for such other and further relief as this Honorable Court may deem just and proper.

Respectfully submitted,

PENDARVIS LAW OFFICES, P.C.

s/ Thomas A. Pendarvis  
Thomas A. Pendarvis (SC Bar #64918)  
710 Boundary St., Unit 1  
Beaufort, SC 29902-4188  
843.524.9500  
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Counsel for Plaintiff

Beaufort, South Carolina

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**VERIFICATION**

PERSONALLY appeared before me, Mackenzie Tracy Strauss, who, first being duly sworn, says that she has read the foregoing Verified Complaint, that the statements contained therein are true to the best of her knowledge except as to those stated to be based upon information and belief, as to which she believes such matters to be true.

  
Mackenzie Tracy Strauss

Sworn to before me this

29<sup>th</sup> day of July, 2021

  
NOTARY PUBLIC FOR SOUTH CAROLINA

My commission expires: 21 AUGUST 2028

AMANDA M HARPER  
Notary Public, State of South Carolina  
My Commission Expires Aug. 21, 2028