



City of Richmond

Report to Council

To: Richmond City Council
From: Amarjeet S Rattan
Chief Licence Inspector
Re: Pan Pacific Recycling Inc. – Licence Suspension

Date: March 7, 2007

File: 951187

Staff Recommendation

That Council suspend, for a period of 14 days, from May 10 to May 23, 2007 inclusive, the business licence of Pan Pacific Recycling Inc., at Unit # 140-13900 Mitchell Island Rd., Richmond, B.C., for the following reason(s):

In eight business transactions conducted between April 25 to May 3, 2006, Pan Pacific purchased, from undercover police officers, a total of 74 municipal signs of which 57 were the property of the City of Richmond. The licence holder took no steps to ascertain whether the Cities had authorized the transactions. These transactions, carried out at the business premises of Pan Pacific, demonstrate conduct that is unacceptable to the City as a licensing authority, in that the holder has demonstrated willingness to trade in property without regard to the lawfulness of various transactions. In particular, it has demonstrated a willingness to acquire items that in the circumstances, cannot reasonably be assumed to be lawfully owned or held by the persons offering them for trade.

In accordance with the authority granted under the Community Charter Sec. 60 (2), the City deems that by failing to maintain the standard of qualification required for the issuance of a City Business Licence, this business has violated the Business Licence Bylaw No 7360 at section 5.1 (b) & (d) and Business Licence Regulations Bylaw No 7538 at section 22.1 (b) & (d).

Amarjeet S Rattan
Chief Licence Inspector
(4686)

FOR ORIGINATING DEPARTMENT USE ONLY			
ROUTED TO:		CONCURRENCE	
Law		Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	
REVIEWED BY TAG		REVIEWED BY CAO/Acting	
YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>		YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	

Staff Report

Origin

The City of Richmond continues to enforce its Business Licence bylaws and Public Health Protection bylaws with an emphasis on the operating hours and permissive functions within the business complex. This enforcement is part of our continuous effort to promote community, customer and employee safety and to ensure that all businesses are operating in a consistent manner so as to prevent one business gaining an unfair operational advantage over another business in the same business category.

This report will deal with, Pan Pacific Recycling Inc. and herein after referred to as Pan Pacific, at Unit # 140-13900 Mitchell Island Rd., Richmond, B.C. Pan Pacific obtained it's City business licence in October of 1995 to operate under a Service Use for Recycling and Depot Agent.

Analysis

In April 2006, the Vancouver Police Department commenced an undercover operation, code named 'Project Alchemy', targeting scrap metal dealers who were suspected of obtaining stolen metal products in exchange for cash. This 20 person operation was later assisted by Richmond RCMP members in targeting a Richmond based scrap metal dealer, Pan Pacific Recycling Inc.

It is alleged that, contrary to acceptable business practise, items purchased by Pan Pacific through Project Alchemy included municipal street signs, municipal traffic signs, a municipal pedestrian walk/don't walk light housing, a Vancouver Fire Department brass fire hose nozzle, Vancouver Fire Department ladders, Hydro Cable, Telus Cable, a Telus phone booth, and some Pattison and Viacom special aluminium billboard slats.

On January 30, 2007, a Show Cause Hearing was held in front of the Chief Licence Inspector.

Present were:

Mr. Mu Shen Lin, the principal owner of Pan Pacific,

Ms. Min Lin, employee and wife of Mr. Mu Shen Lin,

Mr. Bevan Liu, grandson and translator of Mr. Lin,

Mr. Douglas Lahay of Clark Wilson LLP, Counsel for Pan Pacific,

Mr. Brad Kielmann, articling student with Mr. Lahay,

Constable Ramsay, Richmond City RCMP detachment,

Constable Haupt, Vancouver Police Department, Badge # 2026

Officer Smart, Vancouver Police Department, Badge # 2196

Constable Froh, Vancouver Police Department, Badge # 2167

Mr. Michael McAllister of Murdy & McAllister, Counsel for City of Richmond,

Mr. Victor Duarte, City Business Licence Inspector.

The following is an account of the information presented at the Show Cause Hearing:

Initial City contact with Pan Pacific was through a July 26, 2006 letter from the Chief Licence Inspector, advising of the alleged contraventions and establishing an August 21, 2006 date for a Show Cause Hearing. As part of this correspondence, Pan Pacific was provided with copies of a memo from Inspector Duarte and information memo from Constable Ramsay.

Subsequent to the delivery of this information to Pan Pacific, they retained legal counsel, who demanded further particulars as to the allegations of the City, and, as a result, the Show Cause Hearing was postponed.

Additional information, in the form of detailed police notes and a DVD copy of 'Project Alchemy' video images were eventually obtained from the VPD and provided to Pan Pacific on December 22, 2006. A new Show Cause Hearing was re-scheduled for January 30, 2007. The original information and the further requested information formed the basis of the evidence at the Show Cause Hearing. (Copies of City and Pan Pacific solicitor correspondence attached.)

In a memo dated July 26, 2006, City Business Licence Inspector Duarte recommended that, based on the police information provided to date, a Show Cause Hearing to review the business conduct of Pan Pacific was warranted. According to this memo, "there is reasonable evidence to believe that Pan Pacific Recycling Inc. should have been aware that the items they were dealing with would have been stolen, and continued to deal with them anyway." Information received from Inspector Duarte also included copies of detailed police notes and a DVD of some edited video images collected during Project Alchemy. (Copy of Insp. Duarte July 2006 information memo attached.)

According to RCMP Constable Ramsay, Richmond RCMP were contacted by the Vancouver Police Department (VPD) to participate in the Project Alchemy operation. She indicated that the RCMP "had files involving stolen items and Pan Pacific" and through Project Alchemy, "Pan Pacific Recycling purchased items that could easily be identified as stolen property." According to an information memo provided by Cst. Ramsay, items sold at Pan Pacific included the following: 57 City of Richmond street and traffic signs, 17 City of Vancouver street and traffic signs, City of Vancouver pedestrian walk/don't walk light housing, Pattison and Viacom Outdoor billboard prism and slats, several hundred pounds of Telus telephone cable, brass fire hose nozzle marked VFD (Vancouver Fire Department), some VFD marked aluminium ladders, Telus phone booth and BC Hydro cable. Cst. Ramsay noted that "these items were either clearly marked by the property owners or unique to a particular business." (Cst. Ramsay information memo attached)

VPD officers Constable Haupt, Officer Smart and Constable Froh acted as Under Cover Officers (UCO) during Project Alchemy in both Vancouver and Richmond. Verbal evidence was given at the Show Cause Hearing by each of these officers involved in Project Alchemy. The officers confirmed that the written information was the basis of their evidence at the hearing. While no

criminal charges were pursued from Project Alchemy, several Vancouver based scrap metal dealers did receive licence suspensions as a result of the operation. According to Cst. Haupt, "police surveillance conducted on Pan Pacific activities indicated that known metal thieves were going to Pan Pacific to sell stolen goods".

The following are details provided of individual transactions conducted by Project Alchemy UCO's in the Richmond business premises of Pan Pacific Recycling:

April 25, 2006 –

Transaction #1: (approx. 10:08 a.m.) A UCO, on bicycle, arrived at Pan Pacific carrying a large coil of unstripped wire over his shoulder and a sports bag of larger gauge wire (30-40 lbs). One of the employees assisted the UCO by putting the wire on the scale and another employee provided the UCO with a receipt. He was then directed to a window where he passed through the receipt and received \$24.00 cash and a copy of the receipt.

Transaction #2: (approx. 10:18 a.m.) A UCO, on foot, arrived at Pan Pacific carrying 1 coil of insulated copper wire, 2 spools of insulated copper wire and 1 Vancouver street sign "Oak St. 3000". A male customer in the business premises accused the UCO of stealing the street sign and the UCO replied "No, I found it". A female employee pointed to a sign that read 'No Stolen Goods, No Shopping Carts' and said "no take". A male employee lead the UCO outside and pointed to a shopping cart and asked if he had brought it. The UCO told him he walked. They walked back inside and the UCO placed his items, including the street sign, on the scale. The female employee wrote down the weight (24 lbs) and a total amount of \$19.20 on the receipt.

Transaction #3: (approx. 10:23 a.m.) A UCO, on foot, arrived at Pan Pacific carrying several coils of copper wire (40 lbs) and a green aluminium housing for a walk/don't walk sign. A female employee asked him "where is your buggy" to which the UCO replied "I walked". The employee then indicated for the UCO to put the wire on the scale. He did so and then threw the cable in a nearby bin. The UCO then placed the aluminium housing on the scale. The female filled out a receipt for 42 lbs of copper and 11 lbs of aluminium. She had the UCO write his name and sign his receipt after which he walked to the cashier window and received \$55.90 cash.

May 1, 2006 –

Transaction #1: (approx. 2:28 p.m.) Two UCO's arrived at Pan Pacific in a truck loaded with: 12 meters of Hydro cable, 5 Pattison aluminium billboard slats with billboard sign paper on one side, 1 Viacom aluminium billboard slat, 8 pieces of Telus cable (2 –7 feet), 26 various Richmond traffic signs (crosswalk, turn, no stop, pay parking, etc.), 10 various Vancouver street signs, 2 aluminium sign posts, 1 aluminium Telus junction box. The UCO's placed the signs on the scale face up, clearly showing what was on them. The UCO's were then directed by the employee to throw the traffic and street signs up towards the back of the dumpster. Once the signs were at the rear of the dumpster they were no longer visible to anyone in the building. The UCO wrote a false name and address on the receipt and took the receipt to the cashier. The cashier then gave the UCO a copy of the receipt along with \$360.25 cash for 171 lbs of aluminium and 290 lbs of copper.

Transaction #2: (approx. 2:50 p.m.) A UCO, on bicycle, arrived at Pan Pacific carrying 2 coils of insulated copper wire, 1 Snap On cordless drill, 1 new 'western rugged spin saw' and 1 used Dewalt drill. One employee told UCO they don't take tools while another employee offered the UCO "five bucks" for the Dewalt drill. The UCO declined saying \$5 was too low for a good drill. The UCO received \$8.50 for the copper and a copy of a receipt.

May 3, 2006 –

Transaction #1: (approx. 10:25 a.m.) A UCO arrived at Pan Pacific with the following items in the back of a pick up truck: 1 Telus walk in Phone booth (in three pieces), 31 Richmond road and street signs, 6 City of Vancouver aluminium parking restriction signs, 5 aluminium ladders (two marked Vancouver Fire Department), 2 coils of Telus wire (100 ft & 75 ft lengths). According to the police notes, one of the employees asked about the signs, suggesting they were stolen and pointed to the sign above the scale that read "Stolen property is not accepted". The UCO said he found them and the employee said nothing more. Another employee assisted by loading the phone booth onto the scale. The employee said "no ladders" and the UCO said he could cut them up. The employee then pointed to the a sign which read "No Ladders". The employee then recorded the plate number of the UCO's truck on the receipt, produced a large bundle of cash and gave the UCO \$178.00. The UCO then drove his truck out of the building and parked in front and proceeded to make a lot of noise while cutting the ladders with a hacksaw and hammer. An unidentified male walked out and said "no cut ladder here, go up street" but the UCO continued to cut them into approximately 15 pieces. The UCO then re-entered the building and placed the cut ladder pieces on the scale. The same two employees then weighed the metal and helped dump the pieces in an area for aluminium scrap. The UCO then filled out a receipt and was paid \$95.50 cash for the ladder pieces but was not provide with a copy of the receipt.

Transaction #2: (approx. 11:02 a.m.) A UCO, on foot, arrived at Pan Pacific with 5 pieces of 2ft. long Telus wire, 3 Pattison aluminium billboard slats, 1 brass fire hose nozzle stamped VFD. The UCO received \$22.10 cash for the items.

Transaction #3: (approx. 11:08 a.m.) A UCO, on foot, arrived at Pan Pacific with 5 pieces of 1 – 1.5 ft lengths of Telus cable, 2 bronze cemetery grave markers and 1 coil of copper wire. The UCO unloaded the Telus cable and copper wire onto the scale. The UCO then started to unzip his backpack and expose the bronze grave markers inside the bag. A female employee standing three feet away started to yell "No, No take No take" in a loud animated voice. A young male employee walked over and extended his leg and then forced the backpack closed with his foot and said "No.... you steal". The employee then pointed at a receipt and said "Name, address, sign". The UCO then received \$23.80 at the cashier window and a copy of the receipt. According to the police notes, "limited English was not a factor in taking or not taking goods".

(UCO's Constable Haupt,, Badge # 2026; Officer Smart, Badge # 2196 and Constable Froh, Badge # 2167 notes attached)

Information received from Mr. Douglas Lahay, solicitor for Pan Pacific, included a document entitled 'Submissions re allegations of Business License Contraventions'. Mr. Lahay also provided a verbal presentation of the details contained in his written submission.

Mr. Lahay questioned the authority of the City Business Regulation Bylaw in relation to the 'standard of qualification' for the issuance of a licence. Mr. Lahay made note that, at the time of the alleged infractions, the City had no bylaw governing the scrap metal industry and certainly no bylaw that itemized what things a scrap metal dealer could or could not buy. According to his submission, "The City can't arbitrarily exercise the powers granted under bylaw 7360' and, as there was no 'applicable bylaw', Pan Pacific is not in breach of any bylaws or any other law".

Mr. Lahay noted that "the law requires due process.... and that is not what is occurring here". According to his submission, "the police have set up what is in effect a 'sting' operation. They have reported to the City saying, if these really were stolen items, in our view Pan Pacific should have known they may have been stolen, and should not have taken them". He also questioned the process of the VPD police reports being provided to Richmond RCMP and then to the City Chief Licence Inspector. He stated that in this situation, "a police report is not evidence" that his client has broken a law; Pan Pacific should be subject to criminal Prosecution if they had been dealing in stolen goods as alleged by the police; the City can't give a Business Licence to Pan Pacific and not have a specific bylaw for their business and then allege that Pan Pacific is breaking a City bylaw. He further stated that instead of arresting metal thieves, police have asked City to target his client, Pan Pacific.

With respect to Project Alchemy, Mr. Lahay questioned where and how the police obtained the city street signs, whether they were already scheduled for destruction, how many scrap metal dealers call the police when they see a Telus cable, and, when the UCO showed a Pan Pacific employee a nozzle marked VFD, was the employee asked if he/she read English?. He suggested that VFD could have been someone's initials and made reference to Inspector Victor Duarte's name.

With respect to some of the individual transactions conducted by the UCO's, Mr. Lahay noted the following:

May 1 transaction #2: Pan Pacific paid \$8.50 for a length of wire and refused to purchase some tools. Nothing wrong.

May 1 transaction #1: There was no bylaw requiring Pan Pacific to ask for sellers ID. He then referred to Officer Smart's notes (see page 6 of 12 Police #2196 notes: 'most signs placed face up' and then refers to Target 1 and Target 2 'having limited English') and noted that Pan Pacific has a limited number of employees who know any English and then questioned "How was Pan Pacific to know the street signs were 'stolen' as Police do not know where they came from. This should be a test of Pan Pacific and now the City should create a bylaw to say no one can buy City signs, no one knows if a private company or the City owns the signs".

In his written submission, Mr. Lahay also notes "Why would anyone question a 1.2M length of hydro cable?....With the exception of one or two people at Pan Pacific, all of the employees speak, read and write no English, The owner has employed a personal assistant to provide translation services.....Noting that the employees 'appeared to only have limited English' is an understatement. It is necessary to know that, in order to understand why some of what is presented by the police as 'evidence' is meaningless.....I will assume, however, that the

employees can recognize what assorted road signs are. Should they assume that the signs were stolen?.....I assume that such signs are sold for scrap metal.. It would be irresponsible to send them to the dump. It is reasonable to assume that someone takes them to be recycled. Again, there is nothing nefarious about this transaction”.

Mr. Lahay also noted that “My clients have tried diligently to question and screen people they suspect may be trying to sell stolen goods. Not all of those who have been questioned have responded in a positive manner.” At this point, Mr. Lahay played an audio tape, to demonstrate “what happens when Pan Pacific is asked to police their customers”. The audio recording of a telephone message left at Pan Pacific, by someone identifying himself as an employee of BCTV, berates Pan Pacific for buying stolen goods and contained many derogatory ethnic slurs.

Mr. Lahay then referred to the transaction involving the 5 aluminium ladders, 2 with Vancouver Fire Department or VFD written on them. His submission indicated that “the writing is meaningless to anyone who doesn’t read English....The ladders were not taken by Pan Pacific. They fall under the broad description of goods that Pan Pacific will not take.... They simply purchased a number of scrap (cut up) pieces of old ladders”. In his verbal submission, Mr. Lahay also noted that there was “no evidence that Pan Pacific saw the ladders being cut up”. Mr. Lahay then concludes that “this sale exemplifies the problem faced by Pan Pacific if they are expected to police the transactions without the benefit of any regulations. Should it be assumed that all ladders are stolen?”

With respect to the transaction involving the Telus telephone booth, Mr. Lahay’s submission noted that the police records stated that the booth was “already in three pieces (Police notes page 4 of 18)”. “So in fact what was being sold was an aluminium frame of some sort that was in pieces”.

Mr. Lahay’s submission also notes that, in this same transaction, the police report relating to the Richmond City signs “is entirely misleading”. “It (Police notes page 6 of 18 of PC 2196 Smart) states that “one of the employees asked about the signs, suggesting that they are stolen and pointed to the sign above the scale which says “stolen property not accepted”. Mr. Lahay’s submission states “it is unknown how he was able to infer that whatever she said suggested that she knew the signs were stolen. It is clear she spoke very broken English and that PC 2196 Smart did not understand her. It defies common sense, more importantly the laws governing procedural fairness, to determine the rights of Pan Pacific based upon inferences drawn by one party conducting an investigation that began with a clear bias.”

With respect to the Pattison and Viacom aluminium billboard slats, Mr. Lahay noted that Pan Pacific was not contacted by Pattison and “no one at this table knows what Pattison items are”.

Mr. Lahay noted that Pan Pacific does not do much ‘walk in trade’ and that , most of their business is with other companies and with containers going to China. He lamented the fact that there are “lots of costs involved with walk in business and it is not profitable”. He also noted that Pan Pacific would like to work with the City and regretted the fact that “the police problems are laid at Pan Pacific’s feet”. He pointed out that Pan Pacific have instituted voluntary actions such as not paying cash for purchases and stressed that they have a “legitimate business”. He

concluded by noting that the new scrap metal bylaw adopted by the City will not make it illegal to do the transactions done last summer. (Submissions from Mr. Lahay attached)

Prior to questions directed at Pan Pacific, Mr. Lahay noted that "I will not be able to provide any evidence and I do not intend to". The Pan Pacific interpreter, Mr. Liu, indicated that he was familiar with the business and the types of materials they deal with. Mr. and Ms. Lin, when asked questions, did provided the following information through their interpreter:

Pan Pacific has been in the recycling business for 11 years in the City of Richmond and has 5 office staff and 5 yard staff. They indicated that neither they nor their employees know English. Mr. Lin also indicated that Pan Pacific had a contract with Shaw Cable a number of years ago to recycle materials for them.

When asked why they purchased City traffic and street signs, things that most people would know belonged to a municipality, they replied that these things were so "scrap up" (mangled) they did not know they were street signs. At this point the VPD officers were asked about the condition of the signs sold to Pan Pacific and they indicated that the signs were not mangled up but were in good condition and recognizable as street and traffic signs. When this was relayed to Mr. and Mrs. Lin, Mrs. Lin responded that she does not drive and does not know what street signs look like.

When asked about their purchase of Telus and Hydro cables, they indicated that this material was taken without being looked at because it was not 'a roll of new wire'.

When asked about their purchase of the Telus telephone booth, they responded that they would not buy such a thing if it had a company name on it and Mr. Lahay noted that, according to the police notes, this particular telephone booth was presented in four pieces.

When questioned about their purchase of the VFD aluminium ladder material, Mr. Lahay interjected that it was not established that Pan Pacific saw the UCO cutting up the ladders. The response from Mr. and Ms. Lin was that they took this material because it was in a number of pieces.

When questioned about their purchase of Pattison aluminium billboard slat materials, they responded that the materials were all mangled up and that they "do not know who the 'Pattison company' is".

Mr. and Mrs. Lin also indicated that Pan Pacific does not purchase stolen materials and if stolen items are presented at their business premises they turn the customer away, but do not call the police because 'the customer might get mad'. Mr. Lin recounted that a number of years ago a truck with a load of stolen wires arrived at Pan Pacific but they refused to purchase this material. They also stressed that Pan Pacific does not take things from people with buggies (shopping carts) but did not indicate why.

In reviewing all of the information and material presented with respect to this matter, I am compelled to make the following observations:

- The audio tape which Mr. Lahay played at the Show Cause Hearing, in my opinion, had no relevance to Mr. Lahay's arguments on behalf of Pan Pacific nor did it demonstrate how "my client has been the target of threats by customers who have been scrutinized".
- Mr. Lahay repeatedly emphasised that his clients and their employees have no English proficiency and appeared to use this factor as justification for some of their actions.
- Although Mr. Lahay maintains that 'walk in' clients are a very small part of the business, the daily activities at Pan Pacific, as detailed in the police notes, suggests otherwise. On a few occasions, UCO's on foot, bicycle and in a truck arrive one after the other and the behaviour of the employees suggests that this is business as usual.
- According to Mr. Lahay, Pan Pacific has a "broad description of goods they will not take" This includes grave markers, aluminium ladders (unless they are cut up) and nothing brought by buggy. Unfortunately, this 'broad description' does not appear to include speciality Telus and Hydro cable, Telus telephone booths or Municipal street and traffic signs.
- For a company that has been in the scrap metal business for 11 years, their apparent lack of knowledge of metal theft issues involving Telus, Hydro, Pattison, Viacom and Municipal materials is not credible.
- Pan Pacific acknowledged that they, in the past, had a contract to recycle material for Shaw Cable. As a result, it is reasonable to assume that Pan Pacific should have known that organizations such as Telus, Hydro, Pattison and Municipalities generally contract with companies or arrange for their own employees to take materials to scrap metal dealers for recycling.
- A VPD officer stated that Telus cable is 'one of a kind' as they contain 100 -- 1,000 copper wires in each cable. Telus and Hydro cable are not the type of materials to be commonly found in the possession of most individuals.
- In reviewing the video images from Project Alchemy it is clear that the City of Richmond street and traffic signs purchased by Pan Pacific were in very recognizable condition. The inadequate responses from Pan Pacific with respect to why they purchased Richmond City street and traffic signs casts serious doubt on Pan Pacific's credibility. (Still photo images from Project Alchemy DVD provided to Pan Pacific are attached)
- In many instances where an employee said "no take" to certain items and then the items are paid for, appears to be normal course of business for Pan Pacific, and, undermines their claim that they do not buy stolen items.
- It defies logic that Pan Pacific employees recognized, and refused to take, a partially visible grave marker but maintain they do not know what street signs look like or that

they would not know that Telus cable belongs to Telus and Pattison billboard slats belong to Pattison and Richmond street signs belong to City of Richmond.

- During Project Alchemy, the police UCO's were not the only ones selling aluminium ladders and municipal road signs to Pan Pacific. According to PC 2196 Smart notes of April 25, 2006 (page 4 of 8) "the UCO observed a Male (U/K White) standing by the scale as his load was removed from his flat bed truck....load included large amount of aluminium – amongst this there were clearly seen to be cut up aluminium ladders (clean fresh cuts)..... As I walk out (page 8 of 8) I noted large boxes with various bits of aluminium – in this box was stuffed at least 3 flat road signs, U/K from which city".

Based on the information presented, I am prepared, reluctantly, to give the benefit of the doubt to Pan Pacific with respect to their purchases of Telus cable, Hydro cable, Telus telephone booth, Telus junction box, Pattison and Viacom aluminium billboard slats, municipal pedestrian traffic signal aluminium housing and VFD fire hose nozzle.

However, the substantial amount of City street and traffic signs purchased by Pan Pacific during Project Alchemy is disturbing. The fact they were provided to the police undercover operation by the City as 'props', does not negate the intent and business conduct of Pan Pacific in purchasing these items. While no criminal charges were laid by the police because the materials sold to Pan Pacific were 'props' and therefore not actual stolen property, from a business licence perspective it is clear that:

- the Project Alchemy police operation demonstrates the normal way Pan Pacific conducts business
- Pan Pacific would buy similar items from 'metal thieves' in the course of it's regular business transactions.
- Pan Pacific business conduct is not considered to be appropriate or acceptable in the City of Richmond.

Having completed the review, and, taking into consideration information received from Pan Pacific and it's representatives, the RCMP, the VPD and the City's Business Licence Inspector, it is the opinion of the Chief Licence Inspector that this business has failed to maintain the standard of qualification required for the issuance of a City Business Licence and, therefore, would recommend that their Business Licence be suspended for a period of 30 days for the following reason(s):

- It is a basic, implicit term and qualification of any municipal business licence that the holder will carry on business in a reasonable and lawful manner, so that the public as well as persons trading with the licence holder may have confidence in the legitimacy of items being traded and in the licence system itself; and
- In eight business transactions conducted between April 25 to May 3, 2006, Pan Pacific purchased, from undercover police officers, a total of 74 municipal signs of which 57 were the property of the City of Richmond. The licence holder took no steps to ascertain whether the cities had authorized the transactions. These transactions, carried out at the business premises of Pan Pacific, demonstrate conduct that is unacceptable to the City as

a licensing authority, in that the holder has demonstrated willingness to trade in property without regard to the lawfulness of various transactions. In particular, it has demonstrated a willingness to acquire items that in the circumstances, cannot reasonably be assumed to be lawfully owned or held by the persons offering them for trade.

- The City is not required to meet criminal law standards of proof in justifying a decision to suspend a licence, and is not required to obtain a conviction for a criminal or regulatory offence or demonstrate a breach of a bylaw, in order to suspend a business licence under section 60 (2) of the Community Charter. It may do so on being satisfied that there is reasonable cause to suspend the licence. The licence holder has engaged in conduct in respect of this business operation that in my view, reasonably warrants suspension in the circumstances.

In accordance with the authority granted under the Community Charter Sec. 60 (2), the City deems that by failing to maintain the standard of qualification required for the issuance of a City Business Licence, this business has violated the Business Licence Bylaw No 7360 at section 5.1 (b) & (d) and Business Licence Regulations Bylaw No 7538 at section 22.1 (b) & (d) by failing to comply with any of the provisions of these two bylaws, or any other bylaw or applicable statute. (A copy of the relevant sections of the Community Charter and City Bylaws is attached.)

Financial Impact

N/A

Conclusion

Through its demonstrated business practices, as outlined in this report, Pan Pacific Recycling Inc. has contravened the City Business Licence Bylaw and the Business Regulation Bylaw. As such, their non compliance warrants a suspension of their business licence for a period of 14 days from May 10 to May 23, 2007 inclusive.



Amarjeet S Rattan
Chief Licence Inspector
(4686)

AR:ar

ATTACHMENTS

- 1) CITY AND PAN PACIFIC CORRESPONDENCE
- 2) INSPECTOR DUARTE INFORMATION MEMO
- 3) CONSTABLE RAMSAY INFORMATION MEMO
- 4) VPD – UNDERCOVER OFFICER NOTES
- 5) PAN PACIFIC (MR. D. LAHAY) SUBMISSIONS
- 6) PHOTO IMAGES FROM PROJECT ALCHEMY DVD
- 7) RELEVANT SECTIONS OF COMMUNITY CHARTER &
CITY BYLAWS

CITY AND PAN PACIFIC CORRESPONDENCE



City of Richmond

6911 No 3 Road, Richmond, BC V6Y 2C1

Telephone (604) 276-4000

www.cityrichmond.bc.ca

July 26, 2006

File 951187

Finance Department
Business Licence Division
Telephone: 604-276-4328
Fax: 604-276-4157

PAN PACIFIC RECYCLING INC
13900 MITCHELL ROAD - UNIT # 140
RICHMOND, B.C.
V6V 1M8

Dear Business

Re: Business Licence Contraventions and Licence Review Hearing
Pan Pacific Recycling Inc.-13900 Mitchell Rd. - Unit # 140

It has been brought to my attention that as a result of a recent police undercover operation, your business, known as **Pan Pacific Recycling Inc.**, has been found to be operating in contravention of City of Richmond Bylaws. Specifically the Business Regulation Bylaw No. 7538 and Business Licence Bylaw No. 7360.

The contraventions are specific to misconduct in business transactions dealing in obvious and distinct samples of stolen products.

You are by way of this correspondence, advised that you are to appear before the City of Richmond's Chief Licence Inspector to review these matters and to present a case as to why your licence should not be revoked or suspended.

Please be advised that the hearing will take place at the Richmond City Hall located at 6911 No. 3 Road, Richmond, in Room M1-002 commencing at 3:00 p.m. on Monday, August 21, 2006. Should you have any questions, prior to this hearing date, please feel free to call the undersigned at 604-276-4686.

Yours truly,

Amarjeet Rattan
Chief Licence Inspector

ASR:vmd

p.c. Cst K. Ramsey
RCMP Police
Richmond Detachment

RICHMOND
Island City, by Nature

Victor Duarte
Licence Inspector
City of Richmond

Rattan, Amarjeet

From: Doug Lahay [DWL@cwilson.com]
Sent: August 3, 2006 12:30 PM
To: Rattan, Amarjeet
Subject: Pan Pacific Recycling Inc 13900 Mitchell Rd Unit #140
Attachments: Doug Lahay.vcf

Dear Mr. Rattan

Further to our brief telephone conversation on August 2, 2006, this will confirm that I act on behalf of Pan Pacific Recycling Inc. ("Pan Pacific")

I have your letter of July 26 2006 re. allegations that Pan Pacific "has been found to be operating in contravention of City of Richmond Bylaws"

I will be attending the hearing (the "Hearing") at Richmond City Hall on August 21, 2006. Before the Hearing occurs, and in order to ensure that my client has proper notice of, and a fair opportunity to address, the allegations being made by the City of Richmond (the "City"), would you please provide the following basic information

- 1) Particulars of the incidents which the City alleges constitute a breach of City Bylaws;
- 2) Specifically which Bylaws are alleged to have been breached by Pan Pacific, and
- 3) Disclose all evidence (whether or not the City intends to rely upon it at the Hearing) collected by the "recent police undercover operation" related in any way to Pan Pacific's operations

In your letter you state that "it has been brought to (your) attention that (Pan Pacific) has been found to be operating in contravention ."

I have spoken with my client's representatives and am not aware of any determination, judicial or otherwise, that Pan Pacific has knowingly participated in any wrongdoing. I have been advised that the police have attended the premises of Pan Pacific on a number of occasions. On some of these occasions the police have identified, to Pan Pacific, people who are known to deal in stolen goods. They have advised Pan Pacific not to purchase material from the people identified by the police. Pan Pacific has complied.

I understand that on another occasion, the police brought, to Pan Pacific, an individual who identified property belonging to him, which had been sold to Pan Pacific. The property was returned. There was no suggestion that Pan Pacific knew, or ought to have known, that the property was stolen.

I am not aware of any criminal charges having been laid against Pan Pacific. As indicated above, I am not aware of any judicial determination that Pan Pacific has been involved in any wrongdoing. If my understanding is incorrect, please provide me with details and of how they relate to the upcoming Hearing, so that my client has an opportunity to respond to the allegations.

I am aware of the recent increase in theft of property containing scrap metals. Pan Pacific is a responsible corporate citizen and wishes to co-operate with the City to do whatever is reasonably possible to combat theft and stem the trade in stolen goods.

As I'm sure you can appreciate, the allegations by the City are serious and are being treated as such by my client. The threat to revoke or suspend Pan Pacific's license to operate has serious potential consequences. The cessation or disruption of Pan Pacific's business will result in the loss of substantial revenue. I look forward to the opportunity to address these allegations at the Hearing and to work with the City, on behalf of my client, to deal with the underlying problem. However, if my client is not provided with sufficient information to ensure a fair Hearing, I will have no choice but to seek injunctive relief to prevent a Hearing until proper notice has been given.

I look forward to hearing from you

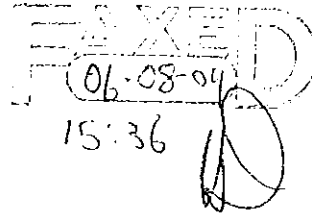
Douglas W Lahay

Douglas W Lahay
Business Litigation, Major Personal Injury and Medical Malpractice
E-mail dwl@cwilson.com
Direct line (604) 643-3161
Fax (604) 687-6314

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City of Richmond
6911 No 3 Road
Richmond, BC V6V 3C1



Fax Cover Sheet

To:	Name	Douglas W. Lahay	File:	
	Company	Clark Wilson LLP	Date:	August 4, 2006
		BC's Law Firm For Business	Fax:	604-687-6314
From:	Department	Business & Financial Services	Phone:	604-276-4389
	Name	Victor Duarte	Fax:	604-276-4157
		Par Pacific Recycling Inc-		
		13900 Mitchell Rd - Unit# 140		

If you have any problems with this fax, contact: Victor M. Duarte at 604-276-4389

Total no. of pages including cover sheet: 13

Mailed original to follow ☒ No

☒ for your information

☒ in response to your request

Message:

Please See Attached



City of Richmond

6911 No 3 Road, Richmond, BC V6Y 2C1

Telephone (604) 276-4000

www.cityrichmond.bc.ca

August 4, 2006

File: 9511257

Business & Financial Services Department

Business Licences

Telephone: 604-276-4328

Fax: 604-276-4157

Clark Wilson LLP
BC's Law Firm For Business
HSBC Building
800-885 West Georgia Street
Vancouver, BC V6C 3H1

Dear MR. Lahay

Re: Show Cause Hearing For Pan Pacific Recycling Inc-13900 Mitchell Rd. - Unit # 140

Further to your emailed message of August 3/06 to Mr. A. Rattan, I have been requested to follow up with your information request. Attached please find the following items for your reference:

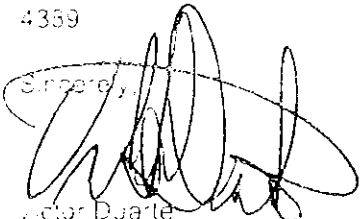
- 1) Excerpt of Business Licence Bylaw No 7360, Part Five: Violations and Penalties s.5.1(d)
- 2) Business Regulation Bylaw No. 7538: Part Twenty-Two: Violations and Penalties s.22.1(d)

Full copies of these are available at <http://www.richmond.ca/cityhall/bylaws.chapter.htm> for your reference.

