

# Terms Completed

## ORDER SUMMARY – Case Number: C-09-400

**Name(s):** CLG Holdings Inc. d/b/a Cosmopolitan Lending  
Anne Kim Hartshorn

**Order Number:** C-09-400-09-CO01

**Effective Date:** January 4, 2010

**License Number:** DFI: 45408 [NMLS: 13514] DFI: 50594 [NMLS: 63612]  
**Or NMLS Identifier [U/L]** (Revoked, suspended, stayed, application denied or withdrawn)  
 If applicable, you must specifically note the ending dates of terms.

**License Effect:** Company closed - license surrendered

**Not Apply Until:** n/a

**Not Eligible Until:** n/a

**Prohibition/Ban Until:** n/a

<b>Investigation Costs</b>	\$132	Due: 0	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: Jan 4/10
<b>Fine</b>	\$1,300	Due: 0	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: Jan 4/10
<b>Examination Fee</b>	\$	Due:	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date:
<b>Restitution</b>	\$	Due:	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date:
<b>Judgment</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date:
<b>Satisfaction of Judgment Filed?</b>		<input type="checkbox"/> Y <input type="checkbox"/> N		
No. of Victims:				

**Comments:** \_\_\_\_\_  
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2 **STATE OF WASHINGTON**  
3 **DEPARTMENT OF FINANCIAL INSTITUTIONS**  
4 **DIVISION OF CONSUMER SERVICES**

5 **IN THE MATTER OF DETERMINING**  
6 Whether there has been a violation of the  
7 Mortgage Broker Practices Act of Washington by:

NO. C-09-400-09-CO01

8 **CLG HOLDINGS INC d/b/a COSMOPOLITAN**  
9 **LENDING and ANNE KIM HARTSHORN,**  
10 **President, Owner, and Designated Broker,**

CONSENT ORDER

11 Respondents.

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ENFORCEMENT UNIT  
DIVISION OF CONSUMER SERVICES  
DEPT OF FINANCIAL INSTITUTIONS

12 COMES NOW the Director of the Department of Financial Institutions (Director), through his designee  
13 Deborah Bortner, Division Director, Division of Consumer Services, and CLG Holdings Inc d/b/a Cosmopolitan  
14 Lending (hereinafter Respondent CLG Holdings Inc), and Anne Kim Hartshorn, President, Owner and Designated  
15 Broker (hereinafter Respondent Hartshorn), and finding that the issues raised in the above-captioned matter may  
16 be economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered  
17 pursuant to chapter 19.146 of Revised Code of Washington (RCW), and RCW 34.05.060 of the Administrative  
18 Procedure Act, based on the following:

19 **AGREEMENT AND ORDER**

20 The Department of Financial Institutions, Division of Consumer Services (Department) and Respondents  
21 have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-09-400-09-SC01  
22 (Statement of Charges), entered November 4, 2009, (copy attached hereto), and the matters alleged in Temporary  
23 Order to Cease and Desist No. C-09-400-09-TD01, also entered on November 4, 2009 (copy attached hereto).  
24 Pursuant to chapter 19.146 RCW Mortgage Broker Practices Act (Act) and RCW 34.05.060 of the Administrative  
25 Procedure Act, Respondents hereby agree to the Department's entry of this Consent Order and further agree that  
the issues raised in the above-captioned matter may be economically and efficiently settled by entry of this

CONSENT ORDER  
C-09-400-09-CO01  
CLG HOLDINGS INC d/b/a COSMOPOLITAN  
LENDING and ANNE KIM HARTSHORN

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DEPARTMENT OF FINANCIAL INSTITUTIONS  
Division of Consumer Services  
150 Israel Rd SW  
PO Box 41200  
Olympia, WA 98504-1200  
(360) 902-8703

1 Consent Order. The parties intend this Consent Order to fully resolve the Statement of Charges and Temporary  
2 Order to Cease and Desist.

