



Black owned Bellevue business being forced to close

Posted by [Staff](#) / 23 - Jan - 2019

This is a developing story

Bellevue, WA - According to Margie Haywood, owner of the Work and Play Lounge, a new coworking space in Bellevue, Washington, she is being forced out of her dream business by underhanded business dealings of a Utah based company, Advanced CFO, who is representing another firm, Mosaic Rehabilitation Inc of Bellevue, Washington.

Haywood, who is African American, believes that her race has played a big part in the willful lack of communication and intentional actions that have been taken to damage her reputation and displace her business.

Haywood, who holds a Master's Degree from the University of Washington, says that her business entered into a sublease agreement with Mosaic Rehabilitation Inc to lease one of two spaces that Mosaic has for their rehabilitation business located at the 520 Plaza on NE 20th Street in Bellevue.

Apparently, Mosaic had come into some financial troubles which is why they wanted to sublease one of their office spaces. Margie saw this as a great opportunity to finally secure a location for her dream business after years of literally searching for locations in Seattle and Bellevue.

In June of last year, the doors of Work and Play Lounge opened and Margie was in business. However, 6 months later in December, Margie went to speak with Mosaics CEO, Andrea Duffield, about some items in her lease and at that time, Andrea told Margie, out of the blue, that Mosaics financial position was very grave and that Mosaic was going through a bankruptcy and that Mosaic was in receivership. Duffield never made mention officially or unofficially regarding Mosaic's financial position until the conversation between Margie and Duffield transpired in early December.

Apparently, Mosaics acting receiver had planned the bankruptcy proceedings for some time and as opposed to making Work and Play Lounge aware, Mosaic stayed quiet and in doing so Margie was never given an opportunity to enforce the clause in her lease with Mosaic that stipulates that if Mosaic ever goes out of business that Work and Play Lounge has the right to assume the lease directly with the building owner Harsch Investments. Mosaic disregarded their obligation to Work and Play

Lounge and proceeded with their bankruptcy leaving Margie none the wiser.

According to Haywood, the total disrespect and disregard for her business did not stop there. Days later, Matt McKinlay of Advanced CFO, a Utah based executive staffing firm introduced himself and Margie says McKinlay hid Advanced CFOs true intentions all along which was to reject her lease and thus force her business out of the space. Haywood says that McKinlay was very non-committal in their initial conversations.

Margie, now thoroughly confused and blindsided by the entire situation, reached out to Harsch Investments, the buildings owner and she was made aware that Advanced CFO had already notified the property owner of their plans that included several filings to reject the lease that included Work and Play Lounge. Meanwhile, Matt McKinlay still pursued Margie for rent knowing that Advanced CFO had already petitioned the court to make a decision that would push Work and Play Lounge out of business.

McKinlay has continued his demands for rent.

On January 7, 2019, Margie reached out to McKinlay seeking an official notification with full understanding of exactly what was going on with her space. With no intentions to disclose that the motions were already filed, McKinlay instead replied with a 3 day vacate notice via email, never served in person or on premise. Once pressured again by Haywood for a definitive answer to her request for more information on Mosaics legal standings, McKinlay then replied again with official court documents that Advanced CFO filed with King County Superior Court that listed all the contracts and unexpired leases with several companies that Mosaic was liable for; the motions failed to mention that Work and Play Lounge was a party to one of the leases being rejected.

The initial court date was set for the next day January 8th and Work and Play Lounge was not listed as a tenant in the documents that Advanced CFO filed. Margie had no advanced notice or official documentation of the hearing, which stripped her of any standing in Judge Maureen McKees courtroom to argue her case.

On January 16th, Margie filed a petition with the court, however, that same day, Judge McKee handed down her ruling that allowed Advanced CFO to proceed with their plans, that intentionally excluded Work and Play Lounge.

Since December, Margie has been waiting in limbo and was told on several occasions that she needed to prepare to vacate the space at any given moment once the court approved Advanced CFOs motion; Margie has since had to begin planning for the closure of her business and has had to turn down new long term business prospects leaving her with no income to meet expenses.

Haywood has launched a GoFundMe account to raise funds for her legal fees in this case.