- 3) My memorandum to Mr. A. Rattan recommending a show cause hearing
- 4) Report received from Cst. K. Ramsey, Richmond RCMP, pertaining to the undercover operation carried out at Pan Pacific Recycling, Referred to as Attachment 1

Please feel free to contact the undersigned for any further information that you may require at 604-276-4359.

Sincerely,


Victor Duarte
Licence Inspector

VMD:vmd
Att: 4

Dr. A. Rattar

Manager Business Liaison & Clientence Inspector

4.5 Miscellaneous Business Licence Provisions

- 4.5.1 Every licence is considered to be personally issued to the licensee.
- 4.5.2 Where a **business** is carried on by two or more persons in partnership, only one licence which must be taken out in the name of the partnership is required.
- 4.5.3 Subject to the *Local Government Act*, the **Licence Inspector** has the power to grant, issue, renew, suspend or transfer licences.

PART FIVE: BYLAW VIOLATIONS AND PENALTIES

5.1 Any licensee, operator, or any other person who

- (a) violates or who causes or allows any of the provisions of this bylaw to be violated; or
- (b) fails to comply with any of the provisions of this, or any other applicable bylaw or statute; or
- (c) neglects or refrains from doing anything required by this bylaw; or
- (d) fails to maintain the standard of qualification required for the issuance of a **licence** under this bylaw; or
- (e) makes any false or misleading statement,

is deemed to have committed an infraction of, or an offence against this bylaw, the **Business Regulation Bylaw** or the **Vehicle for Hire Regulation Bylaw**, whichever is applicable, and is liable on summary conviction, to the penalties provided for in the *Offence Act*, and each day that such violation is caused or allowed to continue constitutes a separate offence, and may result in the suspension, cancellation or revocation of the **licence** in question.

5.2 Subject to the *Local Government Act*, Council may

- (a) revoke or cancel a **licence** issued under the provisions of this bylaw; and
- (b) refuse to grant the request of an **applicant** under this bylaw.

5.3 Every licensee must comply with the requirements of this, or any other bylaw of the City which governs or regulates the **business** for which such **licence** was granted, and must comply with any requirements imposed by the **Medical Health Officer**, and any **person** failing to comply with the requirements of this Part is guilty of an infraction of this bylaw and liable to the penalties specified.

- (5) a second-hand dealer/pawnbroker may, upon purchasing a second-hand item, notify the Police Chief in writing of the second-hand dealer/pawnbroker's desire to resell or otherwise dispose of such item before the expiration of the 72 hour period, whereupon, after giving written notification, the second-hand dealer/pawnbroker must hold the article for 24 hours, excluding Sundays and statutory holidays, and he may dispose of such item if after that time he has received a written release from the Police Chief.

19.2.4 Where second-hand items have been purchased by a second-hand dealer/pawnbroker from another second-hand dealer/pawnbroker who has had such items in his possession for a period of time longer than required under clause (b) of subsection 19.2.1, the Police Chief may authorize the purchaser in writing to dispose of such items without holding them for that period.

PART TWENTY: TATTOO PARLOUR REGULATION

20.1 Operator Prohibitions

20.1.1 A tattoo parlour operator must not permit any person under the age of 18 to be tattooed, unless with the written consent of the person's parent or guardian.

PART TWENTY-ONE: TELEPHONE SALES OFFICE REGULATION

21.1 Operator Obligations

21.1.1 Every telephone sales office operator must advise the Licence Inspector, in writing, not later than 24 hours after any change has been made to any of the information which must be provided to the Licence Inspector to obtain a telephone sales office licence, as stipulated in the Business Licence Bylaw.

PART TWENTY-TWO: VIOLATIONS AND PENALTIES

22.1 Any licensee, operator, or any other person who

- (a) violates or who causes or allows any of the provisions of this bylaw to be violated; or
- (b) fails to comply with any of the provisions of this, or any other bylaw or applicable statute; or
- (c) neglects or refrains from doing anything required under the provisions of this bylaw or the Business Licence Bylaw; or
- (d) fails to maintain the standard of qualification required for the issuing of a licence; or
- (e) makes any false or misleading statement.

is deemed to have committed an infraction of, or an offence against, this bylaw, or the **Business Licence Bylaw** (whichever is applicable) and is liable on summary conviction, to the penalties provided for in the *Offence Act*, and each day that such violation is caused or allowed to continue constitutes a separate offence and may result in the suspension or cancellation of the licence

PART TWENTY-THREE: ADMINISTRATION AND ENFORCEMENT

- 23.1 The **Licence Inspector, Building Inspector, Medical Health Officer, or Police Chief** are hereby authorized to enter at any reasonable time, the premises of any **business** regulated under this bylaw, to determine whether the provisions of this bylaw are being, or have been complied with; and it is unlawful for any person to prevent or obstruct the **Licence Inspector, Building Inspector, Medical Health Officer or Police Chief** from the carrying out of any of their duties with respect to the administration and enforcement of this bylaw.

PART TWENTY-FOUR: PREVIOUS BYLAW REPEAL

- 24.1 Milk and Cream Products Delivery Regulation Bylaw No. 1118 (adopted May, 1949), is repealed
- 24.2 Meat and Fish Sale Bylaw No. 1218 (adopted July, 1952) and Amendment Bylaw No. 1411 (adopted June, 1956), are repealed
- 24.3 Automobile Service Station Closing Hour Extension Bylaw No. 1912 (adopted July, 1962), is repealed
- 24.4 Discotheque Regulation Bylaw No. 2120 (adopted March, 1965), is repealed
- 24.5 Shop Closing Exemption Bylaw No. 2194 (adopted November, 1965) is repealed
- 24.6 Business Regulation Bylaw No. 7148 and the following amendment bylaws are repealed

<u>BYLAW NO.</u>	<u>ADOPTED ON</u>
Bylaw No. 7172	November 28, 2000
Bylaw No. 7186	December 11, 2000
Bylaw No. 7167	July 23, 2001
Bylaw No. 7284	October 22, 2001
Bylaw No. 7290	November 26, 2001
Bylaw No. 7298	December 10, 2001
Bylaw No. 7316	January 28, 2002
Bylaw No. 7330	March 25 th , 2002
Bylaw No. 7334	April 8 th , 2002
Bylaw No. 7390	July 8 th , 2002
Bylaw No. 7397	July 29 th , 2002
Bylaw No. 7223	October 15 th , 2002
Bylaw No. 7426	October 15 th , 2002
Bylaw No. 7557	January 13 th , 2003
Bylaw No. 7504	June 9, 2003

Duarte, Victor

From: Rattan, Amarjeet
Sent: Thursday, 3 August 2006 1:10 PM
To: Duarte, Victor
Subject: F.W. Pan Pacific Recycling Inc 13900 Mitchell Rd. Unit #140
Importance: High
Attachments: Doug Lahay.vcf

Hi
Let's meet later this afternoon to discuss letter below
Amarjeet

From: Doug Lahay [mailto:DWL@cwilson.com]
Sent: August 3, 2006 12:30 PM
To: Rattan, Amarjeet
Subject: Pan Pacific Recycling Inc 13900 Mitchell Rd. Unit #140

Dear Mr. Rattan:

Further to our brief telephone conversation on August 2, 2006, this will confirm that I act on behalf of Pan Pacific Recycling Inc. ("Pan Pacific").

I have your letter of July 26 2006 re "allegations that Pan Pacific has been found to be operating in contravention of City of Richmond Bylaws"

I will be attending the hearing (the "Hearing") at Richmond City Hall on August 21, 2006. Before the Hearing occurs, and in order to ensure that my client has proper notice of, and a fair opportunity to address, the allegations being made by the City of Richmond (the "City"), would you please provide the following basic information:

- 1) Particulars of the incidents which the City alleges constitute a breach of City Bylaws,
- 2) Specifically which Bylaws are alleged to have been breached by Pan Pacific, and
- 3) Disclose all evidence (whether or not the City intends to rely upon it at the Hearing) collected by the "recent police undercover operation" related in any way to Pan Pacific's operations.

In your letter you state that "it has been brought to (your) attention that ... (Pan Pacific) has been found to be operating in contravention ..."

I have spoken with my client's representatives and am not aware of any determination, judicial or otherwise, that Pan Pacific has knowingly participated in any wrongdoing. I have been advised that the police have attended the premises of Pan Pacific on a number of occasions. On some of these occasions the police have identified, to Pan Pacific, people who are known to deal in stolen goods. They have advised Pan Pacific not to purchase material from the people identified by the police. Pan Pacific has complied.

I understand that on another occasion, the police brought, to Pan Pacific, an individual who identified property belonging to him, which had been sold to Pan Pacific. The property was returned. There was no suggestion that Pan Pacific knew, or ought to have known, that the property was stolen.

I am not aware of any criminal charges having been laid against Pan Pacific. As indicated above, I am not aware of any judicial determination that Pan Pacific has been involved in any wrongdoing. If my

understanding is incorrect, please provide me with details and of how they relate to the upcoming Hearing, so that my client has an opportunity to respond to the allegations.

I am aware of the recent increase in theft of property containing scrap metals. Pan Pacific is a responsible corporate citizen and wishes to co-operate with the City, to do whatever is reasonably possible to combat theft and stem the trade in stolen goods.

As I'm sure you can appreciate, the allegations by the City are serious and are being treated as such by my client. The threat to revoke or suspend Pan Pacific's license to operate has serious potential consequences. The cessation or disruption of Pan Pacific's business will result in the loss of substantial revenue. I look forward to the opportunity to address these allegations at the Hearing and to work with the City, on behalf of my client, to deal with the underlying problem. However, if my client is not provided with sufficient information to ensure a fair Hearing, I will have no choice but to seek injunctive relief to prevent a Hearing until proper notice has been given.

I look forward to hearing from you.

Douglas W. Lahay

Douglas W. Lahay
Business Litigation, Major Personal Injury, and Medical Malpractice
E-mail dwl@cwilson.com
Direct line (604) 643-3161
Fax (604) 687-6314

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FACSIMILE TRANSMISSION PAGE

August 11, 2006

File No.: **78343-0002**

Page 1 of 4 Page(s) Transmitted

TO	Name	Mr. Victor Duarte	Fax No	(604) 276-4157
	Firm/City	City of Richmond, Richmond	Telephone	(604) 276-4328

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FROM	Name	Douglas W. Labay	Direct Line	604.643.3161
	Subject	Pan Pacific Recycling Inc.	EMail	dwl@cwilson.com

INFO	Original will be:	<input checked="" type="checkbox"/> retained on file	<input type="checkbox"/> mailed to you	<input type="checkbox"/> sent to you by courier
	If any difficulty is experienced in this transmission, please contact the sender or ask for a fax clerk, at 604.687.5700.			

MESSAGE, IF ANY:

Attached please see our letter of today's date.

CLARK WILSON LLP

BC's Law Firm for Business

Reply Attention of: Douglas W. Lahay
 Direct Tel: 604 687 3161
 EMail Address: dwl@clarkwilson.com
 Our File No: 26343-0002 / D.D.W.L. 8684011

James Mulvey Q.C.
 M. Douglas Howard
 Alexander Housheer
 Alvaro D. Illia
 David M. Bell
 Nicholas McCaughey
 Ross D. Threlkiff
 James A. Spackman
 John C. Frudick
 Barbara S. Elster
 William L. Macdonald
 Auliyson L. Baker
 L.K. Larry Yee
 Fair Othman
 Stuart D. Neiderhiser
 Chad McDaniel
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 Adam M. Diaz

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 D. Lawrence Miller
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 Veronica A. Franco
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 Richard T. Weiland
 Steve Veitch
 David J. Popham
 Stefan W. John

Robert J. Molloy Q.C.
 William T. Kerton
 Robert Neuenburg
 Douglas A. Lahay
 R. Brock Johnson
 Mark S. Woodhouse
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 Theo L. Kordian
 Great Y. Wong
 Krista Pruckow
 Thomas S. Wadsworth
 Aidan L. Zaslava
 Lisa D. Hurd
 Ivan Roudnikov

R. Steven Webb
 Frances A. Williams
 William C. Holgate
 James W. Kung'u
 Neil P. McLaughlin
 Noel J. Teytel
 Donald J. Shields
 Derek H. Smith
 Laurence G. Stuckeinstein
 Jonathan L. S. Hodes
 Tony Fophrissy
 Amy A. Mortimer
 Brent C. Clark
 Karl T. Gertner
 Andrew M. Blair
 Vincent S. Dixon
 Marlan Diaz

Associate Counsel: Nicole M. Byles
 Associate Counsel: Michael J. Rennie

August 11, 2006

BY FAX: (604) 276-4157

City of Richmond
 Business & Financial Services
 6911 No. 3 Road
 Richmond, BC V6Y 2C1
 Canada

Attention: Mr. Victor Duarte
 Licence Inspector

Dear Sirs/Mesdames:

Re: Pan Pacific Recycling Inc.
 13900 Mitchell Road, Unit #140, Richmond, BC
 Your File No. 9511287

Thank you for your letter dated August 4, 2006

You have not provided the basic information requested in my email to you dated August 3, 2006.

I asked you which bylaws are alleged to have been breached by Pan Pacific. You sent me excerpts from Business Licence Bylaw No. 7360 (S 1(d)) and from Business Regulation Bylaw No. 7538 (22 1(d)).

Both refer to "any licensee, operator or other person who fails to maintain the standard of qualifications required for the issuing of a licence".

Both excerpts merely confirm what penalties may be imposed where there is a breach. You have yet to specify precisely what bylaw has been breached and you have not provided particulars of the alleged breach.

Mr. Victor Duarte has cautioned you, by memo dated July 26, 2006, that "scrap metal dealers are not currently regulated by bylaw in the City of Richmond".

I reiterate my request that you specify which bylaws are alleged to have been breached by Pan Pacific and provide particulars of the alleged breaches.

I also asked you to disclose all evidence (whether or not the City intends to rely upon it at the Hearing) collected by the "recent police undercover operation" related in any way to Pan Pacific's operations. You provided "Attachment 1", which purports to be a "brief report" from Constable K. Ramsey, detailing items Pan Pacific accepted. Attachment 1 is just over four pages long. Page four almost entirely comprises a dissertation on the scope and effect of the theft of scrap metal. It includes unsubstantiated opinion, such as the following:

"The theft of metal has created a profitable environment for thieves and scrap metal dealers. The thieves steal the metal and take it to the scrap metal dealers for cash. The thieves use the cash to purchase items such as drugs. The scrap metal dealers are receiving huge profits due to the increased prices for metal."

The report says that "undercover officers transported these items on foot, on bicycles, using shopping carts, and by truck, all means of transportation commonly utilized by thieves." The report suggests that any goods transported in this manner should be assumed to be stolen. It implies that anyone transporting items in this manner is a thief.

I do not intend to deal with the substance of Attachment 1 until I have all of the evidence so that the examples cited in the report can be put into proper context. I hasten to add, however, that no criminal charges were laid much less pursued.

I turn now to the memo to you from Mr. Duarte dated July 26, 2006.

Mr. Duarte refers to an undercover operation "targeting unscrupulous scrap metal dealers who are knowingly obtaining stolen metal products in exchange for cash". Mr. Duarte does not indicate how he is able to conclude which of these scrap metal dealers are "unscrupulous" or on what basis he is able to determine that they "knowingly obtained stolen metal products". Mr. Duarte continues in the last paragraph on page one of his memo:

"Scrap metal dealers are not currently regulated by bylaw in the City of Richmond, however this does not negate Pan Pacific Recycling Inc. from operating within the guidelines of the Criminal Code, knowingly dealing in and possessing stolen property."

Mr. Duarte seems to have concluded that Pan Pacific has committed criminal offences. He concludes his memo to you by stating that

"In careful consideration of the business practices and blatant misconduct, it is the undersigned's belief a Show Cause Hearing is warranted in order to prevent the continuation of the delinquent business practices of Pan Pacific Recycling Inc." [emphasis added]

Based upon what little information has been provided, the City has targeted my client, has drawn conclusions that are unsubstantiated by any evidence and intends to conduct a Hearing despite its demonstrable bias

It is now August 11th. My client has less than two weeks to prepare for the Hearing. You have yet to provide the basic information I requested that will ensure that Pan Pacific is given a fair Hearing and a reasonable opportunity to meet the allegations against it

If I have not received the requested information by 4.00 o'clock p.m. on August 15, 2006, I will file a Petition seeking an injunction to prevent the City from proceeding until my client has been given an opportunity to respond to the allegations against it.

Alternatively, I ask that you agree to adjourn the Hearing. That will allow the City an opportunity to provide me with the information I have requested and will allow me to have an opportunity to respond. Should the City insist on proceeding with the Hearing and make any determination that adversely impacts upon my client's business operations, I will file a Petition for judicial review. I will bring to the Court's attention the efforts I have made to ensure that there was proper disclosure prior to the Hearing and the evidence of bias on the part of the City. I look forward to hearing from you.

Yours truly,

CLARK WILSON LLP

for

Re:



Douglas W. Lahay

DWL:skt

cc client

Duarte, Victor

From: Hikida, JoAnne
Sent: Monday, 14 August 2006 4:33 PM
To: 'dwl@cwilson.com'
Cc: Rattan, Amarjeet; Duarte, Victor
Subject: Pan Pacific Recycling Inc
Attachments: header.htm

August 14, 2006

Finance Department
Business Licence Division
Telephone: 604-276-4328
Fax: 604-276-4157

August 14, 2006

Mr Douglas W. Lahay
Clark Wilson LLP

Via email: dwl@cwilson.com

Re: Pan Pacific Recycling Inc. / File No. 9511287

Thank you for your faxed letter of August 11, 2006 to the attention of Mr. Victor Duarte, Licence Inspector

Please be advised that we will be requesting our local RCMP detachment to provide more detailed information pertaining to this case. Once we receive this information, we will forward it, and other details you have requested, to your attention.

In order to ensure that you and your client will have sufficient preparation time, the Show Cause Hearing originally scheduled for August 21, 2006, will be postponed to a future date.

Sincerely,

J. Hikida, Licence Inspector
for: Victor Duarte, Licence Inspector

cc: A. Rattan, Manager, Business Liaison
V. Duarte, Licence Inspector

Clark Wilson LLP

Via email: cwl@cwilson.com

Re: Pan Pacific Recycling Inc. / File No. 9511287

Thank you for your faxed letter of August 11, 2006 to the attention of Mr. Victor Duarte, Licence Inspector.

Please be advised that we will be requesting our local RCMP detachment to provide more detailed information pertaining to this case. Once we receive this information, we will forward it, and other details you have requested, to your attention.

In order to ensure that you and your client will have sufficient preparation time, the Show Cause Hearing originally scheduled for August 21, 2006, will be postponed to a future date.

Sincerely,

J. Hikida, Licence Inspector
for: Victor Duarte, Licence Inspector

cc: A. Rattan, Manager, Business Liaison
V. Duarte, Licence Inspector

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Duarte, Victor

From: Doug Lahay (DLW@cwilson.com)
 Sent: Monday, 14 August 2006 6:53 PM
 To: Hikida, JoAnne
 Cc: Rattan, Amajeet; Duarte, Victor
 Subject: Re: Pan Pacific Recycling Inc
 Attachments: Doug Lahay.vcf

Thank you for your response on this matter. I met with my client's representatives this afternoon to begin assembling information so that I can respond to the City's concerns. Please let me know when you would like to re-schedule the hearing and we can work towards that date.

In the meantime, I think I would be extremely helpful to have a dialogue regarding how my client can work with the City to deal not just with its concerns, but with the underlying problem. I will be happy to meet with the City's representatives to that end.

As you know from my previous correspondence, I read Attachment 1, entitled "Theft of Metal in Richmond". It includes an account of a number of transactions that occurred at Pan Pacific Recycling as part of what has been described as an undercover operation. Not all of what transpired has been reported nor have the police made any attempt to convey to the City the need for proper policing and for clear regulation. My client has been diligent about investigating the background of suppliers of scrap metal. What has not been reported to the City is that on those occasions where my client's employees have refused to deal with certain suppliers they have been threatened and have been the targets of incredible abuse. One of the items provided to me by my client's representatives is a tape recording of several telephone messages that can only be described as extremely disturbing. The police are either unwilling or unable to do anything. It has been left to my client to do the policing. When Pan Pacific's employees are threatened or abused by suppliers (with whom they refuse to deal thereafter), the police will not provide assistance. They have sent a member to my client's premises on several occasions. He will be asked to identify himself when he next visits. He is confrontational and accusatory and has approached some of my client's customers demanding to know where they obtained the material they are selling. These have all been reputable and regular customers. He has never taken the opportunity to make constructive suggestions to my client's employees as to how they can assist the police.

My client genuinely wishes to work with the City. My client provided me with a letter from the City dated April 30, 2002 (file # 6370-01) which it posted on a bulletin board at work for its employees. The intent of the letter was to solicit ideas from operators in the scrap metal industry to alleviate the problem of scrap metal theft. I believe that it is time to revisit that initiative and to generate some ideas that may assist with specific regulations. I look forward to working with you and will have my clients attend with me at a Snow Cause Hearing once we have sufficient material to be in a position to respond meaningfully.

Douglas W. Lahay
 Business Litigation, Major Personal Injury and Medical Malpractice
 E-mail dlw@cwilson.com
 Direct line (604) 643-3161
 Fax (604) 687-6314

>>> "Hikida, JoAnne" <JHikida@richmond.ca> 08/14/06 4:32 PM >>>
 August 14, 2006

Finance Department
 Business Licence Division
 Telephone: 604-276-4328
 Fax: 604-276-4157

August 14, 2006

Mr. Douglas W. Lahay

FACSIMILE TRANSMISSION PAGE

August 17, 2006

File No.: 28343-0002

Page 1 of 3 Page(s) Transmitted

TO	Name	Mr. Victor Duarte	Fax No	(604) 276-4157
	Firm/City	City of Richmond, Richmond	Telephone	(604) 276-4328

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FROM	Name	Douglas W. Labay	Direct Line	604.643.3161
	Subject	Pan Pacific Recycling Inc.	E-Mail	dwl@cwilson.com

INFO	Original will be:	<input checked="" type="checkbox"/> retained on file	<input type="checkbox"/> mailed to you	<input type="checkbox"/> sent to you by courier
	If any difficulty is experienced in this transmission, please contact the sender or ask for a fax clerk, at 604 687 5700			

MESSAGE, IF ANY:

Attached please see our letter of today's date.

CLARK WILSON LLP

BC's Law Firm for Business

Reply Attention of: **Douglas W. Lalay**
 Direct Tel: **604 683 3161**
 Email Address: **dwl@clarkwilson.com**
 Our File No: **28340-0002 / D/DWL/891330**

James M. Bailey, Q.C.
 M. Douglas Howard
 Alexander Trevisan
 William D. Hollett
 Duane M. Bell
 Kenneth R. C. Ling
 Rex D. Turner, Q.C.
 James A. Spackman
 John C. Fiddick
 Douglas S. Easter
 William L. Macdonald
 Anthony J. Baker
 L. R. Larry Yen
 Jane Gilmartin
 Scott D. Macdonald
 Cam McTavish
 Travis L. Coulter
 Aaron M. Ditt

David W. Buchanan, Q.C.
 W. W. Lynn D. Kinnaird, Q.C.
 Maurice Pinney
 Nigel P. Kerr
 Aaron L.B. Kohner
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 Kevin J. MacDonald
 Kenneth A. Tapping
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 Peter M. Volenitzky
 Richard T. Weiland
 Steve Veitch
 David J. Furdich
 Sarah W. Jones

Donald Brian, Q.C.
 William A. Ruskus
 Roy A. Newbold
 Douglas W. Lundy
 R. Brock Johnson
 Mark S. Weinbaum
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 Tracy L. Kishman
 Grant Y. Wong
 Kristi Prosser
 Thomas S. Webber, Q.C.
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A. Stuart Wells
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 Jonathan L. S. Hedin
 Tony Fogarty
 Amy A. Minnema
 Brent C. Clark
 Ken T. Granger
 Andrea M. Ernst
 Valene S. Dixon
 Vikram Dixit

Associate Counsel: Nicole M. Byers
 Associate Counsel: Michael J. Remar

August 17, 2006

BY FAX: (604) 276-4157

City of Richmond
 Business & Financial Services
 6911 No. 3 Road
 Richmond, BC V6Y 2C1

Attention: Mr. Victor Duarte
Licence Inspector

Dear Sirs/Mesdames:

Re: **Pan Pacific Recycling Inc.**
13900 Mitchell Road, Unit #140, Richmond, BC
Your File No. 9511287

Further to my letter to you dated August 14, 2006, I write to provide an outline for discussion with the City of Richmond regarding the above-noted matter.

The underlying problem is the theft of scrap metal and of materials containing metal.

The Vancouver Police began a project named "Project Alchemy". Unfortunately, it was predicated on the assumption that scrap metal dealers are part of the cause of the problem (see: Project Alchemy online report dated 2006-06-05, page 3).

That is no different than claiming that the country of China is to blame as it is the most voracious consumer of the world's scrap metal.

After completing their project, the police enlisted the help of municipal governments asking them to review the licences of certain scrap metal dealers.

No criminal charges were laid because there was no evidence that would withstand judicial scrutiny. The revocation or suspension of business licences is an attempt to circumvent the judicial process.

Whether or not the City can successfully suspend or revoke a business license without due process, one thing is clear: it will have no impact on the underlying problem.

Assume, for the sake of argument, that Pan Pacific ceases its operations. The cessation of its business operations will have no impact upon the theft of scrap metal and materials containing scrap metal.

If one accepts the premise that scrap metal dealers are an integral part of the cycle of theft, then it is reasonable to impose regulations that will have the effect of filtering out the illegal transactions from legitimate business.

First and foremost, the regulations must be uniform to the industry. Efforts should be made to have the regulations in the various municipalities made uniform. Regulating only one municipality could otherwise simply result in a shift of operations. That is, scrap metal would still be stolen in Richmond but then might be sold to dealers in other municipalities. That does nothing to help resolve the problem.

My clients have already instituted the following measures of their own accord:

1. Surveillance cameras.
2. Creation of customer files requiring personal information from suppliers.
3. Requesting picture ID.
4. Paying suppliers, at least in part, by cheque for transactions exceeding \$500.00.

As I mentioned in my August 14th letter, my client has been the target of threats by customers who have been scrutinized. Policing is, therefore, an important part of any program to regulate the industry.

Once you have had an opportunity to consider my recent correspondence, I look forward to hearing from you.

Yours truly,

CLARK WILSON LLP

Per:

Douglas W. Lahay

DWL/asb

cc client



City of Richmond

6911 No 3 Road, Richmond, BC V6Y 2C1

Telephone (604) 276-4000

www.cityrichmond.bc.ca

December 22, 2006

File: 951187

Finance Department

Business Licence Division

Telephone: 604-276-4328

Fax: 604-276-4157

PAN PACIFIC RECYCLING INC
13900 MITCHELL ROAD - UNIT # 140
RICHMOND, B.C.
V6V 1M8

Dear Business

**Re: Business Licence Contraventions and Licence Review Hearing
Pan Pacific Recycling Inc.-13900 Mitchell Rd. - Unit # 140**

In a letter dated July 26, 2006 you were advised that, "as a result of a recent police undercover operation, your business, known as **Pan Pacific Recycling Inc.**, has been found to be operating in contravention of City of Richmond Bylaws". In this same letter, you were requested to appear at a Licence Review Hearing scheduled for August 21, 2006. A copy of this letter is attached for your reference.

After further correspondence with your solicitor, it was agreed to postpone the above mentioned Licence Review Hearing to a future time. Additional information that your solicitor requested is also enclosed for your reference.

Please be advised that the hearing will now take place at the Richmond City Hall located at 6911 No 3 Road, Richmond, commencing at 3:00 p.m. on Tuesday, January 30, 2007. Should you have any questions, prior to this hearing date, please feel free to call our Business Licence Inspector, Mr. Victor Duarte at 604-276-4389.

Yours truly,

Amarjeet S. Rattan
Chief Licence Inspector

ASR:vmd

p.c. Cst. K. Ramsey
RCMP Police
Richmond Detachment
Victor Duarte
Licence Inspector - City of Richmond

RICHMOND
Island City, by Nature

CLARK WILSON LLP

BC's Law Firm for Business

Clark Wilson LLP
 Barristers & Solicitors
 Patent & Trade-mark Agents
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FACSIMILE TRANSMISSION PAGE

January 10, 2007

File No.: 28343-0002

Page 1 of 5 Page(s) Transmitted

TO	Name	Amarjeet Rattan	Fax No.	(604) 276-4157
	Firm/City	City of Richmond, Richmond	Telephone	(604) 276-4328

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FROM	Name	Douglas W. Lahay	Direct Line	604.643.3161
	Subject	Pan Pacific Recycling Inc.	E-Mail	dwl@cwilson.com

INFO	Original will be:	<input checked="" type="checkbox"/> retained on file	<input type="checkbox"/> mailed to you	<input type="checkbox"/> sent to you by courier
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MESSAGE, IF ANY:

Attached please see our letter dated today, with enclosure.

CLARK WILSON LLP

BC's Law Firm for Business

James M. Hanley Q.C.	David W. Buchanan Q.C.	Derek J. Mullin Q.C.	R. Stuart Wells
M. Douglas Howard	W. W. Lynn D. Keen Q.C.	William A. Riddell	Patrick A. Williams
Alfreda Perrele	Bernard Finlay	Roy A. Neufeldberg	William C. Haggard
William D. Holder	Nigel P. Kohn	Douglas W. Lahay	David W. Kington
Diane M. Bell	Anne L. G. Kober	R. Bruce Johnston	Ned P. McIlroy
Kenneth K. Long	Darrel T. Donnelly	Mark S. Weinbaum	Ned J. Taylor
Russ D. Turnbull	Kevin J. MacDonald	Ben C. Shook	James A. Speakman
Kenton R. Topping	Edgar P. Minnie	Brook H. Smith	John C. Harding
D. Lawrence Mann	R. Glen Boswell	Hastings G. Stockstrom	Bonnie S. Elster
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Aaron B. Singer	Peter M. Tolson	John L. Kesteven	Yany Fogarty
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David J. French	Kate Richardson	Marlon Dhir	Adam M. Dine
Sarah M. Jones	Michael Jaworski	Shaun K. Toyness	

Reply Attention of: Douglas W. Lahay
Direct Tel: 604 643 3161
EMail Address: dwl@clarkwilson.com
Our File No: 28343-0002; CW10135571

January 10, 2007

Associate Counsel: Nicole M. Byres
Associate Counsel: Michael J. Roman

BY FAX - (604) 276-4157

City of Richmond
6911 No. 3 Road
Richmond, BC V6Y 2C1

Attention: Amarjeet Rattan, Chief Licence Inspector

Dear Sir:

Re: Pan Pacific Recycling Inc.

Your letter dated December 22, 2006 (copy enclosed for your reference) has been provided to me so that I can respond.

I communicated earlier with you and with Mr. Duarte.

In my letter to Mr. Duarte dated August 11, 2006, I asked for specific information in order to prepare for the hearing which was then scheduled for August 21, 2006. The hearing was adjourned.

I have now been provided with the following additional materials:

1. Correspondence from you dated July 26, 2006;
2. Undated four-page memo entitled "Show Cause Hearing - Richmond City Hall";
3. One CD Rom marked "Project Alchemy";
4. Various notes and letters marked "Impact Statement"; and
5. Various notes of "PC2196".

From the "Impact Statements", it appears that a number of businesses and individuals throughout the lower mainland have been the victims of theft. However, none of those thefts have been linked, in any way, to Pan Pacific. That is, the statements simply exemplify that theft is a problem in the lower mainland that has very real victims.

- 2 -

I understand that various police departments targeted a number of scrap metal dealers "posing as thieves" to pawn items "disguised as stolen property".

As pointed out in the materials, none of the items sold to Pan Pacific were stolen property. Much of the property was perfectly legitimate (spools of wire) while some of the property, at worst, might be characterized as "suspicious". For example, the materials described as "5 aluminium ladders (2 with Vancouver Fire Department written on them)". According to the police notes, they were cut up off the premises. The undercover officer states that he made a great deal of noise, the implication being that the workers at Pan Pacific knew he was cutting up the ladders and that some impropriety must be inferred. The cut up pieces of ladder were purchased by Pan Pacific after the licence plate of the vehicle delivering them was noted down by employees of Pan Pacific.

I have both aluminium ladders and cable at my home. Both are junk. It is not illegal to sell either. If I threw them out and a collector chose to transport them to a scrap metal dealer for resale, no one involved would be committing an offence of any kind.

The reports from "Project Alchemy" are anecdotal. They are not evidence of wrongdoing on the part of Pan Pacific. It appears that the police department has directed or requested that the Licencing Department of the City of Richmond hold a "Show Cause Hearing". In your correspondence, the proceeding is also described as a "Business Licence Contravention - Licence Review Hearing".

As indicated in my previous correspondence, the police have targeted the scrap metal dealers rather than the root cause of the problem - the thieves. No criminal charges have been laid. Instead, the police have enlisted the help of various municipal governments in what is a transparent attempt to avoid the judicial process.

I will attend the hearing on January 30, 2007. It will be my submission that my client has not breached any applicable by-laws and has done nothing wrong. I have asked you to specify which, if any, by-laws my client is alleged to have breached. You have not provided me with a response, other than referring me to the excerpts I discussed in my letter to you dated August 11, 2006.

I have proposed that the City of Richmond enact a proper regulatory scheme to provide guidance to merchants such as Pan Pacific. In that way, the treatment will be clear and uniform rather than selective and arbitrary.

It appears that there is a problem with theft and the police forces and municipalities are looking for an effective way of dealing with the problem. As indicated in previous correspondence, if necessary, I will seek injunctive relief to prevent the City from disrupting my client's business operations. One thing will be certain, regardless of the outcome of the hearing on January 30th, or any judicial hearings that may become necessary - they will not resolve the underlying problem of theft.

- 3 -

Coordinating the efforts of the police, municipalities and merchants will be far more effective in achieving a common goal than attempting to selectively and arbitrarily punish individual businesses. I will be happy to discuss this matter with you at any time. Please do not hesitate to contact me.