3 Based upon the foregoing:

4 **A. Jurisdiction.** It is AGREED that the Department has jurisdiction over the subject matter of the  
5 activities discussed herein.

6 **B. Waiver of Hearing.** It is AGREED that Respondents have been informed of the right to a hearing  
7 before an administrative law judge, and that they hereby waive their right to a hearing and any and all  
8 administrative and judicial review of the issues raised in this matter, or of the resolution reached herein.

9 **C. Declaration of Activity.** It is AGREED that Respondents have provided the Department a  
10 Declaration of Activity, wherein Respondents affirmatively state that they have not engaged in the business of a  
11 mortgage broker since their surety bond cancelled and that Respondent CLG Holdings Inc is no longer in business.  
12 A copy of this Declaration of Activity is attached and incorporated into this Consent Order by this reference.

13 **D. License Surrender.** It is AGREED that Respondents surrendered Respondent CLG Holdings Inc's  
14 mortgage broker license.

15 **E. Fine.** It is AGREED that Respondents shall pay to the Department a fine of \$1,300, in the form of a  
16 cashier's check made payable to the "Washington State Treasurer," upon entry of this Consent Order.

17 **F. Investigation Fee.** It is AGREED that Respondents shall pay to the Department an investigation fee  
18 of \$132, in the form of a cashier's check made payable to the "Washington State Treasurer," upon entry of this  
19 Consent Order.

20 **G. Authority to Execute Order.** It is AGREED that the undersigned Respondents have represented and  
21 warranted that they have the full power and right to execute this Consent Order on behalf of the parties  
22 represented.

23 **H. Non-Compliance with Order.** It is AGREED that Respondents understand that failure to abide  
24 by the terms and conditions of this Consent Order may result in further legal action by the Director. In the

1 event of such legal action, Respondents may be responsible to reimburse the Director for the cost incurred in  
2 pursuing such action, including but not limited to, attorney fees.

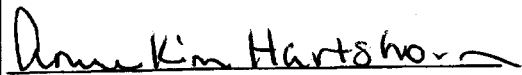
3 I. **Voluntarily Entered.** It is AGREED that the undersigned Respondents voluntarily entered into this  
4 Consent Order, which is effective when signed by the Director's designee.

5 J. **Completely Read, Understood, and Agreed.** It is AGREED that Respondents have read this  
6 Consent Order in its entirety and fully understand and agree to all of the same.

7 **RESPONDENTS:**

8 **CLG HOLDINGS INC d/b/a COSMOPOLITAN LENDING and ANNE KIM HARTSHORN**

9 By:

10   
11 ANNE KIM HARTSHORN  
12 President, Owner, and Designated Broker

12-22-09  
Date

13   
14 ANNE KIM HARTSHORN  
15 Individually

12-22-09  
Date

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DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 4th DAY OF January, 2009.



*Deborah Bortner*

DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions

Presented by:

*Marnie Sheeran*  
MARNIE SHEERAN  
Financial Legal Examiner

Approved by:

*James R. Brusselback*  
JAMES R. BRUSSELBACK  
Enforcement Chief

CONSENT ORDER  
C-09-400-09-CO01  
CLG HOLDINGS INC d/b/a COSMOPOLITAN  
LENDING and ANNE KIM HARTSHORN

DEPARTMENT OF FINANCIAL INSTITUTIONS  
Division of Consumer Services  
150 Israel Rd SW  
PO Box 41200  
Olympia, WA 98504-1200  
(360) 902-8703

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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF CONSUMER SERVICES**

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IN THE MATTER OF DETERMINING  
Whether there has been a violation of the  
Mortgage Broker Practices Act of Washington by:

NO. C-09-400-09-SC01

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CLG HOLDINGS INC d/b/a  
COSMOPOLITAN LENDING INC and  
ANNE KIM HARTSHORN, President,  
Owner, and Designated Broker,

STATEMENT OF CHARGES and  
NOTICE OF INTENTION TO ENTER  
AN ORDER TO CEASE AND DESIST, REVOKE  
LICENSE, IMPOSE FINE, AND COLLECT  
INVESTIGATION FEE

Respondents.