Our staff reached out to Matt McKinlay of Advanced CFO for comment - McKinlay has no comment at this time and has referred all questions we have to the court documentation on file.

Timeline of events according to Margie Haywood of Work and Play Lounge

January 2018

Mosaic Rehabilitation Inc was renting two spaces in the 520 Plaza from the property owners, Harsch Investments. Work and Play lounge entered into discussions with Mosaic Rehabilitation who were vacating one of their spaces, due to downsizing their business. Mosaic had the rights to sublease the space to Work and Play Lounge and they started negotiations around the space.

May 2018

After months of negotiations as well as time for Mosaic Rehabilitation Inc to wind down their business in the second space, a sublease was finally signed between Mosaic Rehabilitation Inc and Work and Play Lounge.

June 2018

Work and Play Lounge starts business and opens its doors to the public.

December 2018

Work and Play Lounge approached Mosaic about some terms in the lease. At that time, Work and Play Lounge was made aware that Mosaic was going through a bankruptcy and that Mosaic was going into receivership. According to Margie this information was given verbally and there was no formal notice given to Work and Play Lounge.

According to Work and Play Lounge, in their lease, they have the right to assume and assign the lease, meaning that they could take over the lease for their space from Mosaic and deal with the property owners Harsch Investments directly. Mosaic never made Work and Play Lounge aware that they were going into bankruptcy prior to Mosaic going into receivership and to this date, Work and Play Lounge states that Mosaic has never sent them any official communication.

Seeing that the companys future was uncertain and that Work and Play Lounge was not made aware of everything going on, they chose to withhold rent.

Matt McKinlay of Advanced CFO contacted Work and Play Lounge, Matt stated that he represented the receivers and asked about December 2018 rent.

Matt showed up at Work and Play Lounge unannounced to look at the space, discuss his role, the state of Mosaic and to inquire about Work and Play Lounges plan to pay rent.

Late December, Work and Play Lounge approached Harsch to seek clarity regarding the situation. Harsch communicated to Work and Play Lounge that they were notified by Advanced CFO that they filed a motion to reject Suite 200 (Work and Play Lounges Suite) and that Harsch as well would not be offering a lease directly to Work and Play Lounge because they had plans to remodel the bathrooms, lease to a more established company and increase the rent. Harsch as well advised Work and Play Lounge not to pay any additional rent until things got sorted out.

January 2, 2019

Advanced CFO emailed Work and Play Lounge asking for December and January rent. At this point, Work and Play Lounge was already aware that Advanced CFO has already motioned the court in December never listing Work and Play Lounge as an active tenant in their court documents and intentionally excluded Work and Play Lounge from documents to deceive the court into approving the motion; Work and

Play Lounge did not return the email.

January 7, 2019

Work and Play Lounge contacted Matt McKinlay of Advanced CFO asking for an official notice of their intent to reject the lease and clarity about the legal situation. Matt McKinlay sent Work and Play Lounge a 3 Day Notice to Vacate via email (was not served in person or on the premise). Matt McKinlay also emailed Work and Play Lounge court filings that Advanced CFO had made weeks prior that had no mention of Work and Play Lounge as occupying Suite 200 and that the case was going to court the next day on January 8, 2019.

January 8, 2019

This case went before the Honorable Judge Maureen McKee in the King County Superior Court. Since Work and Play Lounge was not directly mentioned in any court documents as having a viable business that was occupying a suite in Harsch Investment property, Work and Play Lounge had no standing in court to argue their case.

January 16, 2019

Work and Play Lounge filed a petition with the court to not approve the rejection of suite 200 and to notify the court that Work and Play Lounge was occupying the space.

Simultaneous to Margies filing, Judge McKee made her ruling in favor of Advanced CFO. According to Work and Play Lounge, Judge McKee made her ruling never knowing that Work and Play Lounge was an operating business. Due process has not been followed, stemming back to Mosaic Rehabilitation not making Work and Play Lounge aware they were filing bankruptcy and never giving Work and Play Lounge an opportunity to form a new lease directly with Harsch Investments or exercise any of their rights.

Our staff reached out to Matt McKinlay of Advanced CFO for comment - McKinlay has no comment at this time and has referred all questions we have to the court documentation on file.