Yours truly,

CLARK WILSON LLP

Per. 

for Douglas W. Lahay

DWL:asb
Encl

cc: client

CLARK WILSON LLP

BC's Law Firm for Business

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FACSIMILE TRANSMISSION PAGE

February 6 2007

File No.: 28343-0002

Page 1 of 2 Page(s) Transmitted

TO	Name	Amarjeet Rattan	Fax No	(604) 276-4157
	Firm/City	City of Richmond, Richmond	Telephone	(604) 276-4328

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FROM	Name	Douglas W. Lahay	Direct Line	604.643.3161
	Subject	Pan Pacific Recycling Inc.	Email	dwl@cwilson.com

INFO	Original will be:	<input checked="" type="checkbox"/> retained on file	<input type="checkbox"/> mailed to you	<input type="checkbox"/> sent to you by courier
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MESSAGE, IF ANY:

Attached please see our letter dated today

CLARK WILSON LLP

BC's Law Firm for Business

Reply Attention of Douglas W. Lahay
Direct Tel: 604 683 3161
E-Mail Address: dwl@cwilson.com
Our File No: 28343-0002 / CW1058148.1

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Associate Counsel: Michael J. Ronan

February 6, 2007

BY FAX - (604) 276-4157

City of Richmond
6911 No. 3 Road
Richmond, BC V6Y 2C1

Attention: Amarjeet Rattan, Chief Licence Inspector

Dear Sir:

Re: Richmond Bylaw No. 7538

Please be advised that my office has contacted the Richmond Detachment of the RCMP and has been advised that the website for the electronic reporting of sales of scrap metal has not yet been set up.

I would like to get this information to my client, Pan Pacific Recycling Inc., as soon as possible. If you have any details with respect to the website please provide the same to my office as soon as possible. In the meantime, I confirm that my clients will be manually keeping their Register in accordance with Bylaw No. 7538.

Yours truly,

CLARK WILSON LLP

Per:

Douglas W. Lahay

DWL:asb

cc client

INSPECTOR V. DUARTE

July 2006

INFORMATION MEMO



City of Richmond
Business & Financial Services Department

Memorandum

To: Amarjeet Rattan
Chief Licence Inspector

Date: July 26, 2006

From: Victor M. Duarte
Business Licence Inspector

File: 951187

Re: Pan Pacific Recycling – Unit # 140-13900 Mitchell Road

With soaring prices for ferrous and nonferrous metals climbing by 20 to 80 %, there, has been an increase in theft of metal products, which are then sold to scrap metal dealers. This has become so problematic, that the City of Richmond and taxpayers have been effected as well as other municipalities in the lower mainland. Items like street signs, copper wiring from lamp standards, aluminium goal posts in parks, and brass memorial plaques are but just a small sample of items being targeted by thieves.

This has become a problem that has effected many taxpayers and businesses in the lower mainland. Pattison and Viacom Outdoor Advertising alone, have incurred losses of about \$1 million dollars so far this year. As a result of this onerous effect on Pattison and Viacom, a sample board of material used by Pattison and Viacom was made and delivered to each scrap metal dealer along with a letter informing each scrap metal dealer that should any of this material be brought into their business, it would be stolen, and instructions to contact police, as any conscientious law abiding business would do.

The Vancouver Police Department commenced an undercover operation called "ALCHEMY", targeting unscrupulous scrap metal dealers who were knowingly obtaining stolen metal products in exchange for cash. This 20 person operation was later assisted by Richmond RCMP members in targeting a Richmond based scrap metal dealer, **Pan Pacific Recycling Inc**, using samples of obvious distinct examples of stolen products.

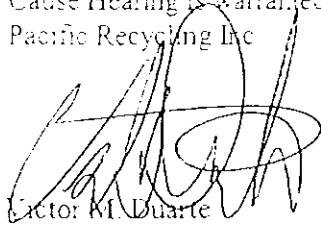
These items consisted of city street signs, traffic signals, pedestrian walk/don't walk light housings, Vancouver Fire Department brass fire hose nozzles, Vancouver Fire Department ladder, Hydro Cable, Telus Cable, a Telus phone booth, and some Pattison and Viacom special aluminium slats as examples of items being so distinct, the business should have known they would be stolen if in possession of ordinary individuals. In some cases Pan Pacific Recycling Inc employee would state and point to a sign stating they do not take stolen items, but taking items anyway. Cst. K. Ramsay has provided a brief report of undercover operation detailing items Pan Pacific Recycling accepted. See Attachment 1.

Scrap metal dealers are not currently regulated by bylaw in the City of Richmond, however this does not negate Pan Pacific Recycling Inc. from operating within the guidelines of the Criminal Code, knowingly dealing in and possessing stolen property. There is reasonable evidence to believe that Pan Pacific Recycling Inc. should have been aware that the items they were dealing with would have been stolen, and continued to deal with them anyway. City street signs should not be in the possession of ordinary individuals. Telus phone booths are property of Telus and should not be in possession of ordinary individual. Viacom and Pattison special aluminium slats are unique to these two corporations. Further, Viacom and Pattison took it upon themselves to visit all the scrap metal dealers and provide a sample board as well as detailed instructions that these items would not be recycled. Emphasizing, if found to be brought into their business, to contact police as it would be stolen property. Yet Pan Pacific Recycling Inc. did purchase quantities of this item.

June 15, 2006

- 2 -

In careful consideration of the business practices and blatant misconduct, it is the undersigned's belief a Show Cause Hearing is warranted in order to prevent the continuation of the delinquent business practices of Par Pacific Recycling Inc



Victor M. Duarte
Business Licence Inspector

VMD vmd

pc: Cst. K. Ramsay
Richmond RCMP Police

Stolen property particularly the theft of metal is an enormous problem in the Lower Mainland. It has been well publicized in the media over the past several months. Current market conditions have made the scrapping of metals such as aluminum and copper very profitable. Thieves are stealing these metals from all over the Lower Mainland and taking them to scrap metal dealers.

The City of Vancouver and the Vancouver Police Department wanted to reduce the theft of metal. The Vancouver Police Department decided that targeting the scrap metal dealers would reduce the thefts.

The Vancouver Police Department created a project named ALCHEMY. Project ALCHEMY was an initiative to address the increased rate of metal theft and the purchasing of this stolen property by scrap metal dealers. The City of Vancouver has specific Bylaw regulations regarding scrap metal dealers. The Vancouver Police Department wanted to ensure compliance with the City Bylaws and identify any Criminal Code charges.

In April 2006, the Vancouver Police Department conducted an undercover operation. The Undercover Police Officers posed as thieves trying to pawn items disguised as stolen property. Over the course of two weeks, three Undercover Officers from the Vancouver Police Department conducted 64 transactions with 7 licensed scrap metal dealers.

One of the scrap metal dealers where these transactions took place was Pan Pacific Recycling, which is located in Richmond. The transactions that occurred at Pan Pacific Recycling were conducted over a two week period on three separate days. Initially the undercover operators sold generic items that could be legitimately obtained and sold. Later they began to sell items which could easily be identified as stolen property. The items included the following: City street signs, traffic signals, pedestrian walk lights, Pattison and Viacom sign materials, copper wire, bronze cemetery headstone monuments, Vancouver Fire department brass fire hose nozzles and connectors, and aluminum ladders. These items were either clearly marked by the property owners or unique to a particular business. For example, Pattison and Viacom Outdoor Advertising are the only two sign companies in the City of Vancouver utilizing a unique high grade aluminum signboard material. Over the past year, these companies have experienced significant losses in signboard aluminum as a result of these thefts. The property value associated to aluminum sign theft with these two companies alone totals almost \$1,000,000.000. Prior to the start of this project, David Struthers of Viacom Outdoor Advertising attended Pan Pacific Recycling in Richmond, BC. A sample board of materials used by Pattison and Viacom was left with the business to ensure that the stolen materials could easily be recognized. The business was also provided a letter with instructions that should any of these materials be brought in for sale it would be stolen property and to contact Police, as any legitimate business would do.

The Undercover Officers transported these items by foot, on bicycles, using shopping carts, and by truck, all means of transportation commonly utilized by thieves.

The following are summaries of the transactions that occurred at Pan Pacific Recycling

On April 25th, 2006 at approximately 10:08 AM, an Undercover Officer cycled to Pan Pacific Recycling carrying a large coil of unstripped wire over his shoulder and a sports bag of larger gage wire (30-40 lbs). One of the employees assisted the Undercover Officer by putting the wire on the scale. Another employee asked the Undercover Officer for his 'name' while holding out a pen and pointing to a receipt. The employee did nothing to confirm the Undercover Officer's identity. The Undercover Officer was then directed to a window where he passed through the receipt and received \$24.00 cash and a copy of the receipt.

On April 25th, 2006 at approximately 10:18 AM, an Undercover Officer walked into Pan Pacific Recycling carrying 1 coil of insulated copper wire, 2 spools of insulated copper wire, and 1 street sign "Oak St 3000". A female employee pointed to a sign that read 'No stolen goods, no shopping cars, etc.' and said "no take". A male employee lead the Undercover Officer outside and pointed to a shopping cart and asked if he had brought it. The Undercover Officer told him he walked. They walked back inside and the Undercover Officer placed the items on the scale. The female employee wrote down the weight (24 lbs) and a total amount of \$19.20 on the receipt. She then put a pen on top of the receipt, and told the Undercover Officer to write his name and sign the receipt. She gave him the receipt and pointed to a window. The Undercover Officer walked up to the window which was boarded up except for a small slot and received a copy of the receipt and \$19.20 cash.

On April 25th, 2006 at approximately 10:23 AM, an Undercover Officer walked into Pan Pacific Recycling carrying several coils of old dirty copper cable (40 lbs) and a green aluminum housing for a walk/don't walk sign. Inside the female employee asked the Undercover Officer "where is your buggy?" He replied "I walked." She then indicated for the Undercover Officer to put the wire on the scale. He put the wire on the scale and then threw the cable in a nearby bin. He placed the aluminum housing on the scale. The female filled out a written receipt for 42 lbs. of copper and 11 lbs. of aluminum. She had the Undercover Officer write his name and sign the receipt. He walked to the cashier window and received \$55.90 cash.

On May 1st, 2006 at approximately 2:50 PM, an Undercover Officer cycled into Pan Pacific Recycling carrying 2 coils of insulated copper wire, 1 Snap On cordless drill, 1 new Western Rugged spin saw, and 1 used Dewalt drill. The Undercover Officer placed the wire and tools on the scale. One of the employees said they don't take tools. Another employee said they don't take tools and then pointed to the Dewalt drill and said "five bucks". The Undercover Officer said the drill was a good one and \$5.00 was low. The employee walked away. The employee completed the sales receipt without the tools on the receipt and asked the Undercover Officer to fill out his name and sign the receipt. He took the receipt and was told to go to the window. He was never asked for identification by any employee. He received \$8.50 and a copy of the receipt.

On May 1st, 2006 at approximately 2:28 PM, two Undercover Officers drove to Pan Pacific Recycling in a truck loaded with the following items: Richmond street signs, 12 meters of hydro cable, 5 older aluminum Pattison slats (that still had billboard sign paper on one side), 8 pieces of Telus cable, 2-7 feet in length (vary distinguishable because there are approximately 400-800

wires contained within the black heavy plastic coating). 26 various Richmond signs (crosswalk, turn, no stop, pay parking, etc), 10 various Vancouver street signs, 2 aluminum sign posts, various aluminum scrap, 1 aluminum Telus junction box, 1 Viacom slat (folded). The Undercover Officers placed the signs on the scale face up clearly showing what was on them. They were directed by the employee to throw the signs up towards the back of the dumpster. Once the signs were at the rear of the dumpster they were no longer visible to anyone in the building. One of the Undercover Officers wrote a false name and address on the receipt. The receipt was presented to the cashier and the Undercover Officer received a copy of the receipt and \$360.25 in cash for a total of 171 lbs. of aluminum and 290 lbs. of copper wire. Pan Pacific Recycling took everything in the back of the truck, no questions asked.

On May 3rd, 2006 at approximately 10:25 AM, an Undercover Officer drove to Pan Pacific Recycling with the following items in the back of the pick up truck: 1 Telus walk in aluminum phone booth box - no phone, 31 Richmond road and street signs, 6 aluminum parking restriction signs, 5 aluminum ladders (2 with Vancouver Fire Department written on them), and 2 coils of Telus phone wire (1 x 100 ft and 1 x 75 ft). One of the employees asked about the signs, suggesting that they were stolen and pointed to the sign above the scale which says 'stolen property is not accepted'. The Undercover Officer said he found them and the employee said nothing more. Another employee assisted by loading the phone box onto the scale, no questions asked. The employee said 'no ladders' and the Undercover Officer said he could cut them up. The employee referred to the sign saying 'no ladders'. The employee recorded the plate number of the truck on the receipt. The employee then produced a large bundle of cash and handed the Undercover Officer \$178.00. The Undercover Officer asked the other employee 'will you take the ladders if they are cut up?' The employee muttered something but didn't say no. The Undercover Officer drove the truck outside in front of the building. He pulled out all the ladders onto the ground and began cutting all the ladders with a hacksaw and making lots of noise using a hammer. An employee walked out and said 'no cut ladder here, no cut ladder here, go up street'. The Undercover Officer provided an excuse and continued cutting the ladders. He cut the ladders into approximately 15 pieces. The Undercover Officer then re-entered the building and placed the pieces on the scale. The same two employees weighed the metal and helped dump the metal in an area for aluminum. The Undercover Officer completed another receipt and was paid \$95.50 cash. No receipt was provided this time.

On May 3rd, 2006 at approximately 11:02 AM, an Undercover Officer walked into Pan Pacific Recycling carrying 5 pieces of 2 ft. lengths of Telus wire, 3 pieces of Pattison aluminum slats, a brass fire hose nozzle stamped "VFD". He placed the 3 Pattison sign slats on the scale. The employee weighed them. The Undercover Officer then put 5 pieces of Telus cable on the scale and stated that it was Telus cable. He believed that the employee had said "I know". The employees accent was heavy. He then handed the employee the brass nozzle with the "VFD" stamp towards the employee. The employee wrote the weights down on the receipt and then pointed at the receipt telling the Undercover Officer to write his name and sign it. He wrote a false name on the receipt. The employee took a large bundle of cash from her back pocket and took some money from it. She then opened a desk drawer and took some change out of it. He was paid \$22.10. No identification was requested.

On May 3rd, 2006 at approximately 11:08 AM, an Undercover Officer walked into Pan Pacific

carrying 5 pieces of 1-1.5 ft lengths of Telus cable, 2 bronze cemetery grave markers, 1 coil of copper wire. He unloaded the 5 pieces of Telus wire and the coil of copper wire onto the scale. The Undercover Officer started to unzip his backpack and expose the bronze grave markers inside the bag. The female employee standing three feet away started to yell 'No No No...No take...No take' in a loud animated voice. A young male employee walked over and extended his leg forcing the backpack closed with his foot and said 'No.... you steal.' The employees would only take the wire and not the grave markers. The employee pointed at the receipt and said 'name, address, sign'. The Undercover Officer wrote a false name and address and signed it with his initials which did not correspond with the name on the receipt. He did not present identification at any point and was not asked for any. He received \$23.80 at the cashier window and a copy of the receipt.

The theft of metal has created a profitable environment for thieves and scrap metal dealers. The thieves steal the metal and take it to the scrap metal dealers for cash. The thieves use the cash to purchase items such as drugs. The scrap metal dealers are receiving huge profits due to the increased prices for metal. The prices for copper, aluminum, and steel are up between 20 and 80 percent this year over last year. Copper ranges between \$2.00 - \$3.00 per pound. aluminum is 75 cents - \$1.00 per pound. Stainless steel is 60 cents - 75 cents per pound. The money the thieves and the scrap metal dealers receive for the stolen metal is a fraction of the cost of replacement materials.

The victims of metal theft range from individual homeowners, to businesses, and the Municipalities. Stolen metal costs the public, businesses, and the City millions of dollars each year. Some examples of the replacement costs for stolen metal in the City of Richmond are as follows:

To replace the electrical wire from a light post, Dermott PITTS, the Electrical Supervisor for the City of Richmond stated the electricians must repair the wire between two poles. The job requires two electricians. Electricians are paid \$26.00 per hour. It takes on average three hours to repair the wire between two poles. The average distance between two poles is 200 ft. and requires four wires. The material costs \$1000 for 1000 ft. of wire, which is \$1.00 per foot.

To replace a Richmond street sign, David SHAPIRO, the street sign Foreman for the City of Richmond stated it costs a total of \$115.45 to install a single sign on a pole. It costs \$81.20 for a manufactured sign and \$34.26 to have the sign installed.

Julie BROWN, the Manager Maintenance & Operations of School District N.38 (Richmond) stated to replace fire sprinkler brass plugs it costs \$18 each, flag poles cost \$2,000 each, 3" copper rainwater leaders cost \$23.00 per foot, brass C.O. covers cost \$50.00 each, live copper wire costs between \$500-\$2,000, stripped copper water piping from the boiler rooms costs \$1,000 each, brass wall hydrant doors cost \$80.00, goal posts sets range from \$3,000 to \$5,000. There is also an additional charge for the labour.

There is also an increased risk to the public safety associated with these thefts. Thieves have gone as far as cutting into to live wires in an attempt to steal metal. One such thief electrocuted himself to death in Langley recently while attempting to steal live BC Hydro wire.

Pan Pacific Recycling holds a City of Richmond business licence for scrap metal recycling and are therefore not subject to any regulations. Pan Pacific Recycling's actions and negligence are contributing to the high rate of property crime in the Lower mainland and in particular Vancouver and Richmond. The City of Richmond needs to review and amend the current bylaw for scrap metal dealers to make them more accountable for their actions. The scrapping of stolen metal is a very profitable business and until we take away or regulate the means in which these thieves can dispose of the stolen property, the thieves will continue to steal the metal.

CONSTABLE RAMSAY
Richmond RCMP
INFORMATION MEMO

SHOW CAUSE HEARING - RICHMOND CITY HALL

Business

Pan Pacific Recycling
5-13900 Mitchell Island Rd
Richmond, BC

Project Alchemy

Over a two week period, the Vancouver Police Department with the assistance of the Richmond RCMP conducted an undercover operation against 7 licensed scrap metal dealers, 6 in the City of Vancouver and 1 in the City of Richmond which was Pan Pacific Recycling.

The Undercover Officers conducted 9 transactions on three separate days at Pan Pacific Recycling. (April 25, May 1, and May 3, 2006)

The Undercover Police Officers posed as thieves trying to pawn items disguised as stolen property. The Undercover Officers transported these items by foot, on bicycles, using shopping carts, and by truck, all means of transportation commonly utilized by thieves. Pan Pacific Recycling purchased items that could easily be identified as stolen property. Items sold at Pan Pacific Recycling included the following: assorted scrap aluminum and copper wire, 31 City of Richmond signs, 36 City of Vancouver street signs, City of Vancouver pedestrian walk/don't walk light, Pattison and Viacom Outdoor billboard prism and slats, several hundred pounds of Telus telephone cable, marked Vancouver Fire department brass fire hose nozzle, aluminum ladders (some marked as Vancouver Fire Department VFD), Telus Phone Booth, BC Hydro cable. These items were either clearly marked by the property owners or unique to a particular business.

The following are summaries of the transactions that occurred at Pan Pacific Recycling :

On April 25th, 2006 at approximately 10:08 AM, an Undercover Officer cycled to Pan Pacific Recycling carrying a large coil of unstripped wire over his shoulder and a sports bag of larger gauge wire (30-40 lbs). One of the employees assisted him by putting the wire on the scale. Another employee asked the undercover police officer for his 'name' while holding out a pen and pointing to a receipt. The employee did nothing to confirm the Undercover Officer's identity. He was then directed to a window where he passed through the receipt and received \$24.00 cash and a copy of the receipt.

On April 25th, 2006 at approximately 10:18 AM, an Undercover Officer walked into Pan Pacific Recycling carrying 1 coil of insulated copper wire, 2 spools of insulated copper wire, and 1 street sign "Oak St 3000". A female employee pointed to a sign that read 'No stolen goods, no shopping carts etc' and said "no take". A male employee lead the Undercover Officer outside and pointed to a shopping cart and asked if he had brought it. The Undercover Officer told him he walked. They walked back inside and the undercover officer placed the items on the scale. The female employee wrote down the weight (24 lbs) and a total amount of \$19.20 on the receipt. She then put a pen on top of the receipt, and told the undercover officer to write his name and sign it. She gave him the receipt and pointed to a window. The undercover operator walked up to the window which was boarded up except for a small slot. The undercover operator received a copy of the receipt and \$19.20 cash.

On April 25th, 2006 at approximately 10:23 AM, an Undercover Officer walked into Pan Pacific Recycling carrying several coils of old dirty copper cable (40 lbs) and a green aluminum housing for a walk/don't walk sign. Inside the female employee asked him "where is your buggy?" He replied "I walked." She then indicated for the undercover officer to put the wire on the scale. He put the wire on the scale and then threw the cable in a nearby bin. He placed the aluminum housing on the scale. The female filled out a

written receipt for 42 lbs of copper and 11 lbs of aluminum. She had him write his name and sign his receipt. He walked to the cashier window and received \$55.90 cash.

On May 1st, 2006 at approximately 2:50 PM, an Undercover Officer cycled into Pan Pacific Recycling carrying 2 coils of insulated copper wire, 1 Snap On cordless drill, 1 new western rugged spin saw, and 1 used Dewalt drill. He placed the wire and tools on the scale. One of employees said they don't take tools. Another employee said they don't take tools and then pointed to the Dewalt drill and said "five bucks". The Undercover Officer said the drill was a good one and \$5.00 was low. The employee walked away. The employee completed the sales receipt without the tools on the slip and asked him to fill out his name and sign the receipt. He took the receipt and was told to go to the window. He was never asked for identification by any employee. He received \$8.50 and a copy of the receipt.

On May 1st, 2006 at approximately 2:28 PM, two undercover officers drove to Pan Pacific Recycling in a truck loaded with the following items: Richmond street signs, 12 meters of hydro cable, 5 older aluminum Pattison slats (that still had billboard sign paper on one side), 8 pieces of Telus cable (varying 2-7 feet), 26 various Richmond signs (crosswalk, turn, no stop, pay parking, etc), 10 various Vancouver street signs, 2 aluminum sign posts, various aluminum scrap, 1 aluminum Telus junction box, 1 Viacom slat (folded). They placed the signs on the scale face up clearly showing what was on them. They were directed by the employee to throw the signs up towards the back of the dumpster. Once the signs were at the rear of the dumpster they were no longer visible to anyone in the building. The undercover officer wrote a false name and address on the receipt. They took the receipt to the cashier and received a copy of the receipt and \$360.25 in cash for a total of 171 lbs of aluminum and 290 lbs of copper wire. Pan Pacific Recycling took everything in the back of the truck, no questions asked.

On May 3rd, 2006 at approximately 10:25 AM, an Undercover Officer drove to Pan Pacific Recycling with the following items in the back of the pick up truck: 1 Telus walk in aluminum phone booth box - no phone, 31 Richmond road and street signs, 6 aluminum parking restriction signs, 5 aluminum ladders (2 with Vancouver Fire Department written on them), and 2 coils of Telus phone wire (1 x 100 ft and 1 x 75 ft). One of the employees asked about the signs, suggesting that they are stolen and pointed to the sign above the scale which says 'stolen property is not accepted'. The Undercover Officer says he found them and the employee said nothing more. Another employee assisted by loading the phone box on to the scale, no questions were asked about it. The employee says 'no ladders' and the undercover operator says he can cut them up. The employee refers to the sign saying 'no ladders'. The employee records the plate number of the truck on the receipt. The employee then produces a large bundle of cash and hands the undercover operator \$178.00. The undercover operator asks the other employee 'will you take the ladders if they are cut up?' The employee mutters something but does not say no. The undercover operator drives the truck outside in front of the building. He pulls out all the ladders onto the ground and begins cutting all the ladders with a hacksaw and making lots of noise using a hammer. An employee walked out and said 'no cut ladder here, no cut ladder here, go up street'. The Undercover Officer gives an excuse and continues cutting. He cut the ladders into approximately 15 pieces. The Undercover Officer then re-entered the building and placed the pieces on the scale. The same two employees weighed the metal and helped dump the metal in an area for aluminum. He completed another receipt and was paid \$95.50 cash. No receipt was provided this time.

On May 3rd, 2006 at approximately 11:02 AM, an Undercover Officer walked into Pan Pacific Recycling carrying 5 pieces of 2 ft lengths of Telus wire, 3 pieces of Pattison aluminum slats, a brass fire hose nozzle stamped "VFD". He placed the 3 Pattison sign slats on the scale. The employee weighed them. He then put 5 pieces of Telus cable on the scale and stated that it was Telus cable. He believed that the employee had said "I know". The employee's accent was heavy. He then handed the employee the brass nozzle with the "VFD" stamp towards the employee. The employee wrote the weights down on the receipt and then pointed at the receipt telling the Undercover Officer to write his name and sign it. He wrote a false name on the receipt. The employee took a large bundle of cash from her back pocket and took some money from it. She then opened a desk drawer and took some change out of it. He was paid \$22.10. No identification was requested.

On May 3rd, 2006 at approximately 11:08 AM, an Undercover Officer walked into Pan Pacific carrying 5 pieces of 1-1.5 ft lengths of Telus cable, 2 bronze cemetery grave markers, 1 coil of copper wire. He uncased the 5 pieces of Telus wire and the coil of copper wire onto the scale. He started to unzip his backpack and expose the bronze grave markers inside the bag. The female employee standing three feet away started to yell 'No No No... No take... No take' in a loud animated voice. A young male employee walked over and extended his leg. He forced the backpack closed with his foot and said 'No.... you steal.' He then pointed at the receipt and said 'name, address, sign'. The Undercover Officer wrote a false name and address and signed it with his initials which did not correspond with the name on the receipt. He did not present identification at any point and was not asked for any. He received \$23.80 at the cashier window and a copy of the receipt.

Safety Risk

- stealing telephone cable (loss of 911 service)
- stealing copper wires from light standards (live wire on the street)
- fire ladders, fire hose nozzles and connectors

Replacement Costs

Stolen metal costs the public, businesses, and the City millions of dollars each year. Some examples of the replacement costs for stolen metal in the City of Richmond are as follows:

- 1) Electrical wire from a light post - \$956.00 (labour & material)
- 2) Richmond street sign - \$115.46 (material only)
- 3) School District: fire sprinkler brass plugs \$18.00
 - flag poles \$2,000
 - 3" copper rainwater leaders \$23.00 per foot
 - brass C.O. covers \$50.00 each
 - live copper wire \$500 - \$2,000
 - stripped copper water piping \$1,000
 - brass wall hydrant doors \$80.00
 - goal post sets \$3,000 - \$5,000
 - (material only, labour not included in these prices)

Criminal Charges

No criminal charges can be laid because the materials sold to the dealers were "props" and therefore not stolen property. Police will continue to monitor the businesses.

Enforcement Project

Richmond Crime Reduction conducted an enforcement project on Mitchell Island on July 29, 2006. The purpose of the project was to conduct possession of stolen property investigations, write violation tickets, and query all individuals for any outstanding warrants or breaches going to Pan Pacific Recycling. The following occurred:

- 3 arrests for Breach of Probation (Surrey), Unendorsed warrant (Vancouver), and Driving while Prohibited
- 3 vehicle impoundments
- 1 prohibition notice served
- 6 violation tickets

- 3 notice and orders (vehicle inspection)
- 10 street check files generated

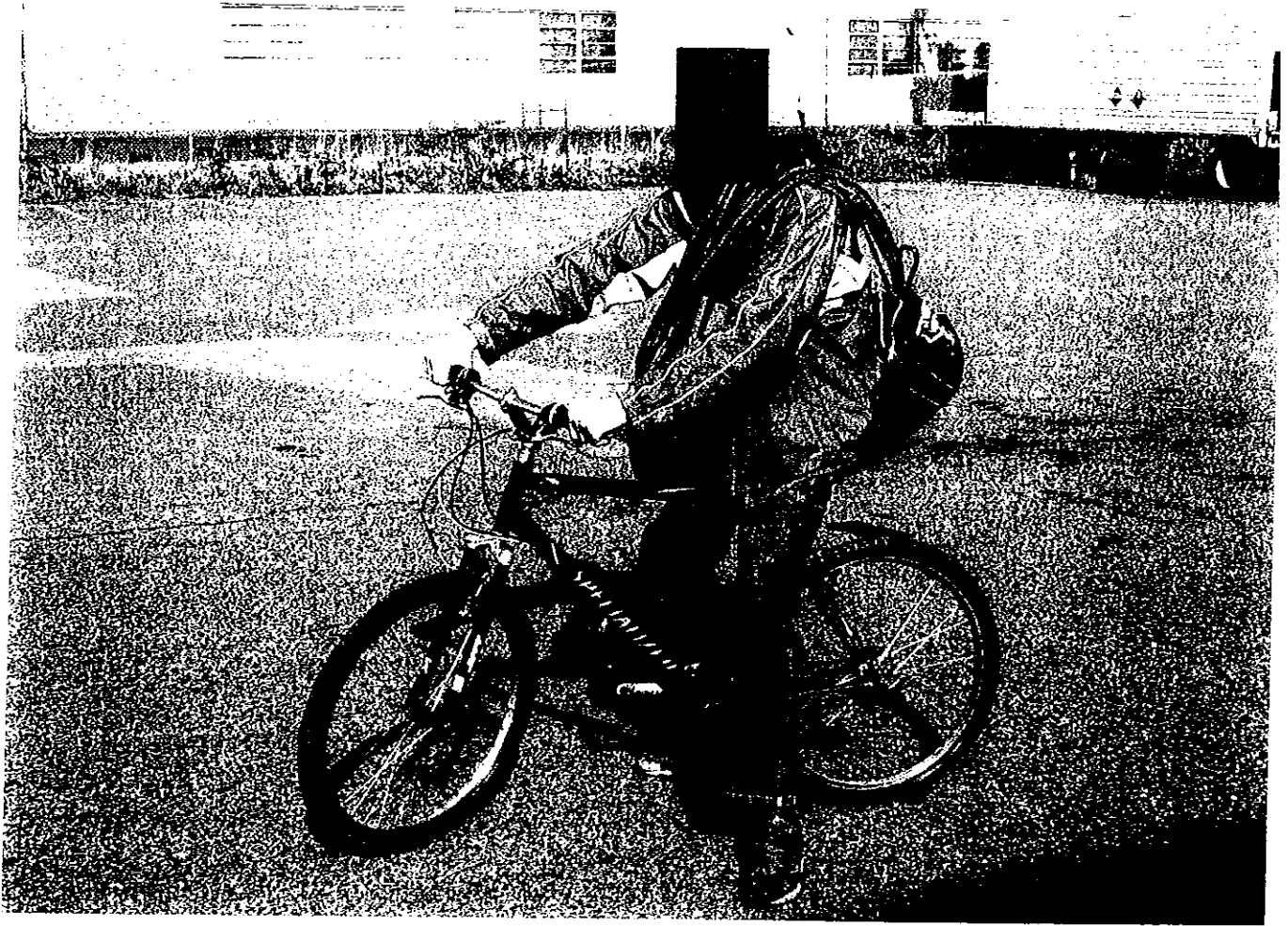
Burnaby File

The victim drove to Pan Pacific Recycling and spoke with the main foreman. The victim stated he had two generators stolen from his Warehouse leasing business. The victim provided the licence plate number of the known scrap metal thief and requested the main foreman contact him or the RCMP if the truck shows up at the business. The male employee suddenly didn't speak English and started pointing at the door. The victim left the business and later returned to the business approximately three hours later. The victim observed the suspect vehicle unloading items. The doors to the business were closed at this time.

PROJECT ALCHEMY

Cst. Haupt, Officer Smart, Cst. Froh

VANCOUVER POLICE DEPARTMENT NOTES





PC2196
1 OF 8

06-84207

PROJECT

'ALCHEMY'

NOTES OF PC 2196 SMART

2006-APL-25 SELL #2 FOR PC SMART OF DAY
" " " SELL #6 FOR PC SMART OF PROJECT

DESCRIPTION OF SELF:

BLACK BBOCAP/BLACK SWEATER/GREEN+GREY SKI
JACKET/BLUE JEANS/BLUE RUNNERS

COVER: 1481/1970/1938/1940/1966/2024/2056/
R/B: 2110 + 2162
OTHER U/S: 2026/2167

1045 COMMENCE WRITING:

T₁-DESCRIPTION: (METAL RECEIVER)
ASIAN MALE/~40YRS/SHORT DK HAIR/5FT-9/
ROYAL BLUE COVERALLS

T₂-DESCRIPTION: (METAL WEAVER)
ASIAN FEMALE/~40YRS/~5FT-7/LOOKED DYED
RED SLIGHTLY CURLY HAIR.

TARGET BUSINESS:

PAN-PACIFIC, 5-13900 MITCHELL ST
MITCHELL IS., RICHMOND

PC 296
2 OF 8

06-84207

NARRATIVE

0700 I MET AT THE OFFICE WITH THE COVER TEAM FOR

THE BRIEFING. MY ROLE WAS TO BE AN UNDERCOVER

(U/C) OPERATOR SELLING VARIOUS METALS TO

METAL RECYCLING BUSINESSES. THE TARGET FOR

THIS SELL WAS TO BE 'PAN-PACIFIC'.

1008

(TFC) I CYCLED FROM THE VEHICLE E/B ALONG

MITCHELL ST TOWARDS THE TARGET BUSINESS.

I WAS CARRYING COIL OF WIRE OVER SHOULDER

AND A SPORTS BAG OF WIRE. WHEN I

1013 ARRIVED @ THE YARD I ENTERED THE

(TFC)

BUILDING VIA THE OPEN DOORWAY N/SIDE

@ W/END.