**INTRODUCTION**

Pursuant to RCW 19.146.220 and RCW 19.146.223, the Director of the Department of Financial Institutions of the State of Washington (Director) is responsible for the administration of chapter 19.146 RCW, the Mortgage Broker Practices Act (Act)<sup>1</sup>. After having conducted an investigation pursuant to RCW 19.146.235, and based upon the facts available as of the date of this Statement of Charges, the Director, through his designee, Division of Consumer Services Director Deborah Bortner, institutes this proceeding and finds as follows:

**I. FACTUAL ALLEGATIONS**

**1.1 Respondents.**

A. CLG Holdings Inc d/b/a Cosmopolitan Lending Inc (Respondent CLG) was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker on August 29, 2007, and continues to be licensed to date. Respondent CLG is licensed to conduct the business of a mortgage broker at the following location: 819 Virginia Street, Suite 2804, Seattle, WA 98101.

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<sup>1</sup> RCW 19.146 (2006)

1 B. Anne Kim Hartshorn (Respondent Hartshorn) is President, Owner, and Designated Broker of  
2 Respondent CLG. Respondent Hartshorn was named Designated Broker of Respondent CLG on August 23,  
3 2007, and continues as Designated Broker to date.

4 **1.2 Failure to Maintain Bond.** On September 8, 2009, the Department received notice from Hartford Fire  
5 Insurance Company that Respondent CLG's surety bond would be cancelled, effective October 6, 2009. To  
6 date, Respondents have failed to provide the Department the required surety bond or an approved alternative.

7 **1.3 Failure to Submit Mortgage Brokers Annual Report.** Respondents were required to submit their  
8 2008 Mortgage Brokers Annual Report by March 31, 2009. To date, Respondents have failed to provide the  
9 Department with the required 2008 Mortgage Brokers Annual Report.

10 **1.4 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by  
11 Respondents continues to date.

## 12 II. GROUNDS FOR ENTRY OF ORDER

13 **2.1 Requirement to Maintain Surety Bond.** Based on the Factual Allegations set forth in Section I  
14 above, Respondents are in apparent violation of RCW 19.146.205(4)(a) and WAC 208-660-175(1) for failing to  
15 file and maintain a surety bond with the Department.

16 **2.2 Requirement to Submit Mortgage Brokers Annual Report.** Based on the Factual Allegations set  
17 forth in Section I above, Respondents are in apparent violation of WAC 208-660-400(1) through (4) for failure  
18 to submit a Mortgage Brokers Annual Report by March 31<sup>st</sup> of each year.

## 19 III. AUTHORITY TO IMPOSE SANCTIONS

20 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 19.146.220(4), the Director may  
21 issue orders directing a licensee, its employee or loan originator, or other person subject to the Act to cease and  
22 desist from conducting business.

23 **3.2 Authority to Revoke License.** Pursuant to RCW 19.146.220(2)(c) the Director may revoke a license  
24 failure to pay a fee required by the Director or maintain the required bond, or any violation of the Act.

25

1 **3.3 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2) and (3) and WAC 208-660-530(6), the  
2 Director may impose fines on a licensee, employee or loan originator of the licensee, or other person subject to  
3 the Act for any violations of RCW 19.146.200, or any violation of the Act.

4 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-520(9) and  
5 WAC 208-660-550(4) upon completion of any investigation of the books and records of a licensee or other person  
6 subject to the Act, the Department will furnish to the licensee or other person subject to the Act a billing to cover  
7 the cost of the investigation. The investigation charge will be calculated at the rate of forty-eight dollars (\$48) per  
8 hour that each staff person devoted to the investigation.