196
PC 2196
3 OF 8

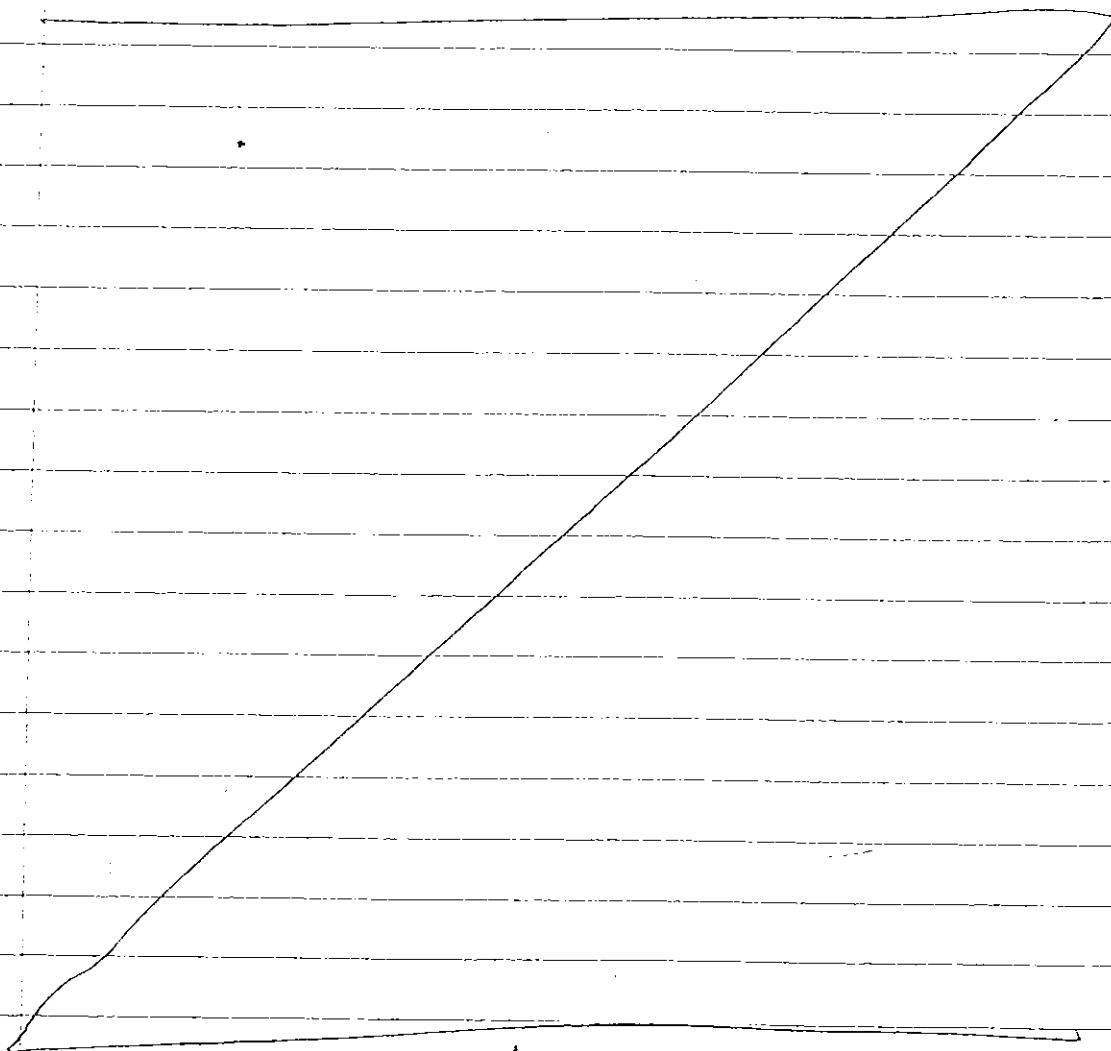
06-84207

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4 OF 8

SCRAP METAL TO SELL :-

- 1 LARGE COIL OF UNSTRIPPED
COPPER WIRE
- SPORTS BAG OF LARGER GAUGE
WIRE-COPPER ~ 30 FT
= ~ 40 lbs

PHOTOGRAPHED BY CAM 2110



PC 2196
4 OF 8

06-84207

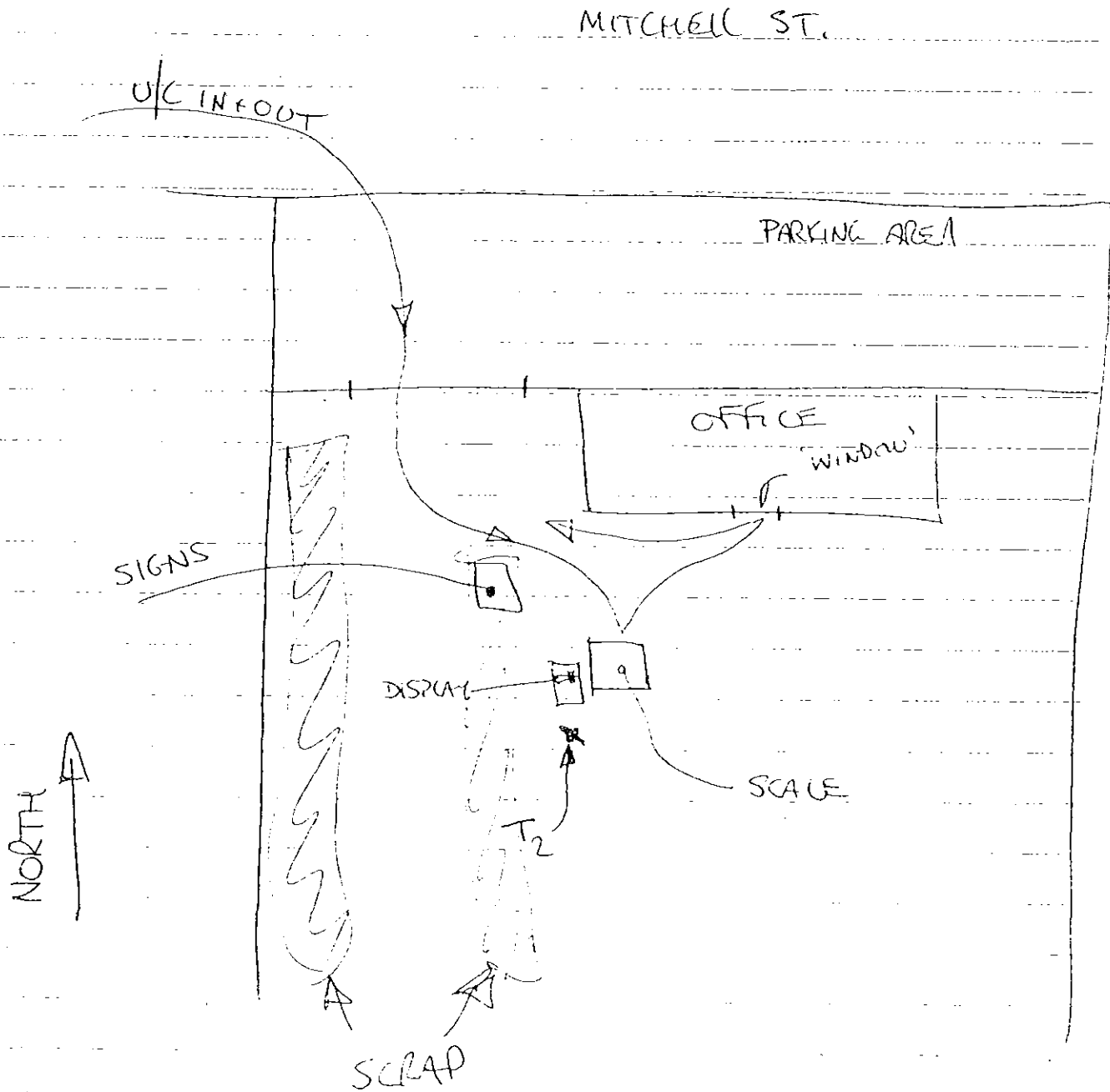
197

INSIDE THERE I LOCATED THE SCALE AND @
THIS TIME THERE WAS A MALE (U/K WHITE)
WAITING BY THE SCALE AS HIS LOAD WAS
REMOVED FROM HIS FLAT BED TRUCK OUTSIDE,
(FORD 150(?))
(TRUCK SEEN WITH U/K MALE PRIOR TO U/CS SETTING
UP) HIS LOAD INCLUDED LARGE AMOUNTS OF
ALUMINUM—AMONGST THIS THERE WERE
CLEARLY SEEN TO BE CUT UP ALUMINUM
LADDERS (CLEAN FRESH CUTS). WHILE WAITING
FOR SCALE TO BE FREE I ALSO NOTED
THE SIGN ABOVE THE WEIGH STATION:
'ID REQUIRED, NAME, ADDRESS, PLATE #,
~~IF~~
NO STOLEN PROPERTY'

PC 2196
5 OF 8

06-84207

PC 2196
5 OF 8



PC 2196
6 OF 8

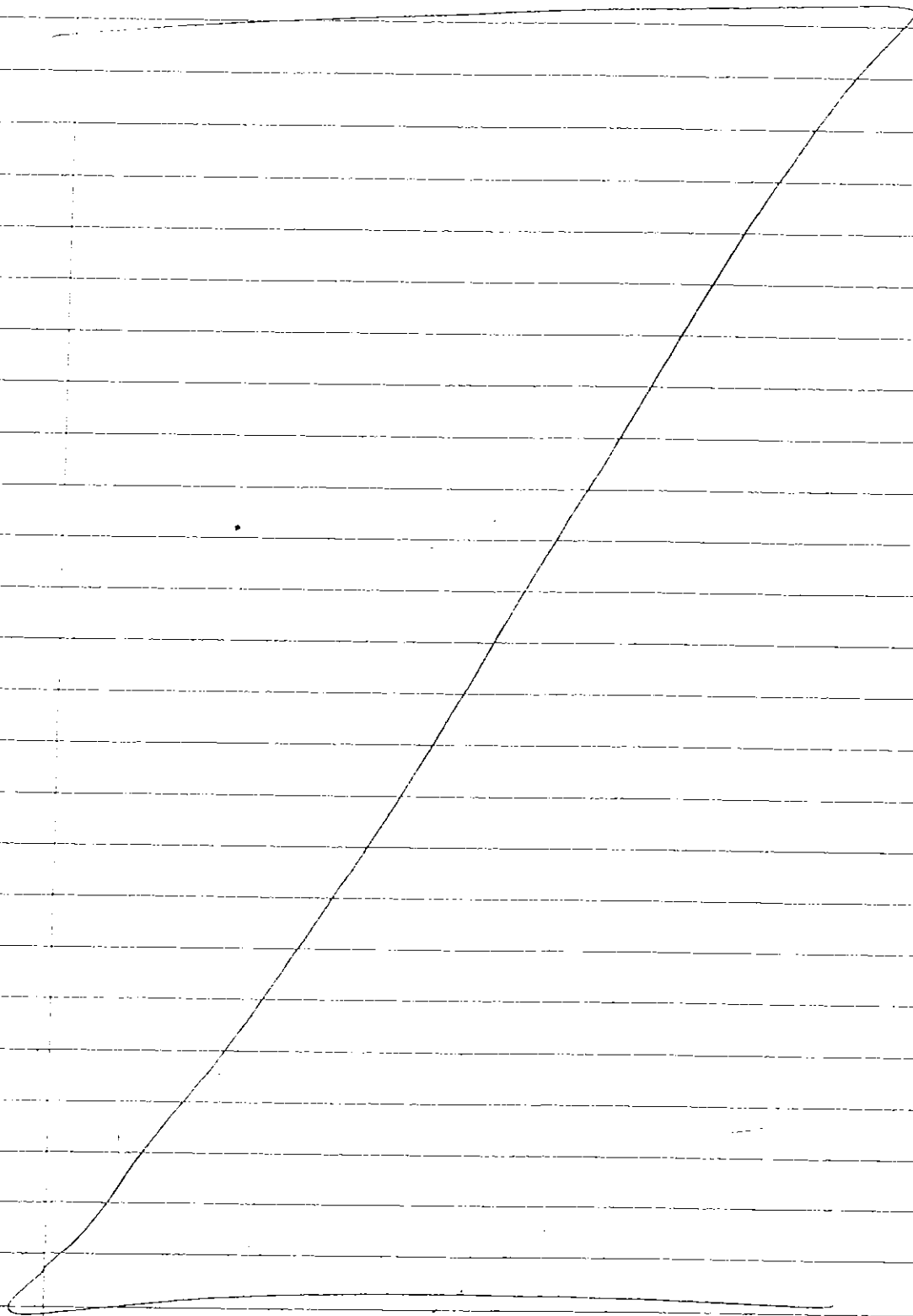
06-84207

ONCE THE SCALE WAS FREE T₁ ASSISTED ME IN PUTTING MY WIRE ON THE SCALE AND THE NOTED TO ME THE DIGITAL DISPLAY ON THE SCALE; IT READ '37'. T₂ THEN BECAME ME OVER TO THE TABLE BY THE SCALE AND SAID 'NAME' WHILE HOLDING OUT A PEN TO ME AND POINTING TO A RECEIPT, I WROTE 'JAMES ROPEL' AND MADE UP A SIGNATURE. I WAS THEN DIRECTED OVER TO THE 'WINDOW', THIS WINDOW WAS MUCH UNLIKE OTHER WINDOWS AS IT WAS PLATE STEEL WITH A SLOT AT THE BOTTOM FOR THE RECEIPT AND A

200
PC 2196
7 OF 8

06 - 84207

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8 OF 8



1015
(TFC)

PC 2196
80F8

06-84207

201

FEW HOLES TO TALK THROUGH, I
PASSED THROUGH THE RECEIPT AND I
COULD JUST SEEN AN U/K ASIAN MALE
~25 YRS TAKE IT AND MAKE A CALCULATION
AND THEN \$24-00 CDN WAS PUSHED
BACK THROUGH THE RECEIPT SLOT W/OUT
RECEIPT. I THEN WENT TO GET MY
BIKE AND LEAVE, AS I WALK OUT I
NOTED LARGE BOXES WITH VARIOUS BITS
OF ALUMINUM - IN THIS BOX WAS STUFFED
AT LEAST 3 FLAT ROAD SIGNS, U/K FROM
WHICH CITY.

1015 I THEN CYCLED BACK TO THE VEHICLE
(TFC) AND TARGED THE MONEY.

PC 2196
1 OF 12

06-84207

PROJECT
'ALCHEMY'

PC 2196
2 OF 12

NOTES OF PC 2196 SMART

2006-MAY-01 SELL # ³ FOR PC SMART FOR DAY
" " " SELL #12 " " " " PROJECT
" " " SELL #2 @ PAN-PACIFIC - PC SMART

0700

DESCRIPTION OF SELF :-

— SAME AS PREVIOUS VISIT —
— DRIVING OLDER MODEL WHITE
PICK UP TRUCK.

COVER: 1481/1870/1938/1940/1966/2026/41
R/B : 2110
OTHER U/Cs : 2026/2167

1428
(TFC)

1915 COMMENCE WRITING :-

DESCRIPTION T₁ (METAL RECEIVER)
ASIAN MALE / ~ 40-45 YRS / SHORT DK HAIR /
~ 5ft-7 / ~ 180 LBS / WEARING COVERALLS / CHUBBY

DESCRIPTION T₂ (METAL RECEIVER)
ASIAN MALE / ~ 23-27 YRS / SHORT DK HAIR /
~ 5ft-7 / ~ 150 LBS / WEARING COVERALLS

1429
(TFC)

TARGET BUSINESS :-

PAN-PACIFIC , 5-13900 MITCHELL ST,
MITCHELL IS. RICHMOND

PC 2196

06-84207

2 of 12

NARRATIVE

0700 I AGAIN MET WITH THE COVER TEAM @

OFFICE FOR FURTHER UNDERCOVER ACTIVITIES

@ PAN-PACIFIC. I WAS AGAIN TO BE
A U/C INVOLVED AS APL 25TH.

1428
(TFC)

MYSELF + 2026 DEPART THE START

POINT AND I DRIVE US # IN THE

TRUCK TO THE TARGET, OUR VARIOUS

'SCRAP' METALS ARE IN THE BACK OF

THE TRUCK.

1429
(TFC)

WE ARRIVE @ THE TARGET YARD AND

I GOT TO PULL THE VEHICLE INTO THE

TARGET BUILDING (NORTH SIDE - WEST

DOOR) BUT FIND IT BLOCKED BY A

PC2196

3 OF 12

06-84207

'SCRAP' METAL TO SELL :

- ~ 12M HYDRO CABLE - COPPER
- 5 ASSORTED BILL BOARD PARTS - ALUM.
- 8x CHUNKS OF TELUS WIRE COPPER
(2-7 ft+ IN LENGTH)
- 10x ASSORTED CON ROAD SIGNS ALUM.
- 26x " CORICH ROAD SIGNS "
- 2x SIGN POST - ALUM.
- 1x TELUS JUNCTION BOX - ALUM.
- SEVERAL MISC ITEMS - ALUM.
- 2x NEWER BILL BOARD SIGN PARTS -
ALUM.

PHOTO BY CAM 2110

PC2196

4 OF 12

1432
(TFC)

2026

1433
(TFC)

PC2196
40F12

06 - 84207

PARKED TRUCK. I GET OUT AND

WALK INTO THE BUILDING AND NOTE

T₁ & T₂ FINISHING UP WITH ANOTHER

TRUCK THAT HAS REVERSED IN FROM

THE EAST SIDE OF THE BUILDING.

1432
(TFC)

I GO BACK TO MY TRUCK AND ADVISE

2026 ~~2026~~²⁰²⁶ OF THIS, THEN I RETURN IN

SIDE AND SHOUT TO T₁ & T₂ IF I

CAN BRING MY TRUCK IN AND THEY

GESTURE SO. I RETURN TO MY TRUCK

AND DRIVE WITH 2026 ROUND THE

1433

(TFC) EAST SIDE OF THE BUILDING AND

THEN REVERSE INTO WHERE THE

SCAFF IS. WE THEN DROP THE

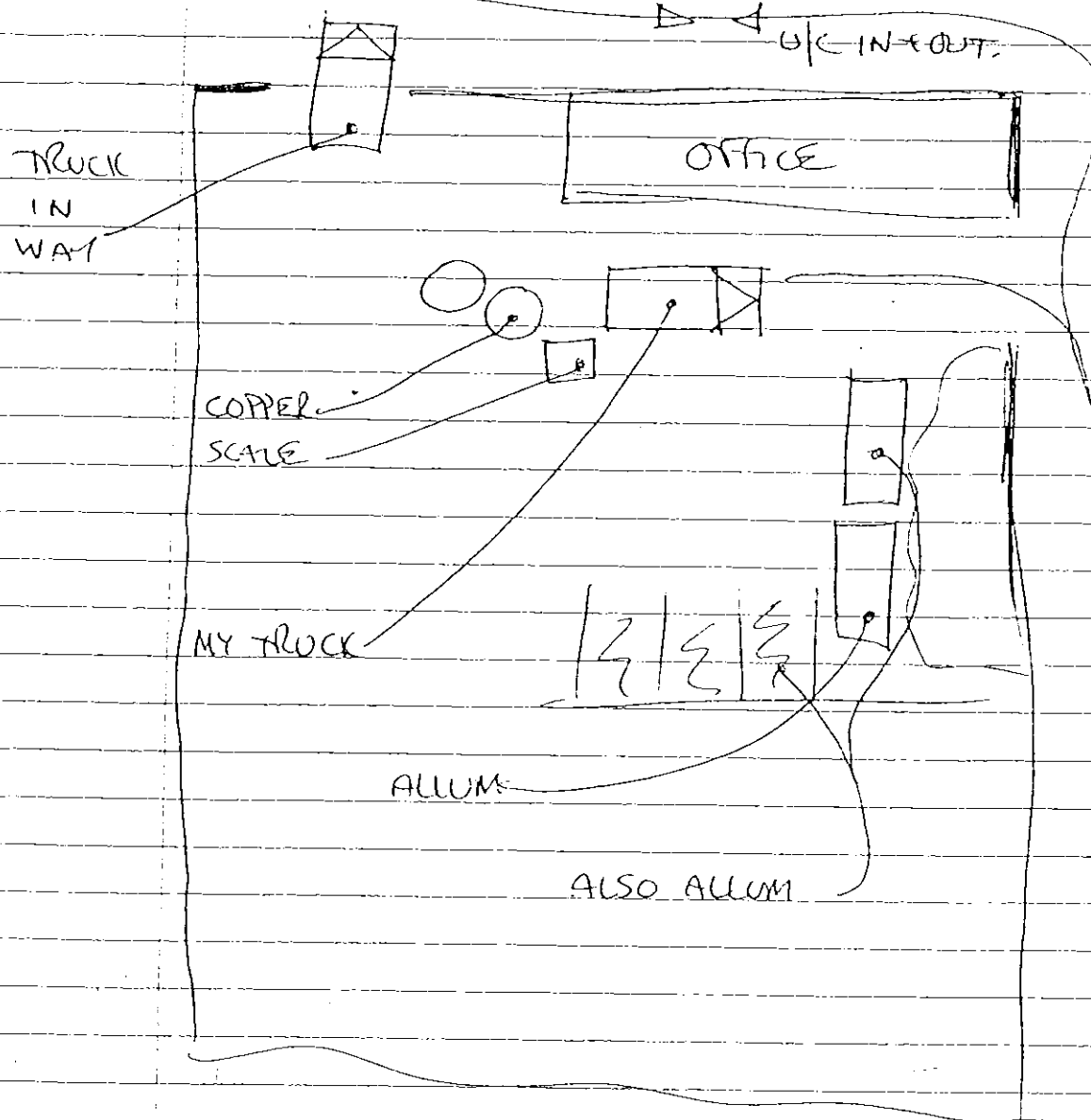
TRAIL GATE DOWN ON THE TRUCK

PC 2196
5 OF 12

LOCATION :- 06-84207

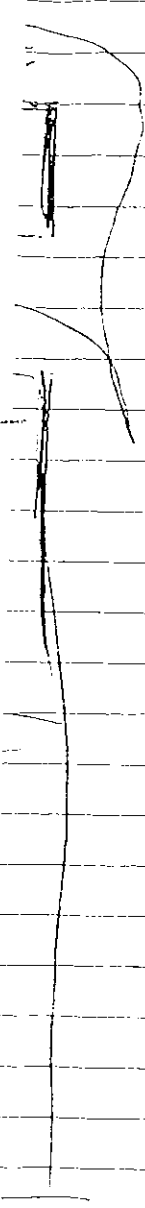
PC 2196
6 OF 12

← MITCHELL ST →



PC2196
6 OF 12

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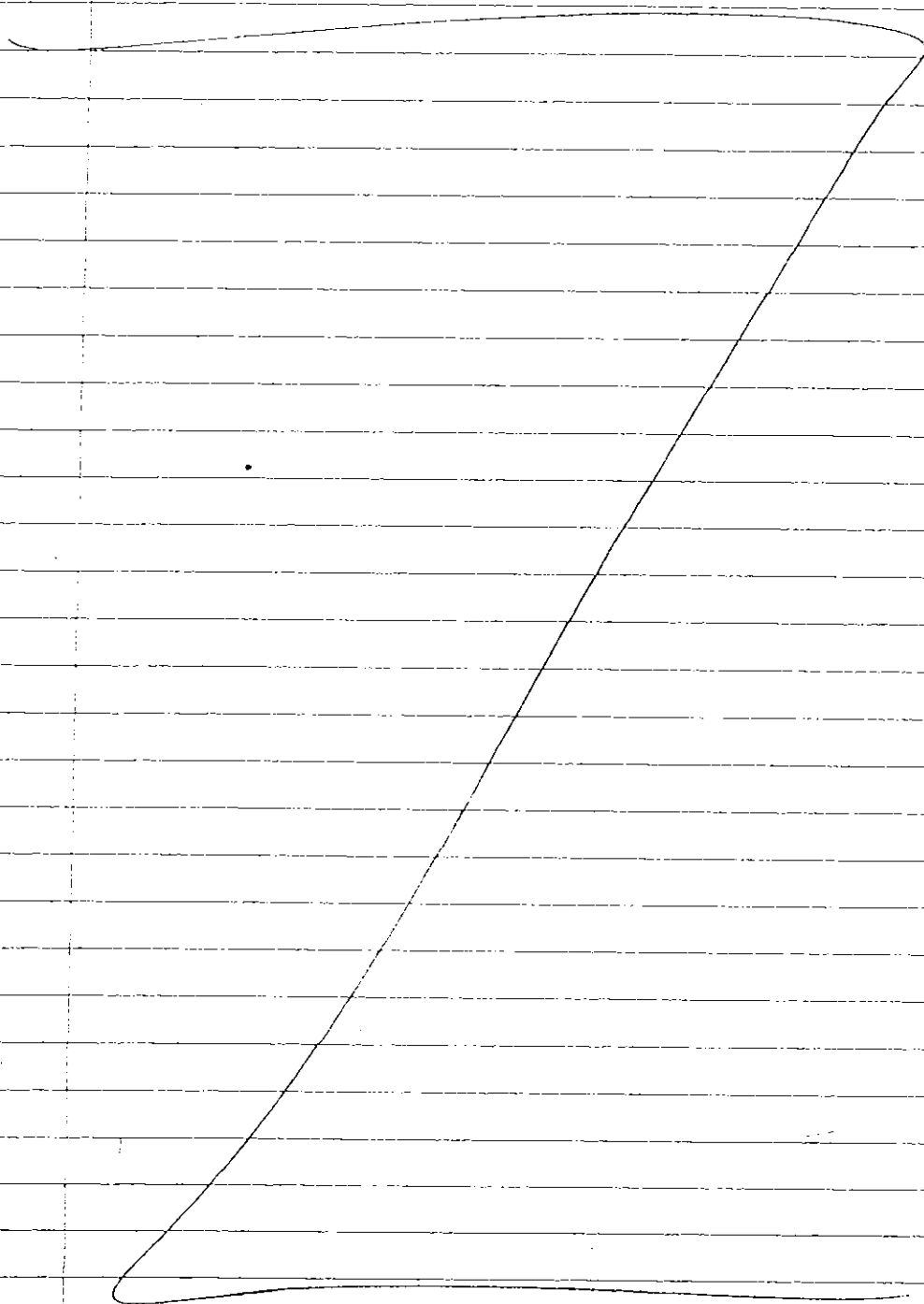
AND 2026 JUMPS IN THE BACK TO
OFF LOAD THE VARIOUS ITEMS, I THEN
START TO OFF LOAD THE ITEMS
(ALUMINUM) ONTO THE SCALE, T₁ + T₂
HELP WITH THIS REMOVING ~~AN~~ NUMEROUS
ITEMS FROM THE BACK OF THE TRUCK.
MOST OF THE SIGNS THAT I PLACED ON
THE SCALE I PLACED FACE UP TO
CLEARLY SHOW^{ING} WHAT WAS ON THEM,
T₁ + T₂ WHO APPEARED TO ONLY
HAVE LIMITED ENGLISH APPEARED
UNFAZED ABOUT OUR LOAD AND
SAID NOTHING ABOUT IT.

ONCE THE ALUMINUM WAS WEIGHED

PC 2196
7 of 12

06-84207

PC 2196
8 of 12



I

IX

S

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F

IX

S

T

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L

PC2196
8 of 12

06- 84207

T₁ + T₂ GESTURED TO US TO ASSIST
IN REMOVING THE ALUMINUM FROM THE
SCALE TO THE LARGE SKIP NEARBY,
OVER @ THIS SKIP T₁ GESTURE TO ME
'UP AND OVER'; THE SKIP APPEARED
FULL BUT AS WE THREW THE SIGNS
IN IT, ^{THEY} DROPPED ~~AND~~ DOWN INTO THE
SKIP OUT OF VIEW FROM ANYONE IN
THE SHOP/BUILDING.

MYSELF, 2026 AND T₁ + T₂ THEN PLACED
THE WIRE ON THE SCALE, IT WAS
WEIGHED AND AFTER DISCUSSION BY
T₁ + T₂ , MYSELF + 2026 + T₁ DUMPED
IT INTO A NEARBY SKIP.

PC 2196
9 of 12

06-84207

PC 2196
10 of 12

1445
(TFC)

PC2196

10 OF 12

06-84207

T₂ THEN ASKED THAT I COMPLETE THE CHIT AS BEFORE, I WROTE MY NAME AS "GOGGUES SMITH" LIVING AT 112 NATIONAL, T₂ DID NOT REQUEST ID OR ASK MY NAME. I THEN WENT TO TAKE THE CHIT TO THE OFFICE BUT WHEN T₁ + T₂ ASKED ME TO MOVE THE TRUCK I GAVE THE CHIT TO 2026 TO TAKE OFFICE AND PULLED THE TRUCK UP, 2026 THEN JUMPED IN AND WE DROVE 144S OUT THE BUILDING AND BACK TO (TFC) THE MEET POINT, 2026 ADVISED ME HE HAD RECEIVED \$360.00 IN CASH. 2026 ALSO NOTED THAT THE

PC 2196
11 OF 12

06-84207

PC 2196
12 OF 12

PC2196
12 OF 12

06-84207

FEMALE WE HAD SEEN IN THE
BUILDING, NEAR THE SCALE BUT NOT
INVOLVED THIS TIME WAS THE ONE
WHO HAD PAID THE CASH, SHE WAS
THE SAME FEMALE (T₂) FROM OUR
MY VISIT APR 25TH.

PC 2196
1 OF 18

06-84207 PROJECT
'ALCHEMY'

NOTES OF PC 2196 SMART

2006 MAY-03 - SELL #1 OF DAY OF PC SMART

" " " - SELL #17 OF PROJECT " " "

" " " - SELL #3 (@ PAN-PACIFIC OF PC SMART
(AND #18))

DESCRIPTION OF SELF :-

BLACK BBOAP/GREEN + GREY SKI JACKET/BLUE
JEANS/BLUE PUNNELS

COVER 1481/1938/1940/1966 (RICHMOND MEMBER)
R/B : 2110

OTHER U/Cs : 2026/2167

0900 COMMENCE WRITING :-

DESCRIPTION T₁ (METAL RECEIVER)
~31-33 YRS ASIAN MALE / ~5'6" - 7' / ~170lbs / SHORT DICK BARN / BLK
HAIR / GLASSES / BLUE COVERALLS / APPEARED TO HAVE
LIMITED ENGLISH / OLIVE COMPLEXION / SLIGHT DOUBLE CHIN.

DESCRIPTION T₂ (METAL WEICHER)

- SAME FEMALE AS APR 25TH -

WEARING JEANS-BLUE + BLACK FLEECE

+ PROTECTIVE GLOVES / APPEARED TO HAVE
LIMITED ENGLISH.

TARGET BUSINESS : PAN-PACIFIC
5-13900 MITCHELL ST, RICHMOND

PC 2196
2 OF 18

0700

1025
(TFC)

1027
(TFC)

PC 2196
2 OF 18

06-84207

NARRATIVE

0700 I AGAIN MET WITH COVER TEAM @ THE OFFICE

FOR CONTINUED UNDERCOVER ACTIVITIES @

PAN-PACIFIC. I WAS AGAIN TO BE A U/C

INVOLVED AS APR 25 - MAY 01.

1025
(TFC)

I DRIVE FROM THE START POINT TO

MITCHELL IS. IN A WHITE OLDER MODEL

PICK UP TRUCK, ALL MY 'SCRAP' WAS

STACKED IN THE CALTO AREA.

1027
(TFC)

I ARRIVE @ THE TARGET YARD AND

PULL UP OUTSIDE THE NORTH SIDE

ENTRANCE, JUMP OUT AND WANDER IN,

I SEE T, AND HE WAVES ME IN,

I RETURN TO THE TRUCK AND DRIVE

PC 2196
3 OF 8

06-84207

PC 2196
4 OF 1

'SCRAP' TO SELL:

1x TELUS WALK IN PHONE BOX - NO PHONE
— ALLUM.

3x RICHMOND ROAD + ST. SIGNS
(~ 28 ST. SIGNS (GREEN) ALLUM.

6x C.O.V. PARKING RESTRICTION SIGNS

5x GOOD LADDERS - (2x VINTD.) ALLUM

2x COIL TELUS PHONE WIRE
(1x ~100ft + 1x ~75ft)

PHOTO CAM 2110

PC 2196
40918

CG- 84207

IN THROUGH THE NORTH DOOR AND
PULL UP NEXT TO THE SCALE. T₁ STARTS
LOOKING IN MY TRUCK @ MY CARGO
AND THEN PULLS OUT SOME OF THE
WIRE ON TOP ON TO THE SCALE. T₂
THEN APPEARS FROM THE OFFICE AND
LOOKS AFTER THE SCALE. T₁ NOW APPEARS
TO BE LOOKING FOR MORE AND I POINT
OUT THE OTHER ^{COPPER} IS ON THE BOTTOM, SO
I START TO UN ROPE THE LADDERS AND
THEN WE DROP THE PHONE BOX OFF
THE BACK ONTO THE GROUND (IT IS
ALREADY IN THREE PIECES), THE REMAINING
WIRE IS REMOVED AND WEIGHED, U/K WHEN
FINALLY PLACED, THE WIRE WAS NEVER

PHONE

END
1

196
196

06-84207

602191

PC 2196
6 OF 18

06-84207

7
EXAMINED. AS T₁ DEALS WITH THE
COPPER I START TO REMOVE THE SIGNS.

T₂ THEN IN VERY BROKEN ENGLISH ASKS
ABOUT THE SIGNS, SHE APPEARS TO

SUGGEST TO ME THEY ARE STOLEN AND

POINTS TO THE SIGN ON ABOVE THE

SCAFFOLD THAT STATED THAT STOLEN

PROPERTY IS NOT ACCEPTED, I TELL

HER (T₂) THAT I FOUND THEM, SHE

SAYS NOTHING MORE. T₁ THEN COMES

OVER TO ASSIST AND AFTER WE PLACE

ABOUT HALF THE SIGNS ON THE

SCAFFOLD T₂ AGAIN QUESTIONS ABOUT

THE SIGNS, THIS BROKEN CONVERSATION

IS THE SAME AS BEFORE AND WE

PC 2196
70F18

06-84207

PC 2196
80F18

PC 2196

CG-84207

80F18

7 - (T₁ + I) CONTINUE UNTIL ALL THE
SIGNS ARE ON THE SCALE, T₂ WEIGH
THEM, SHE SHOUTS THE WEIGHT AND I
SEE IT IS THE SAME ON THE READ
OUT, T₁ + I THEN UNLOAD SCALE (I AM
APPARENTLY ORDERED TO DO THIS BY T₂
AND THROW THE SIGNS INTO THE
SAME SKIP AS ~~BEFORE~~ BEFORE AND MOST
OF THEM DROP OUT OF SIGHT.

T₁ + I RETURN AND LOAD THE PHONE
BOX ON TO THE SCALE, NO QUESTIONS
ARE ASKED ABOUT IT, WEIGH SEPARATE
AS CONTAINS PLASTIC, T₂ TELLS ME
IT IS 30¢ PER LB. REMOVED BY T₁, O/K
WHERE TO.

30710

06-84207

PC21a

16 of

R2196
10 of 18

06-84207

I THEN HIGHLIGHT THE REMAINING
LADDERS IN THE TRUCK T₂ IMMEDIATELY
SAYS 'NO LADDERS' AND I SAY 'I CAN
CUT THEM UP', SHE AGAIN REFERS TO
THE SIGN ABOVE THE SCALE AND SAYS
'NO LADDERS'. I TELL HER I WILL
CUT THEM UP AND SHE DOES NOT
RESPOND BUT DIRECTS ME TO FILL IN
MY INFO ON THE CHIT (I DID NOT ASKED
FOR), ON THE CHIT I WRITE 'WILLIAM
BENDER' AND SCRIBBLE ON THE BOTTOM,
I NOTE SHE HAS RECORDED THE PLATE #
OF MY TRUCK ON THE CHIT. T₂ THEN
PRODUCES FROM LEFT POCKET (PANT)
AREA A LARGE WAD OF CASH AND

PC 1946
11 OF 18

06-84207

PC 2196
12 OF 18

~~THE FOLLOWING INFORMATION IS
FOR THE USE OF THE
OFFICE OF THE ATTORNEY GENERAL
IN THE MATTER OF THE
ESTATE OF JAMES H. HARRIS
DECEASED. THE INFORMATION
IS BEING FURNISHED TO YOU
FOR YOUR INFORMATION AND
FOR THE INFORMATION OF THE
COURT. THE INFORMATION IS
NOT TO BE USED FOR ANY
OTHER PURPOSE.~~

1042
(CIC)

PC 2196
12 OF 18

06-84207

HANDS ME A \$178 CDN BILL SAYING
AND SEE YOU IN A FEW MINUTES. AS
I WALK TO MY TRUCK I ASK HIM
YOU TAKE THE LADDER UP?
UP? HE MUTTERS SOMETHING BUT DOES
NOT SAY NO, I RESPOND OK SEE YOU
IN FIVE MINUTES.

1042 I DRIVE THE TRUCK OUTSIDE AND PARK
(TTC) ON OUTSIDE THE NORTHSIDE OF THE
BUILDING @ THE EAST END. I
PULL ALL THE LADDERS OUT ON THE
GROUND MAKING AS MUCH NOISE AS
POSSIBLE, AND THEN I START
CUTTING ALL THE LADDERS WITH

PC 1196
3 OF 3

06-84207

PC 219
14 OF 1

[The main body of the document is heavily obscured by a large, dark, diagonal shadow or artifact, making the text illegible.]

PC 2146
14 OF 18

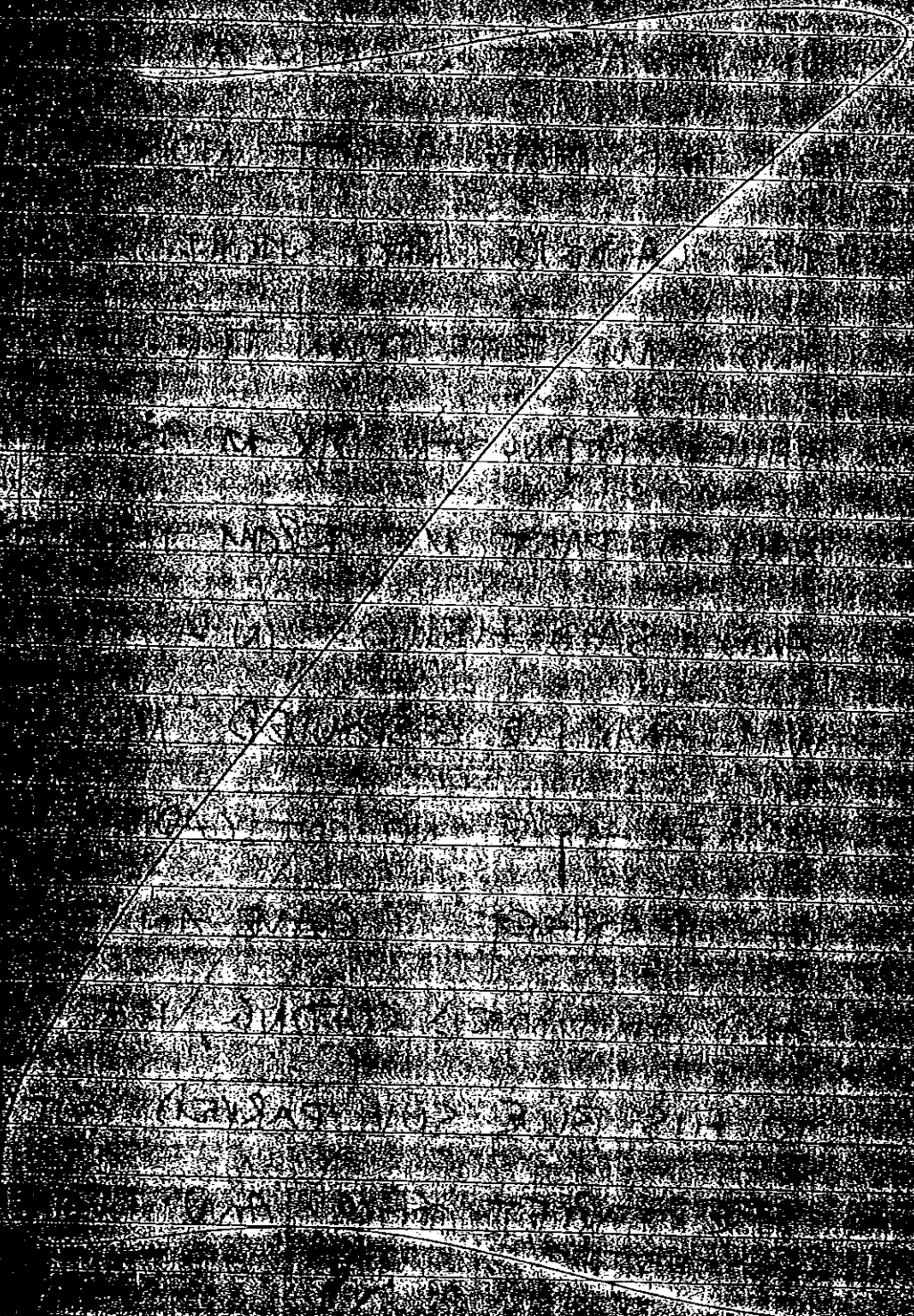
06-84207

MY HACKSAW + HAMMER, THE HAMMER
DID NOT ASSIST GREATLY IN THE CUTTING
BUT DID MAKE A LOT NOISE. I CUT
THE LADDERS INTO SHORT SECTIONS
AND SPOKE BITS DOWN THE MIDDLE.
WHILE CUTTING AN U/K-~~KA~~ ASIAN MALE
WALKED PAST ME FROM THE EAST
AND I SAID 'HELLO!' IN A FRIENDLY
WAY AND HE RESPONDED "NO CUT
LADDER HERE, NO CUT LADDER THERE,
GO UP STREET", I GAVE AN EXCUSE
AND CONTINUED CUTTING, HE WALKED
TO HIS BLUE SUV PARKED OUTSIDE
THE TARGET OFFICE AND DROVE OFF.

PC 11916
15.04.18

06-34207

PC 219
16.04.18



PC2196
16 of 18

06-184207

I COMPLETED MY CUTTING AND
STADDLES WERE REDUCED INTO APPROX
15 PIECES THAT NOW ALL DROPPED
INTO THE TRUCK CALLO ALICE
AFTER A SHORT LINE UP I WENT
TO GET BACK TO THE SCENE
WELL @ THE SAME POSITIONS
SEEMED TWIRLED AS THERE WAS
MORE VEHICULAR TRAFFIC, I THREW
ALL THE LADDLE PARTS ON THE
SCENE, T₂ WEIGHED THEM
T₁ & I DUMPED THEM OVER
A COMMON SECTION AREA AREA
BEFORE I COMPLETED THE CHAIN

PC 2194
7 of 8

06-84207

PC 2194
18 of 18

1100
CIC

PC 2196
18 of 18

06-84207

THE SAME MANNER AND THE PAID
ME CASH: \$95.50 CDN, AND
RECEIPT PROVIDED AS LIKE @ @
THE FIRST ROUND.

1106
(TR-0)

I THEN DROVE AWAY N/B STREET
MEET POINT, THE MONEY I WAS
PAID WAS PLACED IN SEPARATE
POCKETS AND SO TUCKED IN SEPARATE
ENVELOPES.

80

Evidence of PC 2167 FROM

06-84207

Date: 06-04-25My Role: UCOLocation: Pan Pacific Recycling
#5-13900 Mitchell Rd RichmondScrap Supplies: 1 coil of insulated copper wire
2 spools of insulated copper wire
1 Street Name Sign "Oak St 3000"Weather: clear, sunny, hotMy Description: blue ball cap, green jacket, blue hoodie
black jeans, black runners.Employee's Descriptions:#1 Asian Female, Approx 5'4", approx 100 lbs, short brown hair
mid 30's, tan pants, dark top.#2 Asian male, Approx 5'6", approx 120 lbs, glasses
Short black hair, clean shaven, 40's, blue overalls

Evidence of PC 2167 FROM

81

06-84207

1015 I left the staging area walking towards Pan Pacific.

1018 I arrived at Pan Pacific.

I walked into the warehouse up to the scale area. I saw a customer standing in line, white male short brown hair, mid 30's, 5'10", 250 lbs. wearing a blue shirt and grey sweatpants. The customer said to me, in an accusing manner, that I had stolen the sign. I told the customer that I found it. He said "ya right."

Soon after this conversation the female employee, numbered #1 earlier, pointed to a sign that read "No Stolen Goods, No Shopping Carts, Registration: vehicle plate no., signature, address." and said "notake."

An asian male employee, numbered #2 earlier, led me outside and pointed to a shopping cart and asked me if I brought it here. I told him I walked here. We then walked back inside the warehouse.

I unspooled my wires and placed them along with my wire coil and street sign on the

82

Evidence of PC 2167 FROM

06-84207

2167 PR

Evidence of PC 2167 HPOH

83

06-84207

Scale.

The 1st employee wrote down on a receipt the weight, 24 lbs. and a total amount of \$19.20. She then put a pen on top of the receipt, stepped away pointing at it and said for me to write my name and signature. I wrote "John Hart" and signed the receipt. She gave me the receipt and pointed to a window.

I walked to the window which was boarded up except for a slot. I pushed the receipt through the slot. Someone took it and returned a copy of the receipt along with the money, \$19.20.

29 As I walked out I saw PC 2026 Haupt dealing with employee #1. Nobody asked me for my ID.

32 I walked back to the staging area. I tagged the money and handed it to PC 2110 Murdock.

2167

P2

130

Evidence of PC 2167 FROM

06-84207

Date: 06-05-01My Role: UCOLocation: Pan Pacific Recycling
#5-13900 Mitchell St. Richmond.Scrap Supplies: 2 coils insulated copper wire
1 "Snap On" cordless drill - orange
1 "Western Propped" spin saw - new
1 Dewalt drill - used - yellowWeather: Sunny, clear, windy, warm.My description: blue ball cap, green jacket, blue hoodie,
black jeans, black runnners, blue bike.Employee Description:Employee #1: Asian male, 5'6", 120 lbs approx, glasses,
short black hair, clean shaven, 40's, tan jacket, black pants.
Same male I dealt with on 06-04-25Employee #2: Asian male, 5'6", 180 lbs pot belly, brown
shirt, black pants, 45-50 yrs, black short hair, Employee #
referred to him as "The boss".

Evidence of PC2167 Fraud
06-84207

131

1447 I biked from the staging area towards Pan Pacific.

1450 I arrived at Pan Pacific and went directly to the scale.

Employee #1 came over to scale as I was putting the write and tools on the scale. I took the tools to the desk and showed them to Employee #1. Employee #1 looked at them and said they don't take tools. I told Employee #1 that I had heard they did. He again said he did not want them and they don't take them. I asked again if he would take them. Employee #1 called over employee #2 and they spoke in Chinese, pointing to the tools. Employee #2 told me they don't take tools. I said that the tools were good, pointed to the Western rugged and said it was brand new. Employee #2 pointed to the DeWalt and said "five bucks". I said the drill was a good one and \$5 was low. I tried to sell all three to Employee #1/2. Employee #2 walked away and I saw Employee #1 complete the sales slip without the tools on the slip. I told employee #1 I would give him the DeWalt and snap-on tools for \$5. Employee #1 said they don't want tools. Employee #1 asked me to fill out my name and sign slip. I did and he gave me the slip and told me to go to the window, pointing to the office.

I walked over to the window after packing up my

132

Evidence of PC 2167 FROM
06-84207

2167 PR

Evidence of PC2167 FROH

133

06-84207

tools. I was never asked for ID by any employee.

My receipt was taken through the slot. I saw an Asian female take money from a drawer and pay me \$8.50 and gave me a copy of the receipt.

459 I left Pan Pacific on my bike pedaling back to the staging area. I tagged the money and receipt and handed it to PC2110 Murdoch.

P

2167

152

Evidence of P-2167 FROTH

OB - 84207

Date: 06-05-03Mythology: UCOLocation: Pan Pacific Recycling
#5-13900 Mitchell St Richmond.Scrap Supplies: 5 pieces of 2 foot lengths Telco wire
3 pieces of Pothuan aluminum slat
Fire hose nozzle, brass, stamped "VFD"Weather: Sunny, dry, hotMy Description: blue ball cap, green jacket, blue body,
black jeans, black sneakers.Employee Description: Asian female, approx 5'4" 100 lbs
Short brown hair, mid 30's, dark clothes.
Same female I dealt with on 06-04-25.

Evidence ST PC 2167 FROM

153

06-84207

1059 I walked from the staging area towards Pacific

1102 I arrived at Pacific and walked to the scale area.

There were 2 white males finishing off a transaction when I arrived. They were using a black pick-up truck with BCL 0837 HE. I also saw that PC 2196 SMART was sitting inside his parked truck not far from the scale. It looked like he was waiting in line.

When the 2 males were finished I walked up to the scale and put the 3 Pattison sign slabs on the scale. The employee weighed them. I then put my 5 pieces of Telus cable on the scale. I picked one up, showing the employee, and said that it was Telus cable. I believe that the employee had said "I know". Her accent was heavy.

I then told her I had some brass and took out the fire hose nozzle. I presented the nozzle to her with the "VFO" stamp towards her. She quickly grabbed it and put it on the scale.

By this time I had noticed there was a line-up of trucks growing and believed that the employee was rushing things.

154

Evidence of PC 2167 FROM
06-84207

2167

2167

Evidence of PC 2167 F2011

155

06-84207

The employee wrote the weights down on the receipt pointed at the receipt and told me to write my name and sign it. I wrote my alias "John Hori" on the receipt and signed it.

By this time I saw pc 2026 Haupt walk up to the scale area and saw PC 2196 sitting inside his truck right beside the scales.

The employee took a large wad of cash from her back pocket and took some paper money from it. She then opened a desk drawer and took some change out of it. I was then paid \$22.10. No ID was requested.

1109 I then left Pan Pacific walking back towards the staging area.

1119 I arrived at the staging area and tagged the money handing it to PC 2110 Murdock.

2167 PC

NOTES OF PC 2026

NOTE

06-84207

2026-04-25

1.85

de

PA

my description: black jacket, blue jeans,
blue t-shirt, running

07⁰⁰

over team: 1481, 1938, 1940, 1966, 1870, 2024, 2026

2162

u/c. 2167, 2196

Carrying several coils of old dirty copper

cable, weigh about 40lb

10²³

also a green aluminum housing for

a walk/don't walk sign

1 of 5

do - 84207

2006.04.25

2 of 5

PAN PACIFIC (1)

07⁰⁰ Met with cover team and was advised

06

I would attempt to sell various scrap

metals at Pan Pacific on Mitchell

Island 5 - 13900 Mitchell St, Richmond

BC

10²³ I walked eastbound on Mitchell St street

carrying several large coils of old duty

copper wire and a green aluminum housing

for a walk / don't walk sign

I entered the main doors of the salvage

warehouse. I observed a wing scale

slightly to the east of the main doors

with a small disk behind. PC FROD was

standing by the scale and lying on the

scale was a small black and white

Vancouver street sign for Oak Street 3000

06-8407

2006 04 25

345

06-84

An Asian female, 5'6", 110lbs, wearing beige slacks, jean jacket, a white dust mask. Short reddish brown tinted hair was dealing with U/C PC FROM. I observed PC FROM walk away towards the cashier window. The Asian female asked me "where is your buggy". I replied "I walked."

She then indicated for me to put the will on the scale. The scale showed a digital readout of 42 lbs. I then threw the cable ~~in~~ in a nearby bin. I placed the aluminium housing on the scale and the digital readout showed 11 lbs.

The Asian female filled out a written receipt with the weight of copper and aluminium.

NOTES OF PC0026

365

06-84201

2006-04-25

4/25

She had me write my name on the top

left of the form and then sign on the

bottom left of the form. I then took the

paper to the cashier window further to

the east on the ~~so~~ north wall.

I approached the window and slid the

receipt under the window. An asian male

behind the counter gave me \$55.00 in

Canadian currency. 1 x \$50.00, 1 x \$5.00, and

90¢ in change.

I noticed a sign above the desk and

weigh scale area that stated: No Shopping.

CARS. NO STORED GOODS

031 I then exited the PANI PACIFIC SAWAGE

Warehouse northbound and walked away

westbound and met with my cover team

at a pre-determined location.

de-84207

2006 04 25

5/15

I placed the \$55⁹⁰ in a brown

envelope marked for Pacific. (1)

PL 0026 2006 04 25

CB

Ab-84207

2000 05 01

1 of 1

Ab-8
PAN

my description black jacket, blue t-shirt, blue jeans, runners

Ch

1c PC 2196 Smart

Cover team 1481, 1870, 1938, 1940, 1966, 2041

PC 2196 Smart and I in a white F250

FORD PICKUP CARPENTRY

12 meters hydro cable

5 x aluminum pathson slats (old style)

8 pieces of Telus cable (varying 2ft - 7ft)

10 various Vancouver street signs

26 various Richmond street signs

2 x sign posts aluminum

1 x aluminum junction box

various aluminum scrap

1 x Viacom slat (folded)

1475

NOTES of PC2026

1 of 9

06-04-07

2006-05-01

2 of 9

PAN PACIFIC #2

the

07a

I met with my cover team and was

advised I would attempt to sell various

2011

Scrap metal to PAN PACIFIC RECYCLING at

#5-13900 Mitchell Road, Richmond, B.C.

F250

Myself and PC 2196 Smart were using

a white F250 Ford Pick-up carrying numerous

1
7)

aluminum signs, ~~but~~ Telus wire, hydro wire,

and various aluminum scrap. PC 2196

Smart was driving the vehicle and

1428

I was in the passenger side. We drove

east on Mitchell Road and pulled up in

front of Pan Pacific. A large truck was

parked in the open loading bay doors. PC

2196 Smart went inside of the premise

to find out where to bring our vehicle to

unload the materials.

de 84207

2006 05 01

31

06-84

PC Smart came back out and said

that the vehicle unloading might be leaving

soon. PC Smart then went back into

the Pan Pacific Recycling Warehouse. PC

Smart came back out and said we could

drive to an entrance on the east side

14³³ of the building. PC SMART drove the

truck south on the east side of

the building and then reversed the truck

through an open bay door towards

the weigh scale. PC SMART stopped the

truck and we both exited. There

were two asian males at the weigh

scale described as follows:

Older asian male, 40-50, round plumper face,

blue ball cap, plastic safety glasses on the

brim, blue coveralls.

NOTES OF PC 2006

3 of

06-84207

2006 05 01

4 of 9

Younger Asian male, 27-30 yrs old, thin build,
5'8", short dark hair, clean shaven, eye glasses,

leaving

blue coveralls

I climbed on the back of the pickup truck
and started handing materials over the side

old

The street signs were ~~at~~ green and white

de

Richmond street signs, parking signs, and

is

various Vancouver & city street signs

The signs were flat and clearly visible

rock

Both the older Asian male and younger

the

Asian male were loading signs for the truck

onto the weigh scale. I handed ~~for~~ a

ugh

piece of folded Viamon slat aluminum to

the younger Asian male who placed it on

base,

the scale. We loaded the 5 older

the

aluminum Pathson slats on top of the

pile of aluminum¹²⁶ (they still had billboard

66-54207

2006-05-01

5 of

(

Sign Riser on one side)

The older male made note of the weight of aluminum and directed us to load the various street signs into a dumpster to the east of the scales. Myself, the other two, and the two Asian males took the signs to the dumpster. The dumpster appeared quite full and the older Asian male directed us to throw the signs up towards the back of the dumpster. Once the signs were at the rear of the dumpster they were no longer visible to anyone in the salvage yard. I observed the younger Asian male separate several of the Pattison slats and the vacuum slat and throw them on a large pile of

NOTES OF 12 2006

S of

06.54307

2006.05.01

6 of 9

aluminum leaning against a south-facing
wall directly south of the dumpster

containing the sig's. We returned to the

to

area of the weigh scale and began loading

s.

the BC Hydro cable and Telus wire on

the scale. I observed the ^{young} asian male

look at the ends of the cut Telus wire

and

and also look closely and the ~~for~~ black

needed

plastic insulation on the outside. The older

sign

asian male sat at a desk behind the
weigh scale and appeared to be filling

y

out an invoice. Myself and the younger

asian male took the wire off of the scale

and placed it in a large rusted metal

of

box. The two asian males had a

slat

conversation regarding where to place the

~~at~~ wire (in 1288 asian dialect). The older

6-84207

add 05 01

74

11

Asian male eventually pointed at the

1st rusty vat just west of the scale

The first vat was in a line of three

all containing various copper wire

I observed PC 2196 Smart with the

older Asian male at the desk by the

weigh scale. PC Smart then came over

with an Invoice and handed it to

me as he had been asked to move

11/15

the truck. I looked at the Invoice

which was for a total of \$360.05.

171 lb of aluminum and 270 lb of

Copper wire. Invoice # 113301

PC Smart had written a fake name and

address on the Invoice and in different

printing was the SC Plate 351654 at

the truck we were driving

NOTES OF PC 2026

7d

16-842-1

206-05-01

50/9

I took the invoice to the cashier on

the north wall of the complex I handed

the invoice to an asian female with short

reddish brown tinted hair that I recognized

from my previous visit to Pan Pacific.

She handed me \$360.25 in Canadian

currency and a yellow copy of the

invoice # 11330-1.

11/45 PC 2196 and myself got back in the

vehicle and drove away westbound on

Mitchell Road.

I placed the \$360.25 in a brown

envelope marked Pan Pacific (2) PC 2026

206/05/01

206 05 01

INVOICE



Pan Pacific Recycling Inc.

Bought From:

Invoice No.:

Date:

Plate No.:

Others:

G.S.T. No.:

[illegible]

Received By _____

Signature

Cash

Check No.

GST No.: 897849683

G S T

Total:

Weightier

Cashier

Weight In: _____ Lbs.

Weight Out: _____ Lbs.

Net wgt: _____ Lbs.

Drivers: _____ On/Off

Drivers: _____ On/Off
 _____ On/Off

#5 - 13900 Mitchell Road, Mitchell Island, Richmond, B.C. V6V 1M8
Tel: (604) 629-0909 Fax: (604) 325-6802

Tel:(604) 629-0909 Fax:(604) 325-6802

INVOICE RECEIVED FOR THE PACIFIC REGIONAL
ON JULY 05 01

NOTES OF RESEARCH

Ob. 84207

2006 05-23

147

Ob

my description Black jacket, blue shirt
blue jeans, runners

Cover team 1481, 1938, 1940, 1966, Richards Reef

U/C team 2167, 2196

Carrying

- 5 x 1-1/2 ft lengths of Ties Cable
- 2 x Bronze Cementing the wire markers
- 1 coil of Copper wire with red/black
and white insulation

Ab 8427

2006-05-13

3/7

Ab 8427

South in the yard towards large container

un

I started to untangle the five

11

lengths of TELUS wire onto the scale

off

as well as the end of copper wire.

kan

A younger Asian male was standing at

the

the rear of the scale. I had about

me

with him on 2006-05-11. The young

Asian male was 5'8", 27-30 yrs old,

in

thin build, clean shaven, eye glasses, and

he

blue overalls. The Asian female was

the

standing on the west side of the scale

was

behind the desk. She was 5'6", 110 lbs,

me

^{brown} short reddish tinted hair, wearing a black

see

top, jeans, and a white dust mask over her

the

nose and mouth. I recognized the female

I

as an employee that I dealt with

on

on two previous visits to the office

on

NOTES OF FC 2026

3.17

06.54207

206 05 03

4.47

on 206.04.25 and 206.05.01.

I started to unzip my backpack and

expose the bronze grave markers in my

bag. The asian female, from behind

the desk, approximately three feet away from

me started to yell

No, No, No No TAKE NO TAKE

in a loud animated voice. I was

hunched over the backpack and observed

the young asian male walk across the

weigh scale and extend his leg. He forced

my backpack close with his foot and

said 'No you steal'

He then walked behind the desk as

I picked up my backpack. I stepped

over to the desk and had the following

conversation with 135E asian male:

Notes

$$\text{Ind. os} = 3$$

5 of 2

26-842

$$u \in L^1(\mathbb{R}^n) \quad (1)$$

Bought From:

Invoice No.:

Date:

Plate No.:

G.S.T. No.:

Others:

[illegible]

Received By: _____
Signature: _____
Cash ☐
Check No. _____

GST.

Total:

Weightier.

Cashier

Weight In: _____ Lbs.
Weight Out: _____ Lbs.
Net wgt: _____ Lbs.

Drivers: _____ On/Off
Drivers: _____ On/Off

#5 - 13900 Mitchell Road, Mitchell Island, Richmond, B.C. V6V 1M8
Tel:(604) 629-0909 Fax:(604) 325-6802

INVOICE # 108246 received from the
PACIFIC on 5006 0503

NOTES OF 2006

Sep 2

06.84.207

2006 08 03

60/7

~~int~~

Me just give me a couple of bucks

for them (indicating bronze grave markers
in bag)

Young Asian male 'No'

He then pointed at an invoice on the desktop

he was filling out. He pointed to several

spaces and said 'Name, Address, Sign'

I filled in the fake name of 'Dave

Arthur' and address of 432 Princess. I

signed my own initials at the bottom. Bill which

~~the~~ do not correspond with the name on the

invoice. I did not present ID at any

point and I was not asked for any.

I picked up the invoice for \$23.80 worth

of copper wire / Telus cable and went

to the cashier 137 window on the North wall

06-84207

2006 05 03

747

of the building I could not see
clearly into the cashier office as there
are only a few holes, the size of a metal,
bullet in the wall over the window. I
slid my invoice under the partition
and received \$23⁰⁰ in Canadian
currency. I was also given a yellow copy
of invoice # 108246 for PAN PACIFIC

Receipts.

11¹⁶ I left PAN PACIFIC and walked westbound
on Mitchell Road. I met with my cover
team at a pre-determined location.

I placed the \$23⁰⁰ in a brown paper
envelope marked PAN PACIFIC (#3) Please

2006 05 03

pl

MR. D. LAHAY

Submission on behalf of

PAN PACIFIC RECYCLING INC.

PAN PACIFIC RECYCLING INC.

BUSINESS LICENSE CONTRAVENTIONS AND LICENSE REVIEW HEARING
JANUARY 30, 2007

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Submissions re allegations of Business License Contraventions

The first question that must be addressed is, “why are we here?”. That question is not asked rhetorically.

We’re here ostensibly under the authority of bylaw 7360, sub-section 5.1(d) (Tab 2).

That sub-section provides:

5.1 Any licensee (sic), operator, or any other person who:

(d) fails to maintain the standard of qualification required for the issuance of a licence under this bylaw;

is deemed to have committed an infraction of, or an offence against this bylaw, the **Business Regulation Bylaw** or the **Vehicle for Hire Regulation Bylaw**, whichever is applicable, and is liable on summary conviction, to the penalties provided for in the *Offence Act*, and each day that such violation is caused or allowed to continue constitutes a separate offence, and may result in the suspension, cancellation or revocation of the licence in question. (underlined emphasis added)

Focusing first on the opening words, the bylaw refers to the “standard of qualification” required for the issuance of a licence. The standard would be set out in the bylaw governing scrap metal dealers. I’ll deal with that issue shortly.

Ss. 5.1 continues that where there has been an infraction, the licensee is liable on summary conviction, to the penalties provided for in the *Offence Act*. There has, of course, been no summary conviction. I did not bring with me a copy of the Offence Act, but that Act sets out the jurisdiction of the Courts, the requirements of notice to an accused of any alleged offences, the requirement for a trial, the process for trial and the evidentiary requirements. These are all

fundamental elements of the concept of “due process”. They are necessary and legal prerequisites to the imposition of any sanctions.

Ss. 5.1 continues “and each day that such violation is caused or allowed to continue constitutes a separate offence, and may result in the suspension, cancellation or revocation of the licence in question”. How the City goes about “suspending, cancelling or revoking” the licence in question is not defined, but ss. 5.2 provides:

5.2 Subject to the *Local Government Act*, **Council** may:

(a) revoke or cancel a **licence** issued under the provisions of this bylaw;
and

(b) refuse to grant the request of an **applicant** under this bylaw.

Section 267 of The *Local Government Act* provides (Part 6 of the Act is reproduced at Tab 11):

Division 3 – Enforcement of Regional District Bylaws

Bylaw contraventions — offences and penalties

267 (1) If a bylaw establishes a regulation or requirement to be observed in a regional district, a person who contravenes the regulation or requirement commits an offence that is punishable in the same manner as if the bylaw had expressly forbidden persons from doing or refraining from doing the act.

(2) In a prosecution for an offence against a regional district bylaw, the justice or court may impose all or part of the penalty or punishment authorized by the bylaw, this Act or the Offence Act, together with the costs of prosecution.

(3) If a penalty, or part of a penalty, and all costs imposed are not paid promptly, the justice or court may, by order, authorize all or part of the penalty and costs to be levied by distress and sale of the offender's goods and chattels.

(4) If there is no distress out of which the penalty and costs or part of the penalty and all of the costs can be levied, the justice or court may commit the offender to imprisonment for the term, or part of the term, specified in the bylaw. .

The law requires due process. In accordance with this bylaw (and the requirements of due process), what that means is that the City must first provide notice to Pan Pacific of the alleged infractions. That is, particulars of what Pan Pacific is alleged to have done, and what specific bylaw was thereby contravened. A hearing must then be held to prove all of the necessary elements to establish that an offence has been committed or that there has been a violation of a bylaw.

That is not what is occurring here. The police have set up what is in effect a “sting” operation. They have reported to the City saying, “if these really were stolen items, in our view Pan Pacific should have known that they may have been stolen, and should not have taken them.”

While I appreciate that this is an informal hearing, it cannot be part of a larger process that simply avoids a proper review of all the evidence and consideration of the principles involved in ensuring procedural fairness. It is my understanding that the intention is to hear submissions at this proceeding and to then make recommendations to City Council.

If the recommendation is to impose any sanctions upon my client, then a proper hearing must be held, with notice as required by law and due process must be followed.

The City can’t arbitrarily exercise the powers granted under bylaw 7360. The first thing we look at is the set of bylaws governing the conduct of the licensee. That gives us a framework for the conduct that must be followed by the licensee. The “standard of qualification”, so to speak.

Assuming that there is an applicable bylaw, the second thing we look at is the impugned conduct. What evidence is there and does it constitute a breach of the applicable bylaws?

Dealing with the first point: Is there an applicable bylaw?

In his memo dated July 26, 2006 (Tab 4), Victor Duarte (Business License Inspector) conceded that “scrap metal dealers are not currently regulated by bylaw in the City of Richmond”. I asked the City to provide me with the specific bylaw that my client is alleged to have breached. In response (see letter from Victor Duarte dated August 4, 2006) (Tab 6), I was referred to bylaw 7360 (Tab 2) and bylaw 7538 (Tab 3). This letter is from the same Mr. Duarte who concedes that scrap metal dealers are not currently regulated by bylaw. Mr. Duarte also enclosed his letter to Mr. Rattan recommending a show cause hearing along with a “report received from Cst. K. Ramsey” referred to as attachment 1. While I appreciate that Mr. Duarte was responding to the report he received from Cst. K. Ramsey, the report is not evidence of any wrongdoing. The allegations in the report certainly have not been subjected to any judicial scrutiny.

“Attachment 1” (Tab 5) will be reviewed in detail shortly. Presumably, this is the report from Cst Ramsey, although it is not signed and the basis for the information asserted in the report is not set out or referred to anywhere. The report states (third paragraph) that “the City of Vancouver has specific Bylaw regulations regarding scrap metal dealers”. Mr. Ramsey is presumably with the Vancouver City police. His report would be based upon what he has been told by those who were involved in dealings with Pan Pacific. He has then reported to Mr. Duarte. This kind of second hand information has no evidentiary value in a Court of law.

In any event, the concluding paragraph of the report states “Pan Pacific Recycling holds a City of Richmond business license for scrap metal recycling and are therefore not subject to any

regulations”. One thing is clear. With respect to this first issue, until very recently there was no bylaw governing scrap metal dealers.

I wouldn’t argue that that gave a licensee the right to conduct its business in whatever fashion it chose. From a legal point of view, however, that creates an enormously difficult problem for the City. If the City chooses to grant a license for an industry that is not regulated by bylaw, it can’t later create rules retroactively and then complain that the licensee hasn’t played by the rules that didn’t exist. To be clear, bylaws can be created that have retroactive effect, but any attempt to invoke sanctions retroactively would not be upheld.

If the conduct of the licensee is criminal, as suggested by Mr. Duarte (and I’ll deal with his memo shortly), that’s another matter. Regulation through bylaw wouldn’t be necessary because the licensee would be subject to criminal sanctions. But that is clearly not the case. No criminal charges have been laid. Mr. Ramsey concludes his memo by asserting that “Pan Pacific Recycling’s actions and negligence are contributing to the high rate of property crime in the Lower mainland...”. Note that Mr. Ramsey is not so bold as to suggest that there has been any criminal conduct.

I hasten to add that some of the comments in the materials are libellous. For example, in his memo dated July 26, 2006 (Tab 4) Mr. Duarte states: “Scrap metal dealers are not currently regulated by bylaw in the City of Richmond, however this does not negate Pan Pacific Recycling Inc. from operating within the guidelines of the Criminal Code, knowingly dealing in and possessing stolen property.” (emphasis added).

First of all, the Criminal Code does not contain “guidelines”. It codifies criminal offences. Where conduct exists which violates the provisions of the Criminal Code, it is subject to prosecution and conviction.

Aside from being libellous, Mr. Duarte’s comments demonstrate that he has made up his mind before there has been any kind of due process. His conclusions also demonstrate what can happen when due process is not followed. One police force conducts an investigation. No charges are laid but a report is made to another police force. That police force prepares a report and includes, in the report, its views on the underlying problem (theft of scrap metal) and how it can be tied to Pan Pacific. Mr. Duarte read the report and then concludes that Pan Pacific’s actions are criminal.