#### 9 **IV. NOTICE OF INTENTION TO ENTER ORDER**

10 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set forth  
11 in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose Sanctions, constitute a basis  
12 for the entry of an Order under RCW 19.146.220, RCW 19.146.221 and RCW 19.146.223. Therefore, it is the  
13 Director's intention to ORDER that:

14 **4.1** Respondents CLG Holdings Inc d/b/a Cosmopolitan Lending Inc and Anne Kim Hartshorn cease and  
15 desist from conducting the business of a mortgage broker;

16 **4.2** Respondent CLG Holdings Inc d/b/a Cosmopolitan Lending Inc's license to conduct the business of a  
17 mortgage broker be revoked;

18 **4.3** Respondent Anne Kim Hartshorn's license to conduct the business of a designated broker or loan  
19 originator be revoked;

20 **4.4** Respondents CLG Holdings Inc d/b/a Cosmopolitan Lending Inc and Anne Kim Hartshorn jointly and  
21 severally pay a fine, which as of the date of this Statement of Charges totals \$4,000; and

22 **4.5** Respondents CLG Holdings Inc d/b/a Cosmopolitan Lending Inc and Anne Kim Hartshorn jointly and  
23 severally pay an investigation fee which as of the date of this Statement of Charges totals \$132 calculated  
24 at \$48 per hour for two and three-fourths (2.75) staff hours devoted to the investigation.


25 **4.6** Respondents CLG Holdings Inc d/b/a Cosmopolitan Lending Inc and Anne Kim Hartshorn maintain  
records in compliance with the Act and provide the Department with the location of the books, records and  
other information relating to Respondent CLG Holdings Inc d/b/a Cosmopolitan Lending Inc's mortgage  
broker business, and the name, address and telephone number of the individual responsible for maintenance  
of such records in compliance with the Act.



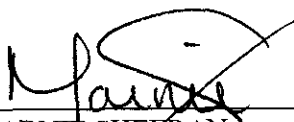
1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intention to Enter an Order to Cease and Desist, Revoke  
3 License, Impose Fine, and Collect Investigation Fee (Statement of Charges) is entered pursuant to the  
4 provisions of RCW 19.146.220, RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is subject to  
5 the provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondents may make a written  
6 request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY  
7 FOR HEARING accompanying this Statement of Charges.

8  
9 Dated this 4<sup>th</sup> day of November, 2009.

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12 DEBORAH BORTNER  
13 Director  
14 Division of Consumer Services  
15 Department of Financial Institutions

16 Presented by:

17   
18 MARNIE SHEERAN  
19 Financial Legal Examiner



20 Approved by:

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22 JAMES R. BRUSSELBACK  
23 Enforcement Chief

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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
CONSUMER SERVICES DIVISION**

IN THE MATTER OF DETERMINING  
Whether there has been a violation of the  
Mortgage Broker Practices Act of Washington by:

C-09-400-09-TD01

CLG HOLDINGS INC d/b/a COSMOPOLITAN  
LENDING INC and ANNE KIM HARTSHORN,  
President, Owner, and Designated Broker,

TEMPORARY ORDER TO  
CEASE AND DESIST

Respondents.

8 THE STATE OF WASHINGTON TO: CLG HOLDINGS INC d/b/a COSMOPOLITAN LENDING  
9 INC and ANNE KIM HARTSHORN

10 COMES NOW the Director of the Washington State Department of Financial Institutions (Director), by  
11 and through his designee Deborah Bortner, Division Director, Division of Consumer Services (designee), and  
12 finding that the public is likely to be substantially injured by delay in issuing a cease and desist order, the Director,  
13 through his designee, Division of Consumer Services Director Deborah Bortner, enters this Temporary Order to  
14 Cease and Desist pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act), based on the  
15 following findings:

16 **I. FACTUAL FINDINGS**

17 **1.1 Respondents**

18 A. CLG Holdings Inc d/b/a Cosmopolitan Lending Inc (Respondent CLG) was licensed by the  
19 Department of Financial Institutions of the State of Washington (Department) to conduct business as a  
20 mortgage broker on August 29, 2007, and continues to be licensed to date. Respondent CLG is licensed to  
21 conduct the business of a mortgage broker at the following location: 819 Virginia Street, Suite 2804, Seattle,  
22 WA 98101.