It is not clear what, if any, role Mr. Duarte actually played in the investigations to date, other than reviewing reports on “Project Alchemy”. Mr. Duarte concludes his memo by stating that he believes a “Show Cause Hearing” is warranted to prevent the “continuation of the delinquent business practices of Pan Pacific Recycling”. Once again, there has been no determination that Pan Pacific has done anything wrong. That is the purpose of a proper hearing into allegations of wrongdoing. The allegations necessarily must be made in relation to an applicable bylaw so that any judgment is not arbitrary and selective. But as Mr. Duarte has acknowledged, there was no bylaw governing scrap metal dealers.

In due course, I will refer to the recently enacted amendment.

Dealing with the second point: What is the impugned conduct?

Pan Pacific is not in breach of any bylaws or of any other law. The police have identified a problem, namely the theft of materials containing scrap metal. Rather than arrest and prosecute the criminals who are responsible for the theft, various police forces have combined their efforts to ask the City to target businesses that, the police believe to be facilitating the thefts.

A number of things are not in dispute. Neither Pan Pacific, nor any of its employees have been charged with any crimes. "Project Alchemy", insofar as it relates to Pan Pacific, did not relate to any stolen materials. In fact, there is no evidence of Pan Pacific ever having knowingly received any stolen materials.

Different "reports" have been prepared. The authors are not identified. One such report is entitled "Show Cause Hearing – Richmond City Hall" (Tab 7). The report contains the following (first page, second full paragraph under the heading "Project Alchemy"):

The undercover officers conducted 9 transactions on three separate days at Pan Pacific Recycling. (April 25, May 1, and May 3, 2006)

The undercover police officers posed as thieves trying to pawn items disguised as stolen property. The undercover officers transported these items by foot, on bicycles, using shopping carts, and by truck, all means of transportation commonly utilized by thieves. Pan Pacific Recycling purchased items that could easily be identified as stolen property."

How does one "pose as a thief"? The wording "posed as thieves" is misleading and prejudicial. It implies that anyone dealing with the undercover officers would be led to believe that they are thieves. For example, if someone posed as a City Inspector, he would introduce himself as such

and would present some form of identification to establish his false identity. The police notes certainly do not suggest that anyone at Pan Pacific had any reason to believe that the people from whom they were being asked to purchase materials were thieves. The question can be posed in a practical way. Could any kind of bylaw be drafted that would describe the type or appearance of person from whom a merchant is prohibited from purchasing materials? By using the words "posed as thieves", the memo clearly suggests that anyone dealing with the undercover officers is complicit in theft. I note the recent amendments to Bylaw 7538 proscribe the purchase of property from anyone who appears to be intoxicated by alcohol or drugs. Leaving aside whether or not that is enforceable, that is not what is in issue here.

There is only one reason this report to City Hall states that the police "posed as thieves". That is to suggest that Pan Pacific's employees ought to have known that they were dealing with thieves. That suggestion is ludicrous and offensive. It is ludicrous because it suggests that thieves have a certain appearance. It is offensive because it suggests that anyone dealing with the undercover officers is participating in illegal activity.

The report goes on to state that the materials were transported "by foot, on bicycles, using shopping carts, and by truck, all means of transportation commonly utilized by thieves." Once again, this statement borders on ridiculous. For one thing, that exhausts pretty much any mode of transportation that might be available. For another, it suggests that anyone using one of these modes of transportation must be assumed to be a thief. Without reviewing any of the City's bylaws, I can confidently state that there won't be any bylaws that preclude merchants from dealing with customers based upon the mode of transportation they have chosen or, for that matter, based upon their appearance.

So, let's look at the substance of some of the transactions. The report asserts that there were 9 transactions over the course of three days. Only 8 appear to be documented. I won't go through each transaction in detail as they are all simply anecdotal. Several (see, for example, the transaction on April 25, 2006 at 10:08 A.M.) are completely innocuous.

Starting with the transactions that occurred on May 1, 2006, reading from the first paragraph on p. 2, the report states:

On May 1st 2006 at approximately 2:50 PM, an undercover officer cycled into Pan Pacific Recycling carrying 2 coils of insulated copper wire, 1 Snap On cordless drill, 1 new western rugged spin saw, and 1 used Dewalt drill. He placed the wire and tools on the scale. One of the employees said they don't take tools. Another employee said they don't take tools and then pointed to the Dewalt drill and said "five bucks". The undercover officer said the drill was a good one and \$5.00 was low. The employee walked away. The employee completed the sales receipt without the tools on the slip and asked him to fill out his name and sign the receipt. He took the receipt and was told to go to the window. He was never asked for identification by any employee. He received \$8.50 and a copy of the receipt.

So it would appear, that on May 1, 2006, Pan Pacific purchased a length of wire for \$8.50 and refused to purchase some tools. They didn't ask for identification from the person from whom they purchased the wire. That is an entirely innocuous transaction. There was no good reason to ask the vendor to produce identification.

The second transaction on that day is documented in the report as follows:

On May 1st, 2006 at approximately 2:28 PM, two undercover officers drove to Pan Pacific Recycling in a truck loaded with the following items: Richmond street signs, 12 meters of hydro cable, 5 older aluminum Pattison slats (that still had billboard sign paper on one side), 8 pieces of Telus cable (varying 2-7 feet), 26 various Richmond signs (crosswalk, turn, no stop, pay parking, etc), 10 various Vancouver street signs, 2 aluminum sign posts, various aluminum scrap, 1 aluminum Telus junction box, 1 Viacom slat (folded). They placed the signs on the scale face up clearly showing what was on them. They were directed by the employee to throw the signs up towards the back of the dumpster. Once the signs

were at the rear of the dumpster they were no longer visible to anyone in the building. The undercover officer wrote a false name and address on the receipt. They took the receipt to the cashier and received a copy of the receipt and \$360.25 cash for a total of 171 lbs of aluminum and 290 lbs of copper wire. Pan Pacific Recycling took everything in the back of the truck, no questions asked."

Following up on the comments in the report earlier about how thieves transport stolen property (by foot, on bicycles, using shopping carts and by truck) and from the numerous references to "identification", I assume that one of the issues is determining the identities of those who are selling the material. I wrote to you (letter dated August 17, 2006) (Tab 8), to advise that Pan Pacific has installed surveillance cameras. Those cameras will record the licence plates of vehicles on Pan Pacific's premises.

With respect to the comment that "Pan Pacific Recycling took everything in the back of the truck, no questions asked", it begs the questions: "Why should they have asked questions" and, assuming they should've done so, "What questions should've been asked"?

Reference can be made to the notes that were taken by the individuals involved in the transaction. In this instance, the notes of PC Smart (Tab 9). At page 1 of 12, he notes: Driving an older model white pick up truck. The description of the materials is on page 3 of 12. All of the material is scrap and the only items which could conceivably give rise to questions are the miscellaneous "road signs". Why would anyone question a "1.2M length of hydro cable"? I don't know what is meant by "aluminum sign post". I assume it is an aluminum pole. I don't know what "several miscellaneous items aluminum" are.

On page 6 of 12, PC 2196 notes most of the signs were "placed face up to clearly show what was on them". He notes immediately thereafter that "T1 and T2 appeared to only have limited English...".

With the exception of one or two people at Pan Pacific, all of the employees speak, read and write no English. The owner has employed a personal assistant to provide translation services. That individual is not involved with the daily transactions with any vendors. I take instructions and provide advice through an interpreter. Noting that the employees “appeared to only have limited English” is an understatement. It is necessary to know that, in order to understand why some of what is presented by the police as “evidence” is meaningless. For example, signing a receipt with initials that do not correspond with the name on the receipt (see the first full paragraph on page 3 of 4 of the report to City Hall) (Tab 7) means nothing to someone who cannot read English.

I will assume, however, that the employees can recognize what assorted road signs are. Should they assume that the signs were stolen? In his memo dated July 26, 2006, Mr. Duarte states that “City street signs should not be in the possession of ordinary individuals. What does the City do with the hundreds of signs each year that are damaged, obsolete, or replaced for one reason or another? Where did the police get the signs? Presumably they were provided by the City, but were they old signs that were slated for destruction? I assume that such signs are sold for scrap metal. It would be irresponsible to send them to the dump. It is reasonable to assume that someone takes them to be recycled. Again, there is nothing nefarious about this transaction. The wording of the report, however, (“they were directed by the employee to throw the signs up towards the back of the dumpster”) makes it appear as if the employees were complicit in some sort of attempt to conceal the signs.

The report also states that the undercover officer wrote a false name and address on the receipt. What is Pan Pacific supposed to do about that? Are they supposed to have a means of verifying

the information provided to them by their customers? If they are, then that should apply to all such merchants and should be spelled out in a bylaw.

Bylaw 7538 (Tab 3), Part Nineteen, regulates Second-Hand Dealer/Pawnbroker. Subsection 19.1.1 of that bylaw requires the pawnbroker to record “the name and address of the person from whom (the item) was purchased”. It does not mandate that the information must be verified or prescribe how that must be done. Subsection 19.1.1(a)(v) requires the pawnbroker to record the make, description and provincial licence plate number of any vehicle used for the delivery of (the items). Again, Pan Pacific has surveillance video and, as will be seen in a moment, the employees do record licence plate numbers when vehicles are used.

It should be noted that the pawnbroker industry is vastly different from the trade in scrap metal. Scrap metal dealers don’t purchase and sell rings, musical instruments, watches, coins or other items that have intrinsic value and all of which could potentially be stolen. They buy and sell chunks of scrap metal. One of the reasons for carefully regulating the pawnbroker industry is because of the potential for trafficking in stolen merchandise. That has been a problem inherent to that industry for decades.

The theft of scrap metal is a relatively recent phenomenon. “Project Alchemy” is at least one way the police have seen fit to deal with the problem. However well-intentioned, the project was misguided. It has not targeted the culprits. One positive thing that may have resulted, is an indication that a specific bylaw should be drafted to regulate the industry. That won’t resolve the underlying problem of theft, but it may be one of a series of steps that can be taken to address the problem. Another would be a more concerted and direct commitment from the police to deal with the thieves.

Getting back to the street signs, if Pan Pacific assumed that those, or any of the goods sold during "Project Alchemy" were stolen and phoned the police, will the police attend and charge the person in possession of the goods (or at least investigate)? If they will, the problem is solved. If they will not, then the questions are: Why not? And what is Pan Pacific expected to do?

The fact is, the police are not going to attend every time Pan Pacific phones to say that a vendor has arrived with goods that could conceivably be stolen. Either they won't bother to attend, or they won't arrive for a considerable length of time. Are the employees of Pan Pacific expected to detain the vendor?

It appears that what is being suggested is that the employees of Pan Pacific must exercise their discretion to decide whether or not the goods are stolen. Alternatively, the employees of Pan Pacific should conduct an investigation. Consider a scenario using a situation similar to one contrived for "Project Alchemy". John Smith has some old aluminum ladders that are no longer of use and some wire cable left over from a renovation project. He drives his old pick up to Pan Pacific to dispose of the material. Upon arrival, he is questioned by employees of Pan Pacific about the source of his material. He is asked to identify himself and to produce ID and the license plate number of his truck is recorded. Mr. Smith would deservedly be upset.

Pan Pacific could simply refuse to deal in a wide variety of materials, but who decides how broad a description is used and how does that contribute in any way to a solution, unless all scrap metal recyclers use the same broad description? Moreover, what happens to the hundreds of tons of perfectly legitimate material that can no longer be recycled because it falls under the broad description?

These are the same sorts of issues recently faced by a Vancouver merchant (Cheapskates) that has been in the news recently. There has never been any suggestion that that merchant has ever done anything dishonest, yet he has found himself in possession of stolen goods. Changes to the bylaw regulating his industry will likely put him out of business. That points back to the bigger issue which is, how to draft a bylaw that will not cripple the industry, but which will be part of a solution to the underlying problem.

The transaction on May 3, 2006 at 10:25 A.M. is recounted on page 2 of the report (Tab 7) in the middle paragraph. The report confirms that the undercover officer arrived in a truck. It is noted that an employee of Pan Pacific recorded the licence plate number of the truck.

The materials in the report include "1 Telus walk in phone booth – no phone". The police notes (Tab 10) however, state that the booth is "already in three pieces" (page 4 of 18). So in fact what was being sold was an aluminum frame of some sort that was in pieces.

The transaction again involved a number of signs. I won't repeat the comments I've already made with respect to whether or not it should be assumed that the signs were stolen. However, the report is entirely misleading. It states that "one of the employees asked about the signs, suggesting that they are stolen (emphasis added) and pointed to the sign above the scale which says "stolen property is not accepted".

The police notes state (Tab 10, page 6 of 18):

"I start to remove the signs. T2 then in very broken English asks about the signs, she appears to suggest to me that they are stolen and points to the sign ...above the scale that states that stolen property is not accepted, I tell her (T2) that I found them."

PC 2196 Smart did not record what "T2" said. Presumably because he had no idea what she said. It is unknown how he was able to infer that whatever she said suggested that she knew the signs were stolen. It is clear that she spoke very broken English and that PC 2196 Smart did not understand her. It defies common sense, more importantly the laws governing procedural fairness, to determine the rights of Pan Pacific based upon inferences drawn by one party conducting an investigation that began with a clear bias. But, as I have stated, that report was forwarded to Mr. Duarte and appears to have simply been accepted at face value. More than that, Mr. Duarte concluded from the report that Pan Pacific was guilty of criminal conduct.

Half of the paragraph is dedicated to the 5 aluminum ladders (2 with Vancouver Fire Department written on them). Again, the writing is meaningless to anyone who doesn't read English. It is also unclear whether the words "Vancouver Fire Department" were written on or whether the ladders were simply stamped with "VFD".

The ladders were not taken by Pan Pacific. They fall under the broad description of goods that Pan Pacific will not take. Pan Pacific adopted that description voluntarily – there is nothing that proscribes recycling old aluminum ladders. The ladders were accepted only after PC 2196 Smart went off the premises and cut them up into "about 15 pieces". The notes state that he "cut the ladders into short sections and some bits down the middle" (page 14 of 18). He does not indicate how long he took, but the police notes indicate that when he returned, the Pan Pacific employees seemed hurried as there was more vehicular traffic (**Tab 10, page 16 of 18**). There is nothing to suggest that the employees recognized him. They simply purchased a number of scrap pieces of old ladders.

This sale exemplifies the problem faced by Pan Pacific if they are expected to police the transactions without the benefit of any regulations. Should it be assumed that all ladders are stolen? Should the police be called when a vendor arrives with a ladder that he is attempting to sell for scrap? What if the ladders are obviously decrepit and unusable? What if the ladders are cut into pieces that render the ladder barely recognizable as such? Is it acceptable to buy ladders for scrap metal if the vendor identifies himself? If so, what form of identification is acceptable? What other goods should the employees of Pan Pacific assume to be stolen? Should the police be called in relation to other goods? Which ones?

At the conclusion of the report (Tab 7), there is a reference to an “enforcement project” conducted by the police on July 29, 2006. One purpose of the project was to “conduct possession of stolen property investigations”. Another was to “query all individuals for any outstanding warrants or breaches going to Pan Pacific Recycling”. Leaving aside that such arbitrary searches are a blatant violation of the law, not one single item of stolen property was detected. A number of tickets were issued (it’s not clear what they were for) and some vehicle inspection notices and orders were issued. Those results would likely have occurred in any area in the lower mainland and have nothing to do with the business being conducted by Pan Pacific. They are completely unrelated to this licensing issue.

The reference to “enforcement project” is both enlightening and disturbing. The project appears to be the only direct attempt to target the thieves. It is disturbing because, while it targets thieves, it does so by focussing on people going into Pan Pacific. Imagine having the police outside your door questioning anyone coming to visit you. That cannot be tolerated.

It is enlightening however, because despite the assumption that Pan Pacific is knowingly dealing in stolen scrap metal, there isn't a single report of any stolen scrap metal being discovered. Despite that not one single query conducted during the "Enforcement Project" resulted in the discovery of stolen scrap metal, this reference has been included in this "Show Cause Hearing" memo. There is only one reason why it would have been included. That is to give the impression that there is a criminal element that frequents Pan Pacific and that is somehow proof that Pan Pacific is complicit in the theft of scrap metal.

It is plain from some of the material that has been provided, that this project has been conducted with an obvious bias. In his memo dated July 26, 2006, Mr. Duarte states (paragraph 3):

"The Vancouver Police Department commenced an undercover operation called "ALCHEMY", targeting unscrupulous scrap metal dealers who were knowingly obtaining stolen metal products in exchange for cash. This 20 person operation was later assisted by Richmond RCMP members in targeting a Richmond based scrap metal dealer, **Pan Pacific Recycling Inc.**, using samples of obvious distinct examples of stolen products." (underlined emphasis added)

Once again, some of Mr. Duarte's comments are libellous, although in this particular paragraph he does not directly say that Pan Pacific's employees are unscrupulous or knowingly obtaining stolen goods. Any doubt however, is removed two paragraphs later, where Mr. Duarte does expressly libel Pan Pacific.

I refer to "Attachment 1", appended to Mr. Duarte's memo. Mr. Duarte identifies it as a brief report provided by Cst. K. Ramsay. The police notes that have been provided are those of PC 2167 Frow and PC 2196 Smart. It is unknown what, if any, role Cst. Ramsay played in the transactions. This document is similar to the other document entitled "Show Cause Hearing". It

again relates to a number of transactions conducted at Pan Pacific on three separate days. The fifth paragraph notes that the transactions at Pan Pacific initially involved “generic items that could be legitimately obtained and sold”. Interestingly, the document entitled “Show Cause Hearing” relates each of the transactions as if they all involved highly suspicious or obviously stolen materials. No attempt has been made to demonstrate which items were “generic” and could be “legitimately obtained and sold”. One example of an item that allegedly could be “easily identified as stolen property” were “Pattison and Viacom sign materials” because those are “the only two companies in the City of Vancouver utilizing a unique high grade aluminum signboard material”. There is no clearer indication of what the “sign materials” looked like or how anyone could be expected to know that the materials were high grade aluminum utilized by only two sign companies in Vancouver.

The document also states on page 4 of 5 (first full paragraph):

“The theft of metal has created a profitable environment for thieves and scrap metal dealers. The thieves steal the metal and take it to the scrap metal dealers for cash. The thieves use the cash to purchase items such as drugs. The scrap metal dealers are receiving huge profits due to the increased prices for metal.”

The author of the report does not indicate how he is able to conclude that the “theft of metal has created a profitable environment for ... scrap metal dealers.” In any event, he is mistaken. The vast majority of business conducted by Pan Pacific has nothing to do with the walk in trade. Pan Pacific purchases and sells containers of metal located throughout North America. It takes many days and a great deal of labour to assemble and sort through the bits of scrap metal brought in by individuals. The materials are then packed into a container which is shipped abroad. The author of “Attachment 1” undoubtedly has no idea of the cost of storing, assembling, sorting and packing the materials or of the shipping costs or of the business overhead. He clearly is unaware

that this constitutes only a small fraction of the business conducted by Pan Pacific. But it makes the report more interesting to assert that this is enormously profitable for Pan Pacific, that it is tied to the drug trade and that it contributes to the thefts. The fact is, the scrap metal dealers earn a profit based upon the margin between the price they pay for the metal from their suppliers and the price for which they sell it to their buyers. Typically, that is one or two cents per pound. In order for a container to be shipped abroad at a profit, it must contain thousands of pounds of metal. The profit on each container is sufficiently modest that many have to be sold for the business to operate successfully.

Pan Pacific embraces the idea of working with the municipality and the police to regulate the industry. Just as the police feel frustrated about their inability to solve this problem on their own, neither can it simply be laid at the feet of merchants like Pan Pacific. The underlying problem is theft of objects containing metal. The problem is not the scrap metal industry.

My clients have tried diligently to question and screen people they suspect may be trying to sell stolen goods. Not all of those who have been questioned have responded in a positive manner.

(Play the tape and point out that that is what happens when Pan Pacific is asked to police their customers)

The Solution

If one accepts the premise that scrap metal dealers are an integral part of the cycle of theft, then it is reasonable to impose regulations that will have the effect of filtering out the illegal transactions from legitimate business.

First and foremost, the regulations must be uniform to the industry. Efforts should be made to have the regulations in the various municipalities made uniform. Regulating only one municipality could otherwise simply result in a shift of operations. That is, scrap metal would still be stolen in Richmond but then might be sold to dealers in other municipalities. That does nothing to help resolve the problem. Pan Pacific will be happy to participate in the process of creating a bylaw to regulate its industry. Feedback should be sought from all of the merchants to ensure that any regulations are practical, meaningful and enforceable.

My clients have already instituted the following measures of their own accord:

1. Surveillance cameras.
2. Creation of customer files requiring personal information from suppliers.
3. Requesting picture ID.
4. Paying suppliers, at least in part, by cheque for transactions exceeding \$500.00.

As indicated, my client has been the target of threats by customers who have been scrutinized. Policing is, therefore, an important part of any program to regulate the industry. Hopefully, the police will put as much effort into working with the City and the scrap metal dealers as they put into "Project Alchemy".

Recent Amendments to Bylaw 7538

A copy of the Bylaw is at **Tab 12**. Effectively what has been done, is Scrap Metal dealers have been included with Second Hand Dealers and Part Nineteen of Bylaw 7538 has been very extensively amended. The more significant changes include the requirement to maintain a detailed record of transactions and for transmission of those records to the police. It is unknown

whether the police have yet established the database for reporting or the site licence and password. In addition, goods must be held for 7 days and quarantined unless purchased from another licensed scrap metal dealer.

These amendments seem to incorporate the very things that "Project Alchemy" suggested ought to have been done last year. Some of these requirements are simply onerous, while others may not be enforceable. In any event, they clearly demonstrate my point. These are the kinds of requirements that were not in force last year. This would be a different hearing if these amendments were in force last year.

The report to City Council should simply state that as a result of Project Alchemy and scrutiny of the scrap metal business, it became apparent that regulations were required and they have been put into effect.



CITY OF RICHMOND

BUSINESS LICENCE

BYLAW NO. 7360

EFFECTIVE DATE – JUNE 24, 2002

CONSOLIDATED FOR CONVENIENCE ONLY

This is a consolidation of the bylaws below. The amendment bylaws have been combined with the original bylaw for convenience only. This consolidation is not a legal document. Certified copies of the original bylaws should be consulted for all interpretations and applications of the bylaws on this subject.

AMENDMENT BYLAW

EFFECTIVE DATE

Bylaw No. 7432
Bylaw No. 7464
Bylaw No. 7808

November 12, 2002
December 8, 2003
October 25, 2004

CITY OF RICHMOND

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- 4.5.1 Every licence is considered to be personally issued to the licensee.
- 4.5.2 Where a business is carried on by two or more persons in partnership, only one licence, which must be taken out in the name of the partnership, is required.
- 4.5.3 Subject to the *Local Government Act*, the Licence Inspector has the power to grant, issue, renew, suspend or transfer licences.

PART FIVE: BYLAW VIOLATIONS AND PENALTIES

5.1 Any licensee, operator, or any other person who:

- (a) violates or who causes or allows any of the provisions of this bylaw to be violated; or
- (b) fails to comply with any of the provisions of this, or any other applicable bylaw or statute; or
- (c) neglects or refrains from doing anything required by this bylaw; or
- (d) fails to maintain the standard of qualification required for the issuance of a licence under this bylaw; or
- (e) makes any false or misleading statement,

is deemed to have committed an infraction of, or an offence against this bylaw, the **Business Regulation Bylaw** or the **Vehicle for Hire Regulation Bylaw**, whichever is applicable, and is liable on summary conviction, to the penalties provided for in the *Offence Act*, and each day that such violation is caused or allowed to continue constitutes a separate offence, and may result in the suspension, cancellation or revocation of the licence in question.

5.2 Subject to the *Local Government Act*, Council may:

- (a) revoke or cancel a licence issued under the provisions of this bylaw; and,
- (b) refuse to grant the request of an applicant under this bylaw.

5.3 Every licensee must comply with the requirements of this, or any other bylaw of the City which governs or regulates the business for which such licence was granted, and must comply with any requirements imposed by the Medical Health Officer, and any person failing to comply with the requirements of this Part is guilty of an infraction of this bylaw and liable to the penalties specified.



CITY OF RICHMOND

BUSINESS REGULATION

BYLAW NO. 7538

EFFECTIVE DATE – JULY 28, 2003

CONSOLIDATED FOR CONVENIENCE ONLY

This is a consolidation of the bylaws below. The amendment bylaws have been combined with the original bylaw for convenience only. This consolidation is not a legal document. Certified copies of the original bylaws should be consulted for all interpretations and applications of the bylaws on this subject.

AMENDMENT BYLAW

Bylaw 7581
Bylaw 7767

EFFECTIVE DATE

September 22, 2003
July 28, 2004

CITY OF RICHMOND
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- (b) imported farm produce, provided:
 - (i) such farm produce is of a general class or kind not grown in British Columbia; or
 - (ii) at the time of sale or display, no British Columbia grown farm produce of such general class or kind is available through established commercial farm produce marketing organizations.

18.4.2 Every Class C roadside stand operator must place in a visible location, to any person looking at any individual class or kind of farm produce displayed in such roadside stand, a legible sign, stating in letters not less than 4 centimetres (1.6 inches) in height, the country of origin of each class or kind of such farm produce.

18.4.3 A Class C roadside stand operator must not sell or display any goods other than farm produce and firewood, provided that the sale of firewood is ancillary to the sale of farm produce.

PART NINETEEN: SECOND HAND DEALER/PAWNBROKER REGULATION

19.1 Second-Hand Dealer/Pawnbroker Obligations

19.1.1 Every second-hand dealer/pawnbroker must:

- (a) keep a record of all second-hand items purchased, in a second-hand dealer/pawnbrokers' register, and must record in such register, at the time of purchasing or otherwise receiving such second-hand items, the following:
 - (i) the time and date at which each second-hand item was purchased;
 - (ii) an account and a description of each second-hand item purchased, including a notation of any distinctive marks and names on such item;
 - (iii) the price paid for each second-hand item;
 - (iv) the name and address of the person from whom such second-hand items were purchased; and
 - (v) the make, description and provincial licence plate number of any vehicle used for the delivery of such second-hand items;
- (b) produce upon request, during business hours, the second-hand dealer/pawnbrokers' register for inspection by the Police Chief or the Licence Inspector, and must upon request, provide the second-hand dealer/pawnbrokers' register to such person for inspection elsewhere, or for use as evidence in court or other proceedings;

- (c) present to the **Police Chief** at his request, any **second-hand items** in the **second-hand dealer/pawnbroker's** possession, for which a request for inspection has been made; and
- (d) place and maintain his name and address on:
 - (i) the front of the premises in which he carries on **business**; and
 - (ii) both sides of any vehicle used in connection with such **business**.

19.1.2 Notwithstanding the provisions of clause (a) of subsection 19.1.1, a **second-hand dealer/pawnbroker** is not required to record in the **second-hand dealer/pawnbrokers'** register the **purchase** of new items which have been obtained from a licenced **business** for the **second-hand dealer/pawnbroker's** own use and not for resale.

19.2 Second-Hand Dealer/Pawnbroker Prohibitions

19.2.1 A **second-hand dealer/pawnbroker** must not:

- (a) **purchase** a **second-hand item** from a person under the age of 18; or
- (b) alter, repair, dispose of, or in any way part with a **second-hand item** **purchased** by him, or allow a **second-hand item** to be removed from his premises, or otherwise dispose of such item until after the expiration of 72 hours from the time of **purchase**, exclusive of Sundays and statutory holidays.

19.2.2 During the 72 hour period stipulated in clause (b) of subsection 19.2.1, such **second-hand items** must be segregated and kept apart from all other items on the **second-hand dealer/pawnbroker's** premises and must be available for inspection by the **Police Chief**, during **business** hours.

19.2.3 Notwithstanding the provisions of subsection 19.2.2:

- (a) the **Police Chief** may require a **second-hand dealer/pawnbroker** to retain a **second-hand item** in his possession for longer than 72 hours from the time of **purchase**, and in such circumstances, none of the **second-hand items**, nor any part of them, can be disposed of or removed from the premises of the **second-hand dealer/pawnbroker** without the written consent of the **Police Chief**; and

- (b) a second-hand dealer/pawnbroker may, upon purchasing a second-hand item, notify the Police Chief in writing of the second-hand dealer/pawnbroker's desire to resell or otherwise dispose of such item before the expiration of the 72 hour period, whereupon after giving written notification, the second-hand dealer/pawnbroker must hold the article for 24 hours excluding Sundays and statutory holidays, and he may dispose of such item if after that time he has received a written release from the Police Chief.

19.2.4 Where second-hand items have been purchased by a second-hand dealer/pawnbroker from another second-hand dealer/pawnbroker who has had such items in his possession for a period of time longer than required under clause (b) of subsection 19.2.1, the Police Chief may authorize the purchaser in writing to dispose of such items without holding them for that period.

PART TWENTY: TATTOO PARLOUR REGULATION

20.1 Operator Prohibitions

- 20.1.1 A tattoo parlour operator must not permit any person under the age of 18 to be tattooed, unless with the written consent of the person's parent or guardian.

PART TWENTY-ONE: TELEPHONE SALES OFFICE REGULATION

21.1 Operator Obligations

- 21.1.1 Every telephone sales office operator must advise the Licence Inspector, in writing, not later than 24 hours after any change has been made to any of the information which must be provided to the Licence Inspector to obtain a telephone sales office licence, as stipulated in the Business Licence Bylaw.

PART TWENTY-TWO: VIOLATIONS AND PENALTIES

22.1 Any licensee, operator, or any other person who:

- (a) violates or who causes or allows any of the provisions of this bylaw to be violated; or
- (b) fails to comply with any of the provisions of this, or any other bylaw or applicable statute; or
- (c) neglects or refrains from doing anything required under the provisions of this bylaw or the Business Licence Bylaw; or
- (d) fails to maintain the standard of qualification required for the issuing of a licence; or
- (e) makes any false or misleading statement,

is deemed to have committed an infraction of, or an offence against, this bylaw or the **Business Licence Bylaw**, whichever is applicable, and is liable on summary conviction, to the penalties provided for in the *Offence Act*, and each day that such violation is caused or allowed to continue constitutes a separate offence and may result in the suspension or cancellation of the licence.

PART TWENTY-THREE: ADMINISTRATION AND ENFORCEMENT

- 23.1 The Licence Inspector, Building Inspector, Medical Health Officer, or Police Chief are hereby authorized to enter at any reasonable time, the premises of any business regulated under this bylaw, to determine whether the provisions of this bylaw are being, or have been complied with; and it is unlawful for any person to prevent or obstruct the Licence Inspector, Building Inspector, Medical Health Officer or Police Chief from the carrying out of any of their duties with respect to the administration and enforcement of this bylaw.

PART TWENTY-FOUR: PREVIOUS BYLAW REPEAL

- 24.1 Milk and Cream Products Delivery Regulation Bylaw No. 1118 (adopted May, 1949), is repealed.
- 24.2 Meat and Fish Sale Bylaw No. 1218 (adopted July, 1952), and Amendment Bylaw No. 1411 (adopted June, 1956), are repealed.
- 24.3 Automobile Service Station Closing Hour Extension Bylaw No. 1912 (adopted July, 1962), is repealed.
- 24.4 Discotheque Regulation Bylaw No. 2120 (adopted March, 1965), is repealed.
- 24.5 Shop Closing Exemption Bylaw No. 2194 (adopted November, 1965), is repealed.
- 24.6 Business Regulation Bylaw No. 7148 and the following amendment bylaws are repealed:

<u>BYLAW NO.</u>	<u>ADOPTED ON</u>
Bylaw No. 7172	November 28, 2000
Bylaw No. 7188	December 11, 2000
Bylaw No. 7167	July 23, 2001
Bylaw No. 7284	October 22, 2001
Bylaw No. 7290	November 26, 2001
Bylaw No. 7298	December 10, 2001
Bylaw No. 7316	January 28, 2002
Bylaw No. 7330	March 25 th , 2002
Bylaw No. 7334	April 8 th , 2002
Bylaw No. 7390	July 8 th , 2002
Bylaw No. 7397	July 29 th , 2002
Bylaw No. 7223	October 15 th , 2002
Bylaw No. 7426	October 15 th , 2002
Bylaw No. 7557	January 13 th , 2003
Bylaw No. 7504	June 9, 2003



City of Richmond
Business & Financial Services Department

Memorandum

To: Amarjeet Rattan
Chief Licence Inspector

Date: July 26, 2006

From: Victor M. Duarte
Business Licence Inspector

File: 951187

Re: Pan Pacific Recycling - Unit # 140-13900 Mitchell Road

With soaring prices for ferrous and nonferrous metals climbing by 20 to 80 %, there, has been an increase in theft of metal products, which are then sold to scrap metal dealers. This has become so problematic, that the City of Richmond and taxpayers have been effected as well as other municipalities in the lower mainland. Items like street signs, copper wiring from lamp standards, aluminium goal posts in parks, and brass memorial plaques are but just a small sample of items being targeted by thieves.

This has become a problem that has effected many taxpayers and businesses in the lower mainland. Pattison and Viacom Outdoor Advertising alone, have incurred losses of about \$1 million dollars so far this year. As a result of this onerous effect on Pattison and Viacom, a sample board of material used by Pattison and Viacom was made and delivered to each scrap metal dealer along with a letter informing each scrap metal dealer that should any of this material be brought into their business, it would be stolen, and instructions to contact police, as any conscientious law abiding business would do.

The Vancouver Police Department commenced an undercover operation called "*ALCHEMY*", targeting unscrupulous scrap metal dealers who were knowingly obtaining stolen metal products in exchange for cash. This 20 person operation was later assisted by Richmond RCMP members in targeting a Richmond based scrap metal dealer, Pan Pacific Recycling Inc., using samples of obvious distinct examples of stolen products.

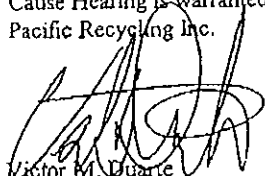
These items consisted of city street signs, traffic signals, pedestrian walk/don't walk light housings, Vancouver Fire Department brass fire hose nozzles, Vancouver Fire Department ladder, Hydro Cable, Telus Cable, a Telus phone booth, and some Pattison and Viacom special aluminium slats as examples of items being so distinct, the business should have known they would be stolen if in possession of ordinary individuals. In some cases Pan Pacific Recycling Inc. employee would state and point to a sign stating they do not take stolen items, but taking items anyway. Cst. K. Ramsay has provided a brief report of undercover operation detailing items Pan Pacific Recycling accepted. See Attachment 1.