23 B. Anne Kim Hartshorn (Respondent Hartshorn) is President, Owner, and Designated Broker of  
24 Respondent CLG. Respondent Hartshorn was named Designated Broker of Respondent CLG on August 23,  
25 2007, and continues as Designated Broker to date.

1 **1.2 Failure to Maintain Bond.** On September 8, 2009, the Department received notice from Hartford Fire  
2 Insurance Company that Respondent CLG's surety bond would be cancelled, effective October 6, 2009. To  
3 date, Respondents have failed to provide the Department the required surety bond or an approved alternative.

## 4 **II. GROUNDS FOR ENTRY OF ORDER**

5 **2.1 Requirement to Maintain Surety Bond.** Based on the Factual Allegations set forth in Section I  
6 above, Respondents are in apparent violation of RCW 19.146.205(4)(a) and WAC 208-660-175(1) for failing to  
7 file and maintain a surety bond with the Department.

## 8 **III. AUTHORITY TO ISSUE TEMPORARY ORDER TO CEASE AND DESIST**

9 **3.1 Authority to Issue Temporary Order to Cease and Desist.** Pursuant to RCW 19.146.227, the  
10 Director is authorized to issue a temporary order to cease and desist whenever the Director determines that the  
11 public is likely to be substantially injured by delay in issuing a cease and desist order. Based on the Factual  
12 Findings and Grounds for Entry of Order set forth above, Respondents did not maintain the required surety  
13 bond or submit the required Mortgage Brokers Annual Report, and the public is likely to be substantially  
14 injured by the lack of said surety bond coverage.

## 15 **IV. ORDER**

16 Based on the above Factual Findings, Grounds for Entry of Order, and Authority to Issue Temporary  
17 Order to Cease and Desist, and pursuant to RCW 19.146.227, the Director determines that the public is likely to  
18 be substantially harmed by a delay in entering a cease and desist order. Therefore, the Director ORDERS that:

19 **4.1** Respondents shall immediately cease and desist from participating in the conduct of the affairs of any  
20 mortgage broker subject to licensure by the Director, in any manner, specifically including, but not limited to  
21 originating any residential mortgage loan, assisting with the origination of any residential mortgage loan, and  
22 holding out as able to assist any person with applying for or obtaining any residential mortgage loan.

23 **4.2** This order shall take effect immediately and shall remain in effect unless set aside, limited, or  
24 suspended in writing by an authorized court.



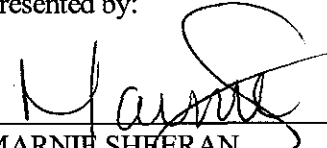
1            WITHIN TEN DAYS AFTER YOU HAVE BEEN SERVED WITH THIS TEMPORARY ORDER  
2 TO CEASE AND DESIST, YOU MAY APPLY TO THE SUPERIOR COURT IN THE COUNTY OF  
3 YOUR PRINCIPAL PLACE OF BUSINESS FOR AN INJUNCTION SETTING ASIDE, LIMITING, OR  
4 SUSPENDING THIS ORDER PENDING THE COMPLETION OF THE ADMINISTRATIVE  
5 PROCEEDINGS PURSUANT TO THIS NOTICE.

6            DATED this 4th day of November, 2009.

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9            DEBORAH BORTNER  
10            Director  
11            Division of Consumer Services  
12            Department of Financial Institutions

13 Presented by:

14   
15 MARNIE SHEERAN  
16 Financial Legal Examiner



17 Approved by:

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19 JAMES R. BRUSSELBACK  
20 Enforcement Chief