Scrap metal dealers are not currently regulated by bylaw in the City of Richmond, however this does not negate Pan Pacific Recycling Inc. from operating within the guidelines of the Criminal Code, knowingly dealing in and possessing stolen property. There is reasonable evidence to believe that Pan Pacific Recycling Inc. should have been aware that the items they were dealing with would have been stolen, and continued to deal with them anyway. City street signs should not be in the possession of ordinary individuals. Telus phone booths are property of Telus and should not be in possession of ordinary individual. Viacom and Pattison special aluminium slats are unique to these two corporations. Further, Viacom and Pattison took it upon themselves to visit all the scrap metal dealers and provide a sample board as well as detailed instructions that these items would not be recycled. Emphasizing, if found to be brought into their business, to contact police as it would be stolen property. Yet Pan Pacific Recycling Inc. did purchase quantities of this item.

June 15, 2006

- 2 -

In careful consideration of the business practices and blatant misconduct, it is the undersigned's belief a Show Cause Hearing is warranted in order to prevent the continuation of the delinquent business practices of Pan Pacific Recycling Inc.



Victor M. Duarte
Business Licence Inspector

VMD:vmd

pc: Cst. K. Ramsay
Richmond RCMP Police

Theft of Metal in Richmond

ATTACHMENT 1

heft of metal is an enormous problem in the Lower Mainland. It media over the past several months. Current market conditions ls such as aluminum and copper very profitable. Thieves are r the Lower Mainland and taking them to scrap metal dealers.

Vancouver Police Department wanted to reduce the theft of partment decided that targeting the scrap metal dealers would

at created a project named ALCHEMY. Project ALCHEMY creased rate of metal theft and the purchasing of this stolen The City of Vancouver has specific Bylaw regulations ic Vancouver Police Department wanted to ensure compliance / any Criminal Code charges.

ice Department conducted an undercover operation. The l as thieves trying to pawn items disguised as stolen property. e recover Officers from the Vancouver Police Department lice. scrap metal dealers.

ere these transactions took place was Pan Pacific Recycling, he transactions that occurred at Pan Pacific Recycling were d on three separate days. Initially the undercover operators sold nately obtained and sold. Later they began to sell items which a property. The items included the following: City street signs, hts, Pattison and Viacom sign materials, copper wire, bronze Vancouver Fire department brass fire hose nozzles and t. These items were either clearly marked by the property usiness. For example, Pattison and Viacom Outdoor companies in the City of Vancouver utilizing a unique high al. Over the past year, these companies have experienced minum as a result of these thefts. The property value with these two companies alone totals almost \$1,000,000.000. avid Struthers of Viacom Outdoor Advertising attended Pan C. A sample board of materials used by Pattison and Viacom e that the stolen materials could easily be recognized. The r with instructions that should any of these materials be len property and to contact Police, as any legitimate business

ed these items by foot, on bicycles, using shopping carts, and on commonly utilized by thieves.

f the transactions that occurred at Pan Pacific Recycling :

nately 10:08 AM, an Undercover Officer cycled to Pan Pacific of unstripped wire over his shoulder and a sports bag of larger he employees assisted the Undercover Officer by putting the wire : asked the Undercover Officer for his 'name' while holding out a he employee did nothing to confirm the Undercover Officer's or was then directed to a window where he passed through the h and a copy of the receipt.

nately 10:18 AM, an Undercover Officer walked into Pan il of insulated copper wire, 2 spools of insulated copper wire, and female employee pointed to a sign that read 'No stolen goods, no take". A male employee lead the Undercover Officer outside nd asked if he had brought it . The Undercover Officer told him nside and the Undercover Officer placed the items on the scale. vn the weight (24 lbs) and a total amount of \$19.20 on the op of the receipt, and told the Undercover Officer to write his gave him the receipt and pointed to a window. The Undercover v which was boarded up except for a small slot and received a as"

nately 10:23 AM, an Undercover Officer walked into Pan Pacific of old dirty copper cable (40 lbs) and a green aluminum housing le the female employee asked the Undercover Officer "where is ked." She then indicated for the Undercover Officer to put the re on the scale and then threw the cable in a nearby bin. He the scale. The female filled out a written receipt for 42 lbs. of She had the Undercover Officer write his name and sign the r window and received \$55.90 cash.

ely 2:50 PM, an Undercover Officer cycled into Pan Pacific ulated copper wire, 1 Snap On cordless drill, 1 new Western walt drill. The Undercover Officer placed the wire and tools on said they don't take tools. Another employee said they don't e Dewalt drill and said "five bucks". The Undercover Officer l \$5.00 was low. The employee walked away. The employee out the tools on the receipt and asked the Undercover Officer to eipt. He took the receipt and was told to go to the window. He n by any employee. He received \$8.50 and a copy of the

ely 2:28 PM, two Undercover Officers drove to Pan Pacific the following items: Richmond street signs, 12 meters of hydro slats (that still had billboard sign paper on one side), 8 pieces (vary distinguishable because there are approximately 400-800

ick heavy plastic coating), 26 various Richmond signs (crosswalk, , 10 various Vancouver street signs, 2 aluminum sign posts, nimum Telus junction box, 1 Viacom slat (folded). The signs on the scale face up clearly showing what was on them. loyee to throw the signs up towards the back of the dumpster. of the dumpster they were no longer visible to anyone in the er Officers wrote a false name and address on the receipt. The shier and the Undercover Officer received a copy of the receipt of 171 lbs. of aluminum and 290 lbs. of copper wire. Pan Pacific ie back of the truck, no questions asked.

ately 10:25 AM, an Undercover Officer drove to Pan Pacific ems in the back of the pick up truck: 1 Telus walk in aluminum t Richmond road and street signs, 6 aluminum parking restriction ith Vancouver Fire Department written on them), and 2 coils of d 1 x 75 ft). One of the employees asked about the signs, a and pointed to the sign above the scale which says 'stolen Undercover Officer said he found them and the employee said ee assisted by loading the phone box onto the scale, no questions adders' and the Undercover Officer said he could cut them up. g 'no ladders'. The employee recorded the plate number en, ee then produced a large bundle of cash and handed the ho Undercover Officer asked the other employee 'will you take The employee muttered something but didn't not say no. The uok outside in front of the building. He pulled out all the ladders ng all the ladders with a hacksaw and making lots of noise using d out and said 'no cut ladder here, no cut ladder here, go up provided an excuse and continued cutting the ladders. He cut 15 pieces. The Undercover Officer then re-entered the building le. The same two employees weighed the metal and helped dump m. The Undercover Officer completed another receipt and was as provided this time.

ately 11:02 AM, an Undercover Officer walked into Pan Pacific 2 ft. lengths of Telus wire, 3 pieces of Pattison aluminum slats, a 'VFD". He placed the 3 Pattison sign slats on the scale. The Undercover Officer then put 5 pieces of Telus cable on the scale e. He believed that the employee had said "I know" The le then handed the employee the brass nozzle with the "VFD: he employee wrote the weights down on the receipt and then Undercover Officer to write his name and sign it. He wrote a employee took a large bundle of cash from her back pocket and hen opened a desk drawer and took some change out of it. He ion was requested.

tely 11:08 AM, an Undercover Officer walked into Pan Pacific

lengths of Telus cable, 2 bronze cemetery grave markers, 1 coil of 5 pieces of Telus wire and the coil of copper wire onto the scale. He then unzipped his backpack and exposed the bronze grave markers. An employee standing three feet away started to yell 'No No No...No' in a loud voice. A young male employee walked over and extended his foot with his foot and said 'No.... you steal.' The employees would not take the grave markers. The employee pointed at the receipt and said 'The undercover Officer wrote a false name and address and signed it with the name on the receipt. He did not present himself. He was not asked for any. He received \$23.80 at the cashier window

a profitable environment for thieves and scrap metal dealers. The thieves take the metal to the scrap metal dealers for cash. The thieves use the cash to buy more metal. The scrap metal dealers are receiving huge profits due to the high prices for copper, aluminum, and steel are up between 20 and 80 percent. Copper ranges between \$2.00 - \$3.00 per pound. Aluminum is between 60 cents - 75 cents per pound. The money the thieves receive for the stolen metal is a fraction of the cost of

individual homeowners, to businesses, and the City. The thefts cost the public, businesses, and the City millions of dollars each year. The replacement costs for stolen metal in the City of Richmond are as follows:

From a light post, Dermott PITTS, the Electrical Supervisor for the City of Richmond, said that electricians must repair the wire between two poles. The job takes about 3 hours. Electricians are paid \$26.00 per hour. It takes on average three hours to repair the wire between two poles. The average distance between two poles is 200 ft. and the cost is \$1000 for 1000 ft. of wire, which is \$1.00 per foot.

David SHAPIRO, the street sign Foreman for the City of Richmond, said that it costs \$115.45 to install a single sign on a pole. It costs \$81.20 for a sign to have the sign installed.

Maintenance & Operations of School District N.38 (Richmond) said that brass plugs cost \$18 each, flag poles cost \$2,000 each, 3" brass C.O. covers cost \$50.00 each, live copper water piping from the boiler rooms costs \$80.00, goal posts sets range from \$3,000 to \$5,000. The cost for the labour is \$100.00.

The public safety associated with these thefts. Thieves have been electrocuted while attempting to steal live BC Hydro wire. One such thief electrocuted himself while attempting to steal live BC Hydro wire.



City of Richmond

6911 No.3 Road, Richmond, BC V6Y 2C1

Telephone (604) 276-4000

www.city.richmond.bc.ca

August 4, 2006
File: 9511287

Business & Financial Services Department
Business Licences
Telephone: 604-276-4328
Fax: 604-276-4157

Clark Wilson LLP
BC's Law Firm For Business
HSBC Building
800-885 West Georgia Street
Vancouver, BC V6C 3H1

Dear MR. Lahay:

Re: Show Cause Hearing For Pan Pacific Recycling Inc-13900 Mitchell Rd. - Unit # 140

Further to your emailed message of August 3/06 to Mr. A. Rattan, I have been requested to follow up with your information request. Attached please find the following items for your reference:

- 1) Excerpt of Business Licence Bylaw No 7360, Part Five: Violations and Penalties s.5.1(d)
- 2) Business Regulation Bylaw No. 7538, Part Twenty-Two: Violations and Penalties s.22.1(d)

Full copies of these are available at <http://www.richmond.ca/cityhall/bylaws/chapter.htm> for your reference

- 3) My memorandum to Mr. A. Rattan recommending a show cause hearing.
- 4) Report received from Cst. K. Ramsey, Richmond RCMP, pertaining to the undercover operation carried out at Pan Pacific Recycling, Referred to as Attachment 1.

Please feel free to contact the undersigned for any further information that you may require at 604-276-4389.

Sincerely,

A handwritten signature in black ink, appearing to read 'Victor Duarte'.

Victor Duarte
Licence Inspector

VMD:vmd
Att. 4

RICHMOND
Island City, by Nature

AUG 04 2006 15:44 FR CITY OF RICHMOND

604 276 4177 TO 96046876314

P.03/13

- 2 -

pc: A. Rattan

Manager, Business Liaison & Chief Licence Inspector

BYLAW NO. 7360

Page 19

4.5 Miscellaneous Business Licence Provisions

- 4.5.1 Every licence is considered to be personally issued to the licensee.
- 4.5.2 Where a business is carried on by two or more persons in partnership, only one licence, which must be taken out in the name of the partnership, is required.
- 4.5.3 Subject to the *Local Government Act*, the Licence Inspector has the power to grant, issue, renew, suspend or transfer licences.

PART FIVE: BYLAW VIOLATIONS AND PENALTIES**5.1 Any licensee, operator, or any other person who:**

- (a) violates or who causes or allows any of the provisions of this bylaw to be violated; or
- (b) fails to comply with any of the provisions of this, or any other applicable bylaw or statute; or
- (c) neglects or refrains from doing anything required by this bylaw; or
- (d) fails to maintain the standard of qualification required for the issuance of a licence under this bylaw; or
- (e) makes any false or misleading statement,

is deemed to have committed an infraction of, or an offence against this bylaw, the *Business Regulation Bylaw* or the *Vehicle for Hire Regulation Bylaw*, whichever is applicable, and is liable on summary conviction, to the penalties provided for in the *Offence Act*, and each day that such violation is caused or allowed to continue constitutes a separate offence, and may result in the suspension, cancellation or revocation of the licence in question.

5.2 Subject to the *Local Government Act*, Council may:

- (a) revoke or cancel a licence issued under the provisions of this bylaw; and,
- (b) refuse to grant the request of an applicant under this bylaw.

5.3 Every licensee must comply with the requirements of this, or any other bylaw of the City which governs or regulates the business for which such licence was granted, and must comply with any requirements imposed by the Medical Health Officer, and any person failing to comply with the requirements of this Part is guilty of an infraction of this bylaw and liable to the penalties specified.

BYLAW NO. 7538

27

- (b) a second-hand dealer/pawnbroker may, upon purchasing a second-hand item, notify the Police Chief in writing of the second-hand dealer/pawnbroker's desire to resell or otherwise dispose of such item before the expiration of the 72 hour period, whereupon after giving written notification, the second-hand dealer/pawnbroker must hold the article for 24 hours excluding Sundays and statutory holidays, and he may dispose of such item if after that time he has received a written release from the Police Chief.

19.2.4 Where second-hand items have been purchased by a second-hand dealer/pawnbroker from another second-hand dealer/pawnbroker who has had such items in his possession for a period of time longer than required under clause (b) of subsection 19.2.1, the Police Chief may authorize the purchaser in writing to dispose of such items without holding them for that period.

PART TWENTY: TATTOO PARLOUR REGULATION**20.1 Operator Prohibitions**

- 20.1.1 A tattoo parlour operator must not permit any person under the age of 18 to be tattooed, unless with the written consent of the person's parent or guardian.

PART TWENTY-ONE: TELEPHONE SALES OFFICE REGULATION**21.1 Operator Obligations**

- 21.1.1 Every telephone sales office operator must advise the Licence Inspector, in writing, not later than 24 hours after any change has been made to any of the information which must be provided to the Licence Inspector to obtain a telephone sales office licence, as stipulated in the Business Licence Bylaw.

PART TWENTY-TWO: VIOLATIONS AND PENALTIES**22.1 Any licensee, operator, or any other person who:**

- (a) violates or who causes or allows any of the provisions of this bylaw to be violated; or
- (b) fails to comply with any of the provisions of this, or any other bylaw or applicable statute; or
- (c) neglects or refrains from doing anything required under the provisions of this bylaw or the Business Licence Bylaw; or
- (d) fails to maintain the standard of qualification required for the issuing of a licence; or
- (e) makes any false or misleading statement,

BYLAW NO. 7538

28

is deemed to have committed an infraction of, or an offence against, this bylaw or the **Business Licence Bylaw**, whichever is applicable, and is liable on summary conviction, to the penalties provided for in the *Offence Act*, and each day that such violation is caused or allowed to continue constitutes a separate offence and may result in the suspension or cancellation of the licence.

PART TWENTY-THREE: ADMINISTRATION AND ENFORCEMENT

- 23.1 The Licence Inspector, Building Inspector, Medical Health Officer, or Police Chief are hereby authorized to enter at any reasonable time, the premises of any business regulated under this bylaw, to determine whether the provisions of this bylaw are being, or have been complied with; and it is unlawful for any person to prevent or obstruct the Licence Inspector, Building Inspector, Medical Health Officer or Police Chief from the carrying out of any of their duties with respect to the administration and enforcement of this bylaw.

PART TWENTY-FOUR: PREVIOUS BYLAW REPEAL

- 24.1 Milk and Cream Products Delivery Regulation Bylaw No. 1118 (adopted May, 1949), is repealed.
- 24.2 Meat and Fish Sale Bylaw No. 1218 (adopted July, 1952), and Amendment Bylaw No. 1411 (adopted June, 1956), are repealed.
- 24.3 Automobile Service Station Closing Hour Extension Bylaw No. 1912 (adopted July, 1962), is repealed.
- 24.4 Discotheque Regulation Bylaw No. 2120 (adopted March, 1965), is repealed.
- 24.5 Shop Closing Exemption Bylaw No. 2194 (adopted November, 1965), is repealed.
- 24.6 Business Regulation Bylaw No. 7148 and the following amendment bylaws are repealed:

<u>BYLAW NO.</u>	<u>ADOPTED ON</u>
Bylaw No. 7172	November 28, 2000
Bylaw No. 7188	December 11, 2000
Bylaw No. 7167	July 23, 2001
Bylaw No. 7284	October 22, 2001
Bylaw No. 7290	November 26, 2001
Bylaw No. 7298	December 10, 2001
Bylaw No. 7316	January 28, 2002
Bylaw No. 7330	March 25 th , 2002
Bylaw No. 7334	April 8 th , 2002
Bylaw No. 7390	July 8 th , 2002
Bylaw No. 7397	July 29 th , 2002
Bylaw No. 7223	October 15 th , 2002
Bylaw No. 7426	October 15 th , 2002
Bylaw No. 7557	January 13 th , 2003
Bylaw No. 7504	June 9, 2003

SHOW CAUSE HEARING - RICHMOND CITY HALL

Business

Pan Pacific Recycling
5-13900 Mitchell Island Rd.
Richmond, BC

Project Alchemy

Over a two week period, the Vancouver Police Department with the assistance of the Richmond RCMP conducted an undercover operation against 7 licensed scrap metal dealers, 6 in the City of Vancouver and 1 in the City of Richmond which was Pan Pacific Recycling.

The Undercover Officers conducted 9 transactions on three separate days at Pan Pacific Recycling. (April 25, May 1, and May 3, 2006)

The Undercover Police Officers posed as thieves trying to pawn items disguised as stolen property. The Undercover Officers transported these items by foot, on bicycles, using shopping carts, and by truck, all means of transportation commonly utilized by thieves. Pan Pacific Recycling purchased items that could easily be identified as stolen property. Items sold at Pan Pacific Recycling included the following: assorted scrap aluminum and copper wire, 31 City of Richmond signs, 36 City of Vancouver street signs, City of Vancouver pedestrian walk/don't walk light, Pattison and Viacom Outdoor billboard prism and slats, several hundred pounds of Telus telephone cable, marked Vancouver Fire department brass fire hose nozzle, aluminum ladders (some marked as Vancouver Fire Department VFD), Telus Phone Booth, BC Hydro cable. These items were either clearly marked by the property owners or unique to a particular business.

The following are summaries of the transactions that occurred at Pan Pacific Recycling :

On April 25th, 2006 at approximately 10:08 AM, an Undercover Officer cycled to Pan Pacific Recycling carrying a large coil of unstripped wire over his shoulder and a sports bag of larger gauge wire (30-40 lbs). One of the employees assisted him by putting the wire on the scale. Another employee asked the undercover police officer for his 'name' while holding out a pen and pointing to a receipt. The employee did nothing to confirm the Undercover Officer's identity. He was then directed to a window where he passed through the receipt and received \$24.00 cash and a copy of the receipt.

On April 25th, 2006 at approximately 10:18 AM, an Undercover Officer walked into Pan Pacific Recycling carrying 1 coil of insulated copper wire, 2 spools of insulated copper wire, and 1 street sign "Oak St 3000". A female employee pointed to a sign that read 'No stolen goods, no shopping cars etc' and said "no take". A male employee lead the Undercover Officer outside and pointed to a shopping cart and asked if he had brought it. The Undercover Officer told him he walked. They walked back inside and the undercover officer placed the items on the scale. The female employee wrote down the weight (24 lbs) and a total amount of \$19.20 on the receipt. She then put a pen on top of the receipt, and told the undercover officer to write his name and sign it. She gave him the receipt and pointed to a window. The undercover operator walked up to the window which was boarded up except for a small slot. The undercover operator received a copy of the receipt and \$19.20 cash.

On April 25th, 2006 at approximately 10:23 AM, an Undercover Officer walked into Pan Pacific Recycling carrying several coils of old dirty copper cable (40 lbs) and a green aluminum housing for a walk/don't walk sign. Inside the female employee asked him "where is your buggy?" He replied "I walked." She then indicated for the undercover officer to put the wire on the scale. He put the wire on the scale and then threw the cable in a nearby bin. He placed the aluminum housing on the scale. The female filled out a

written receipt for 42 lbs of copper and 11 lbs of aluminum. She had him write his name and sign his receipt. He walked to the cashier window and received \$55.90 cash.

On May 1st, 2006 at approximately 2:50 PM, an Undercover Officer cycled into Pan Pacific Recycling carrying 2 coils of insulated copper wire, 1 Snap On cordless drill, 1 new western rugged spin saw, and 1 used Dewall drill. He placed the wire and tools on the scale. One of employees said they don't take tools. Another employee said they don't take tools and then pointed to the Dewall drill and said "five bucks". The Undercover Officer said the drill was a good one and \$5.00 was low. The employee walked away. The employee completed the sales receipt without the tools on the slip and asked him to fill out his name and sign the receipt. He took the receipt and was told to go to the window. He was never asked for identification by any employee. He received \$8.50 and a copy of the receipt.

On May 1st, 2006 at approximately 2:28 PM, two undercover officers drove to Pan Pacific Recycling in a truck loaded with the following items: Richmond street signs, 12 meters of hydro cable, 5 older aluminum Pattison slats (that still had billboard sign paper on one side), 8 pieces of Telus cable (varying 2-7 feet), 26 various Richmond signs (crosswalk, turn, no stop, pay parking, etc), 10 various Vancouver street signs, 2 aluminum sign posts, various aluminum scrap, 1 aluminum Telus junction box, 1 Viacom slat (folded). They placed the signs on the scale face up clearly showing what was on them. They were directed by the employee to throw the signs up towards the back of the dumpster. Once the signs were at the rear of the dumpster they were no longer visible to anyone in the building. The undercover officer wrote a false name and address on the receipt. They took the receipt to the cashier and received a copy of the receipt and \$360.25 in cash for a total of 171 lbs of aluminum and 290 lbs of copper wire. Pan Pacific Recycling took everything in the back of the truck, no questions asked.

On May 3rd, 2006 at approximately 10:25 AM, an Undercover Officer drove to Pan Pacific Recycling with the following items in the back of the pick up truck: 1 Telus walk in aluminum phone booth box - no phone, 31 Richmond road and street signs, 6 aluminum parking restriction signs, 5 aluminum ladders (2 with Vancouver Fire Department written on them), and 2 coils of Telus phone wire (1 x 100 ft and 1 x 75 ft). One of the employees asked about the signs, suggesting that they are stolen and pointed to the sign above the scale which says 'stolen property is not accepted'. The Undercover Officer says he found them and the employee said nothing more. Another employee assisted by loading the phone box on to the scale, no questions were asked about it. The employee says 'no ladders' and the undercover operator says he can cut them up. The employee refers to the sign saying 'no ladders'. The employee records the plate number of the truck on the receipt. The employee then produces a large bundle of cash and hands the undercover operator \$178.00. The undercover operator asks the other employee 'will you take the ladders if they are cut up?' The employee mutters something but does not say no. The undercover operator drives the truck outside in front of the building. He pulls out all the ladders onto the ground and begins cutting all the ladders with a hacksaw and making lots of noise using a hammer. An employee walked out and said 'no cut ladder here, no cut ladder here, go up street'. The Undercover Officer gives an excuse and continues cutting. He cut the ladders into approximately 15 pieces. The Undercover Officer then re-entered the building and placed the pieces on the scale. The same two employees weighed the metal and helped dump the metal in an area for aluminum. He completed another receipt and was paid \$95.50 cash. No receipt was provided this time.

On May 3rd, 2006 at approximately 11:02 AM, an Undercover Officer walked into Pan Pacific Recycling carrying 5 pieces of 2 ft lengths of Telus wire, 3 pieces of Pattison aluminum slats, a brass fire hose nozzle stamped "VFD". He placed the 3 Pattison sign slats on the scale. The employee weighed them. He then put 5 pieces of Telus cable on the scale and stated that it was Telus cable. He believed that the employee had said "I know". The employees accent was heavy. He then handed the employee the brass nozzle with the "VFD" stamp towards the employee. The employee wrote the weights down on the receipt and then pointed at the receipt telling the Undercover Officer to write his name and sign it. He wrote a false name on the receipt. The employee took a large bundle of cash from her back pocket and took some money from it. She then opened a desk drawer and took some change out of it. He was paid \$22.10. No identification was requested.

On May 3rd, 2006 at approximately 11:08 AM, an Undercover Officer walked into Pan Pacific carrying 5 pieces of 1-1.5 ft lengths of Telus cable, 2 bronze cemetery grave markers, 1 coil of copper wire. He unloaded the 5 pieces of Telus wire and the coil of copper wire onto the scale. He started to unzip his backpack and expose the bronze grave markers inside the bag. The female employee standing three feet away started to yell 'No No No...No take...No take' in a loud animated voice. A young male employee walked over and extended his leg. He forced the backpack closed with his foot and said 'No.... you steal.' He then pointed at the receipt and said 'name, address, sign'. The Undercover Officer wrote a false name and address and signed it with his initials which did not correspond with the name on the receipt. He did not present identification at any point and was not asked for any. He received \$23.80 at the cashier window and a copy of the receipt.

Safety Risk

- stealing telephone cable (loss of 911 service)
- stealing copper wires from light standards (live wire on the street)
- fire ladders, fire hose nozzles and connectors

Replacement Costs

Stolen metal costs the public, businesses, and the City millions of dollars each year. Some examples of the replacement costs for stolen metal in the City of Richmond are as follows:

- 1) Electrical wire from a light post - \$956.00 (labour & material)
- 2) Richmond street sign - \$115.46 (material only)
- 3) School District: fire sprinkler brass plugs \$18.00
 - flag poles \$2,000
 - 3" copper rainwater leaders \$23.00 per foot
 - brass C.O. covers \$50.00 each
 - live copper wire \$500 - \$2,000
 - stripped copper water piping \$1,000
 - brass wall hydrant doors \$80.00
 - goal post sets \$3,000 - \$5,000
 - (material only, labour not included in these prices)

Criminal Charges

No criminal charges can be laid because the materials sold to the dealers were "props" and therefore not stolen property. Police will continue to monitor the businesses.

Enforcement Project

Richmond Crime Reduction conducted an enforcement project on Mitchell Island on July 29, 2006. The purpose of the project was to conduct possession of stolen property investigations, write violation tickets, and query all individuals for any outstanding warrants or breaches going to Pan Pacific Recycling. The following occurred:

- 3 arrests for Breach of Probation (Surrey), Unendorsed warrant (Vancouver), and Driving while Prohibited
- 3 vehicle impoundments
- 1 prohibition notice served
- 6 violation tickets

- 3 notice and orders (vehicle inspection)
- 10 street check files generated

Burnaby File

The victim drove to Pan Pacific Recycling and spoke with the main foreman. The victim stated he had two generators stolen from his Warehouse leasing business. The victim provided the licence plate number of the known scrap metal thief and requested the main foreman contact him or the RCMP if the truck shows up at the business. The male employee suddenly didn't speak English and started pointing at the door. The victim left the business and later returned to the business approximately three hours later. The victim observed the suspect vehicle unloading items. The doors to the business were closed at this time.

Reply Attention of Douglas W. Lahay
Direct Tel. 604.643.3161
Email Address dwl@cwilson.com
Our File No. 28343-0002 / D/DWL/891730.1

James M. Halley Q.C.
M. Douglas Howard
Alexander Petenko
William D. Holder
Diane M. Bell
Kenneth K.C. Ing
Ross D. Tunnicliffe
James A. Speakman
John C. Fiddick
Bonnie S. Elster
William L. Macdonald
Allyson L. Baker
L.K. Larry Yen
Jane Glanville
Sean D. Vanderluit
Cam McTavish
Tasha L. Coulter
Adam M. Dlin

David W. Buchanan, Q.C.
W.W. Lyall D. Knott, Q.C.
Bernard Pinsky
Nigel P. Kent
Anne L.B. Kober
Darren T. Donnelly
Kevin J. MacDonald
Kerstin R. Tapping
D. Lawrence Munn
Virgil Z. Hlus
Aaron B. Singer
Warren G. Brazier
Veronica P. Franco
Peter M. Tolensky
Richard T. Weiland
Steve Veitch
David J. Fenrich
Sarah W. Jones

Derek J. Mullan, Q.C.
William A. Ruskin
Roy A. Nieuwenburg
Douglas W. Lahay
R. Brock Johnston
Mark S. Weintraub
Don C. Sibota
Ethan P. Minsky
R. Glen Boswall
Samantha Ip
Thea L. Koshman
Grant Y. Wong
Krista Prockiw
Thomas S. Wachowski
Adam I. Zasada
Lisa D. Hobman
Kari Richardson

R. Stuart Wells
Patrick A. Williams
William C. Helgason
David W. Kington
Neil P. Melliship
Neo J. Tuytel
Gerald J. Shields
Brock H. Smith
Hannelie G. Stockenstrom
Jonathan L.S. Hodes
Tony Fogarassy
Amy A. Mortimore
Brent C. Clark
Keri T. Grenier
Andrea M. East
Valerie S. Dixon
Vikram Dhur

Associate Counsel: Nicole M. Byres
Associate Counsel: Michael J. Roman

August 17, 2006

BY FAX: (604) 276-4157

City of Richmond
Business & Financial Services
6911 No. 3 Road
Richmond, BC V6Y 2C1

**Attention: Mr. Victor Duarte
Licence Inspector**

Dear Sirs/Mesdames:

Re: Pan Pacific Recycling Inc.
13900 Mitchell Road, Unit #140, Richmond, BC
Your File No. 9511287

Further to my letter to you dated August 14, 2006, I write to provide an outline for discussion with the City of Richmond regarding the above-noted matter.

The underlying problem is the theft of scrap metal and of materials containing metal.

The Vancouver Police began a project named "Project Alchemy". Unfortunately, it was predicated on the assumption that scrap metal dealers are part of the cause of the problem (see: Project Alchemy online report dated 2006-06-05, page 3).

That is no different than claiming that the country of China is to blame as it is the most voracious consumer of the world's scrap metal.

After completing their project, the police enlisted the help of municipal governments asking them to review the licences of certain scrap metal dealers.

No criminal charges were laid because there was no evidence that would withstand judicial scrutiny. The revocation or suspension of business licences is an attempt to circumvent the judicial process.

Whether or not the City can successfully suspend or revoke a business licence without due process, one thing is clear: it will have no impact on the underlying problem.

Assume, for the sake of argument, that Pan Pacific ceases its operations. The cessation of its business operations will have no impact upon the theft of scrap metal and materials containing scrap metal.

If one accepts the premise that scrap metal dealers are an integral part of the cycle of theft, then it is reasonable to impose regulations that will have the effect of filtering out the illegal transactions from legitimate business.

First and foremost, the regulations must be uniform to the industry. Efforts should be made to have the regulations in the various municipalities made uniform. Regulating only one municipality could otherwise simply result in a shift of operations. That is, scrap metal would still be stolen in Richmond but then might be sold to dealers in other municipalities. That does nothing to help resolve the problem.

My clients have already instituted the following measures of their own accord:

1. Surveillance cameras.
2. Creation of customer files requiring personal information from suppliers.
3. Requesting picture ID.
4. Paying suppliers, at least in part, by cheque for transactions exceeding \$500.00.

As I mentioned in my August 14th letter, my client has been the target of threats by customers who have been scrutinized. Policing is, therefore, an important part of any program to regulate the industry.

Once you have had an opportunity to consider my recent correspondence, I look forward to hearing from you.

Yours truly,

CLARK WILSON LLP

Per:

Douglas W. Lahay

DWL/asb

cc: client

PC 2196
1 OF 12

06-84207

PROJECT
'ALCHEMY'

PC 2196
2 OF 12

NOTES OF PC 2196 SMART

2006-MAY-01 SELL #³~~12~~ FOR PC SMART FOR DAY
" " " SELL #12 " " " " PROJECT
" " " SELL #2 @ PAN-PACIFIC - PC SMART

0700

DESCRIPTION OF SELF :-

— SAME AS PREVIOUS VISIT —
— DRIVING OLDER MODEL WHITE
PICK UP TRUCK.

COVER : 1481/1870/1938/1940/1966/2026/41
R/B : 2110
OTHER U/Cs : 2026/2167

1428
(TFC)

1915 COMMENCE WRITING :

DESCRIPTION T₁ (METAL RECEIVER)
ASIAN MALE / ~ 40-45 YRS / SHORT DK HAIR /
~ 5ft-7 / ~ 180 lbs / WEARING COVERALLS / CHUBBY.

DESCRIPTION T₂ (METAL RECEIVER)
ASIAN MALE / ~ 23-27 YRS / SHORT DK HAIR /
~ 5ft-7 / ~ 150 lbs / WEARING COVERALLS

1429
(TFC)

TARGET BUSINESS :-

PAN-PACIFIC , 5-13900 MITCHELL ST,
MITCHELL IS. RICHMOND

PC 2196

2 of 12

06-84207

NARRATIVE

0700 I AGAIN MET WITH THE COVER TEAM @

OFFICE FOR FURTHER UNDERCOVER ACTIVITIES

@ PAN-PACIFIC. I WAS AGAIN TO BE
A U/C INVOLVED AS APL 25TH.

1428
(TFC)

MYSELF + 2026 DEPART THE START

POINT AND I DRIVE US # IN THE

TRUCK TO THE TARGET, OUR VARIOUS

'SCRAP' METALS ARE IN THE BACK OF
THE TRUCK.

1429
(TFC)

WE ARRIVE @ THE TARGET YARD AND

I GOT TO PULL THE VEHICLE INTO THE

TARGET BUILDING (NORTH SIDE - WEST
DOOR) BUT FIND IT BLOCKED BY A

PC2196
3 OF 12

06-84207

SCRAP METAL TO SELL :

- ~.12M HYDRO CABLE - COPPER
- 5 ASSORTED BILL BOARD PARTS - ALUM.
- 8x CHUNKS OF TELUS WIRE COPPER
(2-7 ft IN LENGTH)
- 10x ASSORTED COV ROAD SIGNS ALUM.
- 26x " CORICH. ROAD SIGNS "
- 2x SIGN POST - ALUM.
- 1x TELUS JUNCTION BOX - ALUM.
- SEVERAL MISC ITEMS - ALUM.
- 2x NEWER BILL BOARD SIGN PARTS -
ALUM.

PHOTO BY CAM 2110



PC2196
4 OF 12

1432
(TFC)

2026

1433
(TFC)

PC2196
40F12

06 - 84207

PARKED TRUCK. I GET OUT AND
WALK INTO THE BUILDING AND NOTE
T₁ & T₂ FINISHING UP WITH ANOTHER
TRUCK THAT HAS REVEGED IN FROM
THE EAST SIDE OF THE BUILDING.

1432
(TFC)

I GO BACK TO MY TRUCK AND ADVISE
2026 ~~2027~~²⁰²⁶ OF THIS, THEN I RETURN IN
SIDE AND SHOUT TO T₁ & T₂ IF I
CAN BRING MY TRUCK IN AND THEY
GESTURE SO. I RETURN TO MY TRUCK
AND DRIVE WITH 2026 ROUND THE

1433
(TFC)

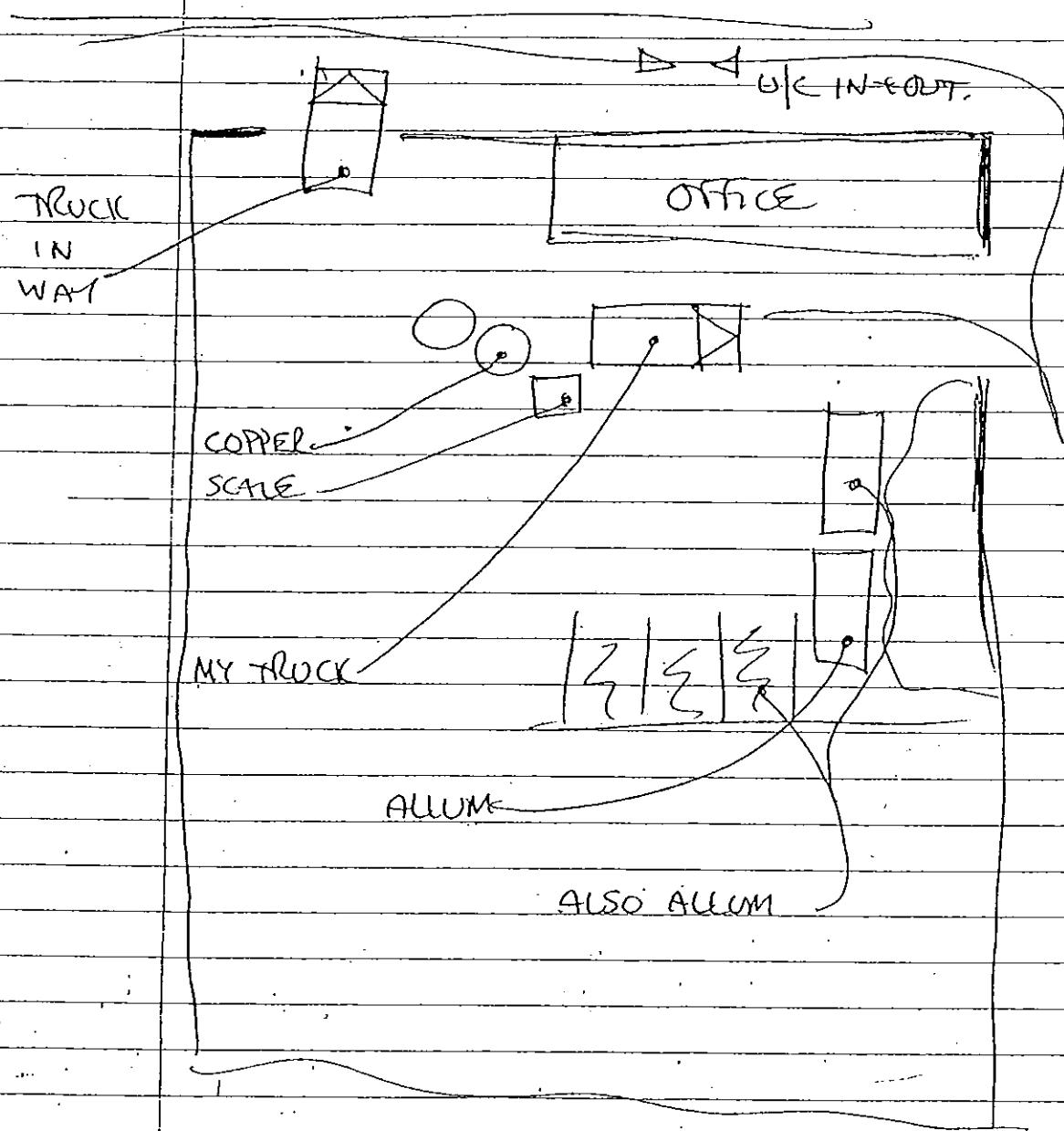
EAST SIDE OF THE BUILDING AND
THEN REVEGE INTO WHERE THE
SCAPE IS. WE THEN DROP THE
TRAIL GATE DOWN ON THE TRUCK

PC 2196
5 OF 12

LOCATION :- 06-84207

PC 2196
6 OF 12

← MITCHELL ST →



PC2196
6 OF 12

06 - 84207

AND 2026 JUMPS IN THE BACK TO
OFF LOAD THE VARIOUS ITEM'S, I THEN
START TO OFF LOAD THE ITEMS
(ALUMINUM) ONTO THE SCALE, T₁ + T₂
HELP WITH THIS REMOVING ~~AN~~ NUMEROUS
ITEMS FROM THE BACK OF THE TRUCK.
MOST OF THE SIGNS THAT I PLACED ON
THE SCALE I PLACED FACE UP TO
CLEARLY SHOW^{ING} WHAT WAS ON THEM,
T₁ + T₂ WHO APPEARED TO ONLY
HAVE LIMITED ENGLISH APPEARED
UNFAZED ABOUT OUR LOAD AND
SAID NOTHING ABOUT IT.

ONCE THE ALUMINUM WAS WEIGHED

PC 2196
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T₁ + T₂ GESTURED TO US TO ASSIST
IN REMOVING THE ALUMINUM FROM THE
SCALE TO THE LARGE SKIP NEARBY,
OVER @ THIS SKIP T₁ GESTURE TO ME
'UP AND OVER'; THE SKIP APPEARED
FULL BUT AS WE THREW THE SIGNS
^{THEY} IN IT, DROPPED ~~AND~~ DOWN INTO THE
SKIP OUT OF VIEW FROM ANYONE IN
THE SHOP/BUILDING.

MYSELF, 2026 AND T₁ + T₂ THEN PLACED
THE WIRE ON THE SCALE, IT WAS
WEIGHED AND AFTER DISCUSSION BY
T₁ + T₂, MYSELF + 2026 + T₁, DUMPED
IT INTO A NEARBY SKIP.

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144S
(TFC)

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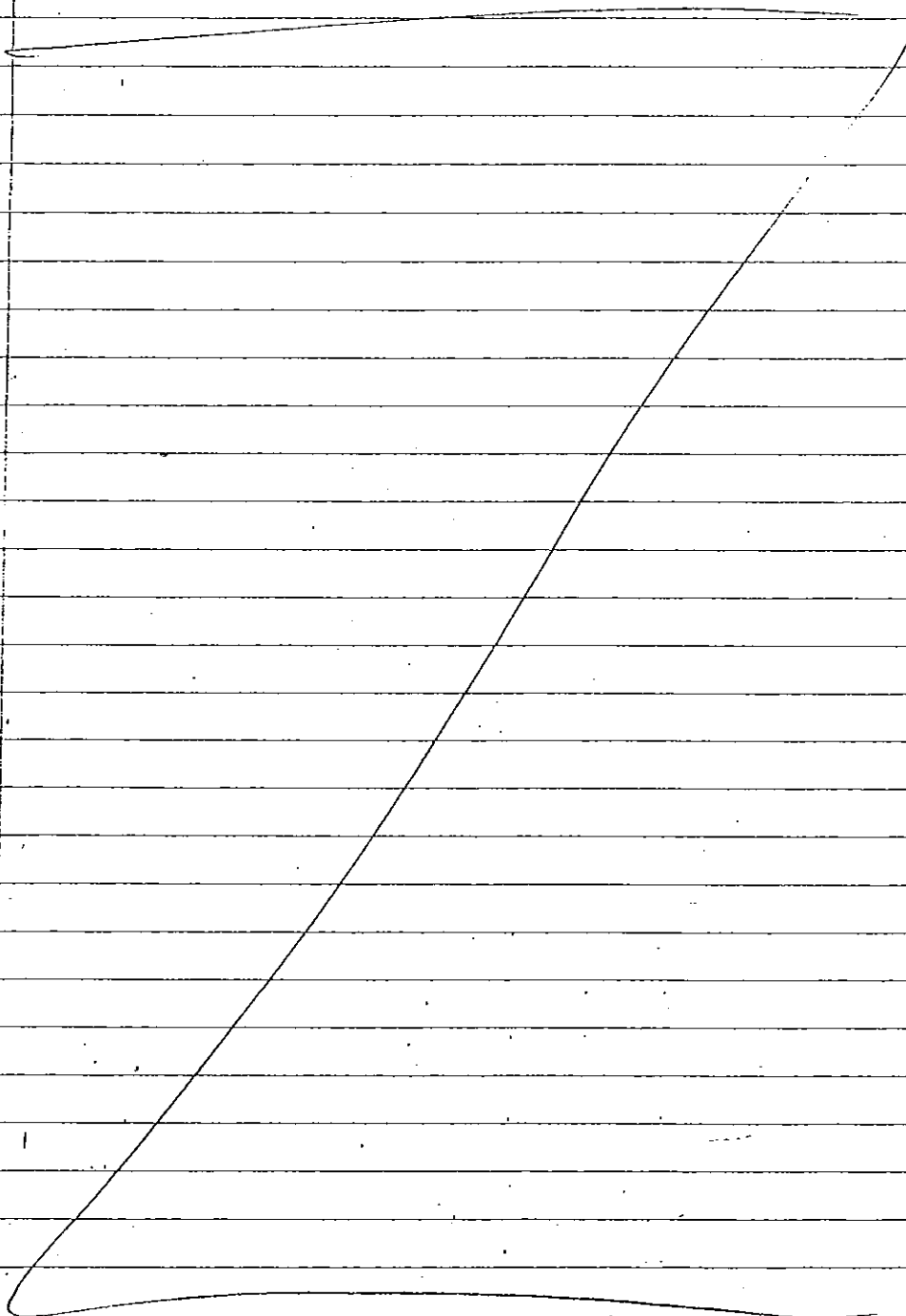
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T₂ THEN ASKED THAT I COMPLETE
THE CHIT AS BEFORE, I WROTE MY
NAME AS "GOGGLES SMITH" LIVING
AT 112 NATIONAL, T₂ DID NOT
REQUEST ID OR ASK MY NAME. I
THEN WENT TAKE THE CHIT TO
THE OFFICE BUT WHEN T₁ + T₂ ASKED
ME TO MOVE THE TRUCK I GAVE THE
CHIT TO 2026 TO TAKE OFFICE
AND PULLED THE TRUCK UP, 2026
THEN JUMPED IN AND WE DROVE
144S OUT THE BUILDING AND BACK TO
(TFC) THE MEET POINT, 2026 ADVISED ME
HE HAD RECEIVED \$360.00 IN
CASH. 2026 ALSO NOTED THAT THE

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FEMALE WE HAD SEEN IN THE
BUILDING, NEAR THE SCALE BUT NOT
INVOLVED THIS TIME WAS THE ONE
WHO HAD PAID THE CASH, SHE WAS
THE SAME FEMALE (T₂) FROM OUR
MY VISIT APR 25TH.

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06-84207 PROJECT
'ALCHEMY'

NOTES OF PC 2196 SMART

2006 MAY-03 - SELL #1 OF DAY OF PC SMART
" " " - SELL #17 OF PROJECT " " "
" " " - SELL #3 @ PAN-PACIFIC OF PC SMART
(AND #18)

DESCRIPTION OF SELF :-

BLACK BBOCAP/GREEN + GREY SKI JACKET/BLUE
JEANS/BLUE RUNNELS

COVER 1481/1938/1940/1966 (RICHMOND MEMBER)
R/B : 2110

OTHER U/Cs : 2026/2167

0900 COMMENCE WRITING :-

DESCRIPTION T₁ (METAL RECEIVER)
~31-33 YRS ASIAN MALE / ~5FT-7 / ~170lbs / SHORT DKL BRN/BLK
HAIR / GLASSES / BLUE COVERALLS / APPEARED TO HAVE
LIMITED ENGLISH / OLIVE COMPL / SLIGHT DOUBLE CHIN.

DESCRIPTION T₂ (METAL WEIGHER)
- SAME FEMALE AS APR 25TH -
WEARING JEANS-BLUE + BLACK FLEECE
+ PROTECTIVE GLOVES / APPEARED TO HAVE
LIMITED ENGLISH.

TARGET BUSINESS : PAN-PACIFIC
5-13900 MITCHELL ST, RICHMOND

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0700

1025
(TFC)

1027
(TFC)

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NARRATIVE

0700 I AGAIN MET WITH COVER TEAM @ THE OFFICE

FOR CONTINUED UNDERCOVER ACTIVITIES @

PAN-PACIFIC. I WAS AGAIN TO BE A U/C

INVOLVED AS APR 25 - MAY 01.

1025
(TFC)

I DROVE FROM THE START POINT TO

MITCHELL IS. IN A WHITE OLDER MODEL

PICK UP TRUCK, ALL MY 'SCRAP' WAS

STACKED IN THE CALTO AREA.

1027
(TFC)

I ARRIVE @ THE TARGET YARD AND

PULL UP OUTSIDE THE NORTH SIDE

ENTRANCE, JUMP OUT AND WONDER IN,

I SEE T, AND HE WAVES ME IN,

I RETURN TO THE TRUCK AND DRIVE

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'SCRAP' TO SELL:

1x TELUS WALK IN PHONE BOX - NO PHONE
— ALLUM.

31x RICHMOND ROAD & ST. SIGNS
(~ 28 ST. SIGNS (GREEN) ALLUM.

6x C.O.V. PARKING RESTRICTION SIGNS
ALLUM

5x GOOD LADDERS - (2x VANTID.)

2x COIL TELUS PHONE WIRE
(1x ~ 100ft + 1x ~ 75ft)

PHOTO CAM 2110

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PHONE

SNS

1

IN THROUGH THE NORTH DOOR AND
PULL UP NEXT TO THE SCALE. T₁ STARTS
LOOKING IN MY TRUCK @ MY CARGO
AND THEN PULLS OUT SOME OF THE
WIRE ON TOP ON TO THE SCALE. T₂
THEN APPEARS FROM THE OFFICE AND
LOOKS AFTER THE SCALE. T₁ NOW APPEARS
TO BE LOOKING FOR MORE AND I POINT
OUT THE OTHER ^{COPPER} IS ON THE BOTTOM, SO
I START TO UN ROPE THE LADDERS AND
THEN WE DROP THE PHONE BOX OFF
THE BACK ONTO THE GROUND (IT IS
ALREADY IN THREE PIECES), THE REMAINING
WIRE IS REMOVED AND WEIGHED, O/K WHEN
FINALLY PLACED, THE WIRE WAS NEVER

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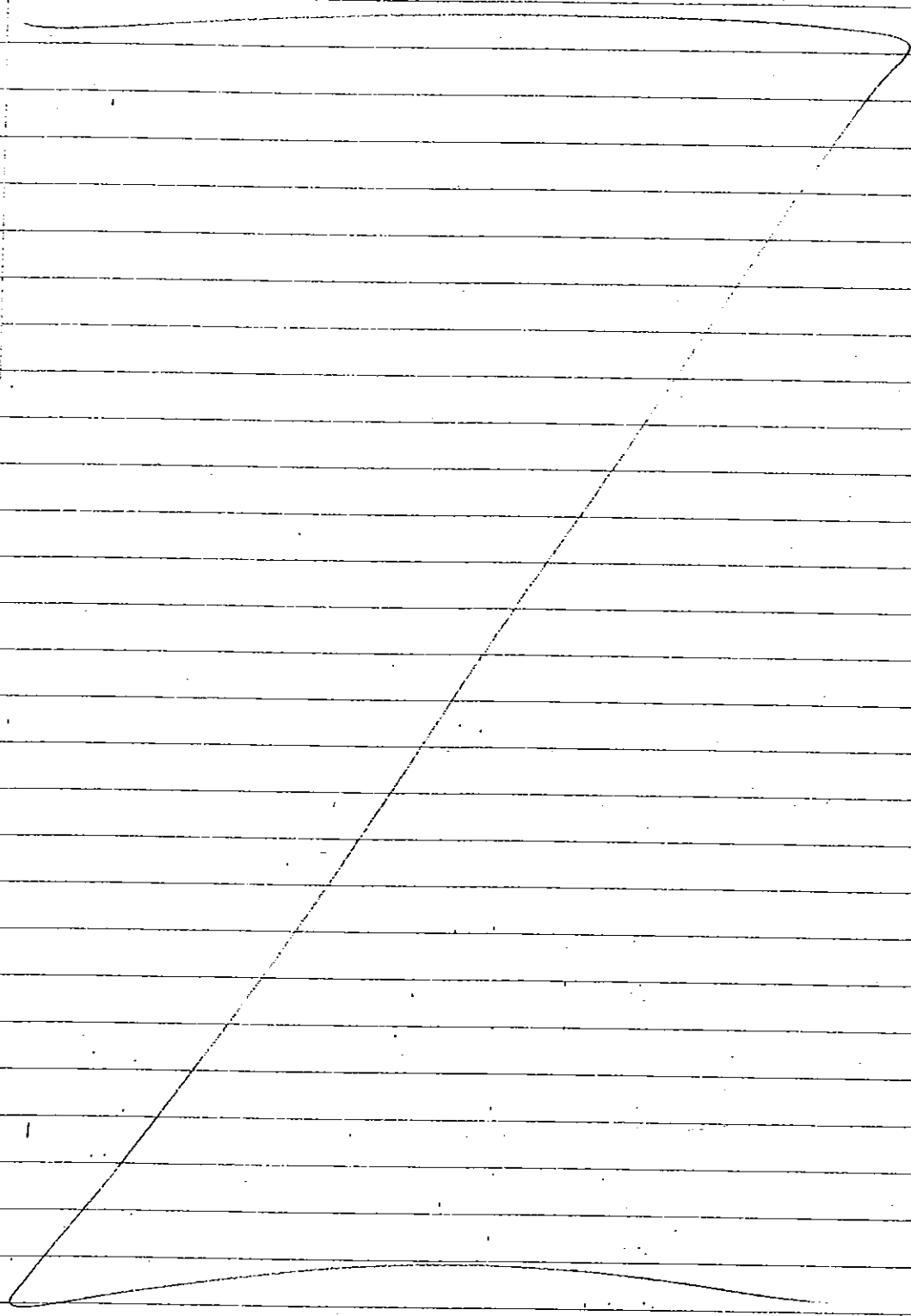
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EXAMINED. AS T₁ DEALS WITH THE
COPPER I START TO REMOVE THE SIGNS
T₂ THEN IN VERY BROKEN ENGLISH: ASKS
ABOUT THE SIGNS, SHE APPEARS TO
SUGGEST TO ME THEY ARE STOLEN AND
POINTS TO THE SIGN ~~ON~~ ABOVE THE
SCAFF THAT STATED THAT STOLEN
PROPERTY IS NOT ACCEPTED, I TELL
HER (T₂) THAT I FOUND THEM, SHE
SAYS NOTHING MORE. T₁ THEN COMES
OVER TO ASSIST AND AFTER WE PLACE
ABOUT HALF THE SIGNS ON THE
SCAFF T₂ AGAIN QUESTIONS ABOUT
THE SIGNS, THIS BROKEN CONVERSATION
IS THE SAME AS BEFORE AND WE

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-(T₁ + I) CONTINUE UNTIL ALL THE
SIGNS ARE ON THE SCALE, T₂ WEIGHS
THEM, SHE SHOUTS THE WEIGHT AND I
SEE IT IS THE SAME ON THE READ
OUT, T₁ + I THEN UNLOAD SCALE (I AM
APPARENTLY ORDERED TO DO THIS BY T₂
AND THROW THE SIGNS INTO THE
SAME SKIP AS ~~BOX~~ BEFORE AND MOST
OF THEM DROP OUT OF SIGHT.

T₁ + I RETURN AND LOAD THE PHONE
BOX ON TO THE SCALE, NO QUESTIONS
ARE ASKED ABOUT IT, WEIGH SEPARATE
AS CONTAINS PLASTIC, T₂ TELLS ME
IT IS 30¢ PER lb. REMOVED BY T₁ O/K
WHERE TO.

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CONFIDENTIAL - SECURITY INFORMATION

~~CONFIDENTIAL - SECURITY INFORMATION~~

CONFIDENTIAL - SECURITY INFORMATION

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JAN 5
7

I THEN HIGHLIGHT THE REMAINING
LADDERS IN THE TRUCK T₂ IMMEDIATELY
SAYS 'NO LADDERS' AND I SAY 'I CAN
CUT THEM UP', SHE AGAIN REFERS TO
THE SIGN ABOVE THE SCALE AND SAYS
'NO LADDERS'. I TELL HER I WILL
CUT THEM UP AND SHE DOES NOT
RESPOND BUT DIRECTS ME TO FILL IN
MY INFO ON THE CHIT (ID NOT ASKED
FOR), ON THE CHIT I WRITE 'WILLIAM
BENDER' AND SCRIBBLE ON THE BOTTOM,
I NOTE SHE HAS RECORDED THE PLATE #
OF MY TRUCK ON THE CHIT. T₂ THEN
PRODUCES FROM LEFT POCKET (PANT)
AREA A LARGE WAD OF CASH AND

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1042
(D.C.)

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HANDS ME " \$178 CDN, I SAY THANKS
AND SEE YOU IN A FEW MINUTES. AS
I WALK TO MY TRUCK I ASK T. WILL
YOU TAKE THE LADDER IF I GOT THEM
UP? HE MUTTERS SOMETHING BUT DOES
NOT SAY NO, I RESPOND OK SEE YOU
IN FIVE MINUTES

1042
(TTC)

I DRIVE THE TRUCK OUTSIDE AND PARK
ON OUTSIDE THE NORTHSIDE OF THE
BUILDING @ THE EAST END. I THEN
PULL ALL THE LADDERS OUT ON TO THE
GROUND MAKING AS MUCH NOISE AS
POSSIBLE, AND THEN I SENT ABOUT
CUTTING ALL THE LADDERS UP WITH

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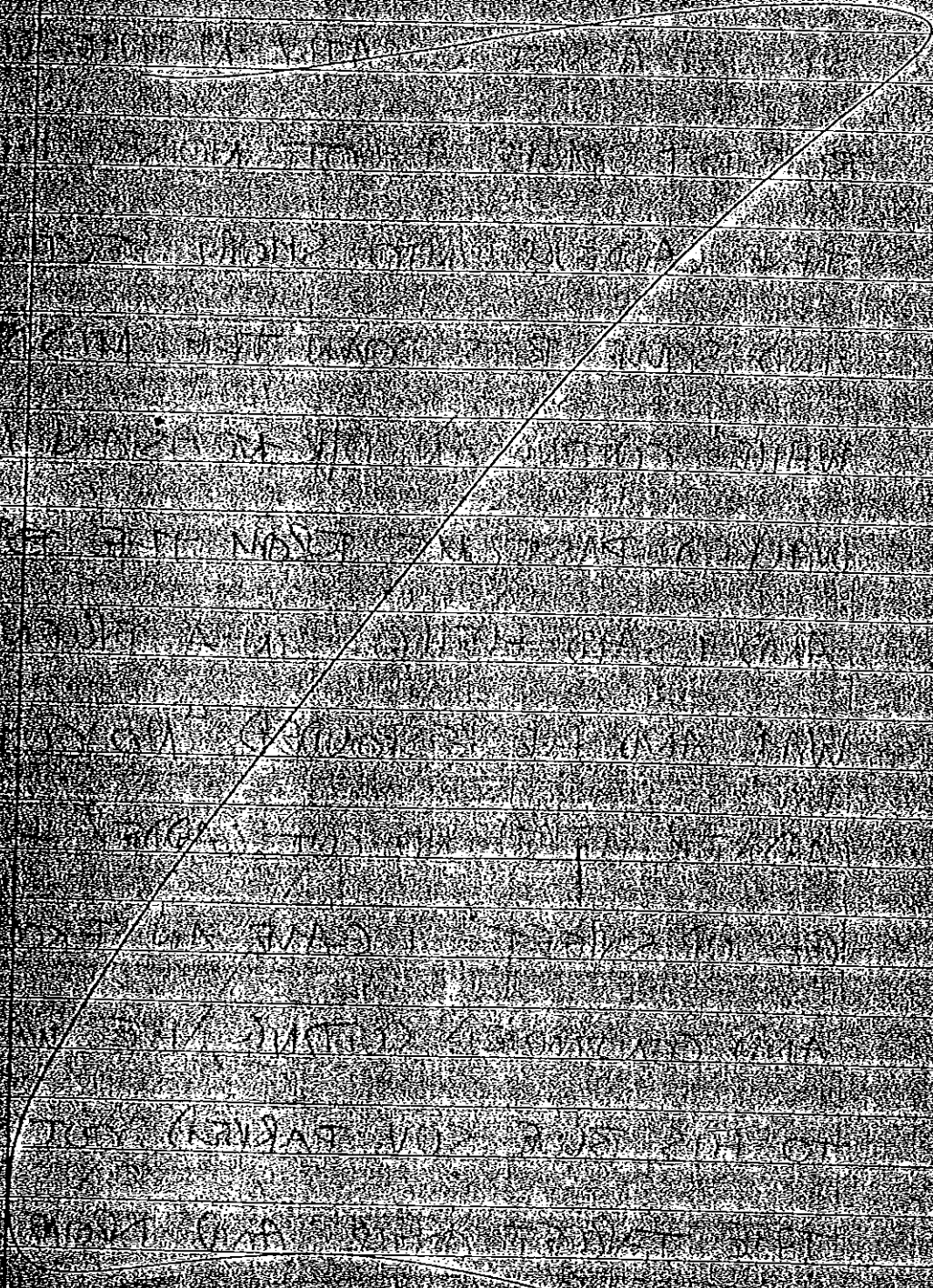
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MY HACKSAW + HAMMER, THE HAMMER
DID NOT ASSIST GREATLY IN THE CUTTING
BUT DID MAKE A LOT NOISE. I CUT
THE LADDERS INTO SHORT SECTIONS
AND SOME BITS DOWN THE MIDDLE.
WHILE CUTTING AN U/K ~~KA~~ ASIAN MALE
WALKED PAST ME FROM THE EAST
AND I SAID 'HELLO!' IN A FRIENDLY
WAY AND HE RESPONDED "NO CUT
LADDER HERE, NO CUT LADDER HERE,
GO UP STREET", I GAVE AN EXCUSE
AND CONTINUED CUTTING, HE WALKED
TO HIS BLUE SUV PARKED OUTSIDE
THE TARGET OFFICE AND DROVE OFF.

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I COMPLETED MY COUNTING AND THE
5 LADDERS WERE REDUCED INTO APPROX
15 PIECES THAT NOW ALL DROPPED
INTO THE TRUCK CALGO AREA.

AFTER A SHORT LINE UP I WAS ABLE
TO GET BACK TO THE SCALP. T₁ & T₂
WERE @ THE SAME POSITIONS BUT NOW
SEEMED HURLED AS THOUGH HE WAS
NOTE VEHICULAR TRAFFIC. I PLACED
ALL THE LADDER PARTS ON THE
SCALP. T₂ WEIGHED THEM AND
T₁ & I DUMPED THEM OVER IN AN
ADJACENT SECTION AREA. AND AS
BEFORE I COMPLETED THE CHIT IN

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1100
(DEC)

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THE SAME MANNER AND T₂ PAID
ME CASH \$ 95.50 CDN, NO
RECEIPT PROVIDED AS LIKE @ @
THE FIRST ROUND.

1106
(TTC)

I THEN DROVE AWAY N/B TO THE
MEET POINT, THE MONEY I WAS
PAID WAS PLACED IN SEPARATE
POCKETS AND SO TAGGED IN SEPARATE
ENVELOPES.

This Act is current to January 17, 2007.

This Act has "Not in Force" sections. See the Table of Legislative Changes.

LOCAL GOVERNMENT ACT

[RSBC 1996] CHAPTER 323

Part 6 — Challenge and Enforcement of Bylaws

Division 1

Repealed

257 and 258 [Repealed 2003-52-228.]

Repealed

258.1 [Repealed 2003-52-228.]

Repealed

259 [Repealed 2003-52-228.]

Repealed

259.1–259.3 [Repealed 2003-52-228.]

Division 2 — Challenge of Bylaws

Extended definition of "bylaw"

260 In this Division, "**bylaw**" includes an order or resolution.

Validity of council proceedings

261 A bylaw, contract or other proceeding of a council must not be set aside or declared invalid if the only reason for doing so is that

(a) a person sitting or voting as a council member was not qualified to be a council member at or before the time of the proceeding,

- (b) a council member renounced claim to office on council,
- (c) an election for council was set aside or declared invalid after the proceeding, or
- (d) an election of a council member was set aside or declared invalid after the proceeding.

Application to court to set aside bylaw

262 (1) On application of an elector of a municipality, or of a person interested in a bylaw of the council, the Supreme Court may

- (a) set aside all or part of the bylaw for illegality, and
- (b) award costs for or against the municipality according to the result of the application.

(2) Subsection (1) does not apply to a security issuing bylaw providing for the issue of debenture or other evidence of indebtedness to the Municipal Finance Authority of British Columbia.

(3) Notice of an application to set aside a bylaw, stating the grounds of the application, must be served on the municipality as follows:

- (a) [Repealed 2003-52-229.]
- (b) if the bylaw is a bylaw requiring the assent of the electors that the council purported to adopt without assent, the notice may be served more than one month after the adoption of the bylaw, but must be served at least 10 days before the hearing;
- (c) subject to subsection (3.1), in any other case, the notice must be served at least 10 days before the hearing and not more than one month after the adoption of the bylaw.

(3.1) Notice of an application to set aside a security issuing bylaw of a regional district, stating the grounds of the application, must be served on the regional district at least 5 days before the hearing and not more than 10 days after the adoption of the bylaw.

(4) Except for a bylaw referred to in subsection (3) (b), an order under this section relating to a bylaw must not be made unless the application is heard within 2 months after the adoption of the bylaw.

Assessment or rate stands unless bylaw set aside

263 A person assessed under or subject to a rate under a bylaw by which an assessment is made or a rate is imposed is not entitled to plead a defect

in the bylaw as a defence to a claim for payment of that rate except by application to set aside the bylaw.

Declaratory orders

264 (1) An application for a declaratory order relating to a bylaw must not be entertained more than one month after the adoption of the bylaw, if the application is brought on the ground of

- (a) irregularity in the method of enactment, or
- (b) irregularity in the form of a bylaw.

(2) Except for a bylaw referred to in section 262 (3) (b), a declaratory order relating to a bylaw must not be made unless the application is heard within 2 months after the adoption of the bylaw.

Right of action on illegal bylaw

265 (1) If

- (a) all or part of a bylaw is illegal, and
- (b) anything has been done under the bylaw that, because of the illegality, gives a person a right of action,

the action must not be brought until the end of the time period under subsection (2).

(2) An action referred to in subsection (1) must not be brought until

- (a) one month after all or part of the bylaw has been set aside, and
- (b) one month's notice has been given to the municipality.

(3) An action referred to in subsection (1) must be brought against the municipality only, and not against a person acting under the bylaw.

Division 3 — Enforcement of Regional District Bylaws

Fines and penalties

266 (1) A board may make bylaws for

- (a) the purposes of enforcing the bylaws of the regional district by fine, by imprisonment or both, and
- (b) imposing fines, penalties and costs.

(2) Section 261 [*payment of fines and other penalties*] of the *Community Charter* applies to regional districts.

Ticketing for bylaw offences

266.1 (1) Division 3 [*Ticketing for Bylaw Offences*] of Part 8 of the *Community Charter* applies to regional districts.

(2) For the purpose of subsection (1), a reference in section 265 [*penalties in relation to ticket offences*] of the *Community Charter* to a bylaw is to be read as a reference to a bylaw under section 266 (1) of this Act.

Application of the *Local Government Bylaw Notice Enforcement Act*

266.2 (1) Subject to the regulations under the *Local Government Bylaw Notice Enforcement Act*, a regional district bylaw may be enforced by bylaw notice under and in accordance with that Act.

(2) If a matter is prescribed for the purpose of section 4 (2) of the *Local Government Bylaw Notice Enforcement Act*, a board that adopts or has adopted a bylaw in relation to the matter may only enforce the bylaw by bylaw notice under that Act.

Bylaw contraventions — offences and penalties

267 (1) If a bylaw establishes a regulation or requirement to be observed in a regional district, a person who contravenes the regulation or requirement commits an offence that is punishable in the same manner as if the bylaw had expressly forbidden persons from doing or refraining from doing the act.

(2) In a prosecution for an offence against a regional district bylaw, the justice or court may impose all or part of the penalty or punishment authorized by the bylaw, this Act or the *Offence Act*, together with the costs of prosecution.

(3) If a penalty, or part of a penalty, and all costs imposed are not paid promptly, the justice or court may, by order, authorize all or part of the penalty and costs to be levied by distress and sale of the offender's goods and chattels.

(4) If there is no distress out of which the penalty and costs or part of the penalty and all of the costs can be levied, the justice or court may commit the offender to imprisonment for the term, or part of the term, specified in the bylaw.

Additional sentencing powers in relation to *Offence Act* prosecutions

267.1 (1) If a person is convicted of an offence

- (a) under subsection (3), or
- (b) against a regional district bylaw in a prosecution commenced by an information in Form 2 under the *Offence Act*,

in addition to the penalty established in accordance with section 266, the court may, having regard to the nature of the offence and the circumstances surrounding its commission, make an order

- (c) prohibiting the person from doing any act or engaging in any activity that may, in the court's opinion, result in the continuation or repetition of the offence, and
- (d) directing the person to take any action the court considers appropriate to remedy the harm that resulted from the commission of the offence.

(2) An order under subsection (1) must specify the duration of the order, which may not exceed one year.

(3) A person who fails to comply with an order under subsection (1) commits an offence and is liable on conviction to a fine of not more than \$10 000 or to imprisonment for not more than 6 months, or both.

(4) For the purposes of section 43 (3) of the *Provincial Court Act*, a fine imposed in a prosecution for an offence under subsection (3) is deemed to be a fine imposed for the contravention of a bylaw of the regional district.

(5) If a person is convicted of an offence referred to in subsection (1) (a) or (b), on application by the regional district or another person for compensation, the court must give consideration to the application and, in addition to any penalty imposed, may order the convicted person

- (a) to pay to the regional district or to the other person compensation, in an amount that is not more than the monetary limit specified under the *Small Claims Act*, for any damage or loss sustained by the regional district or other person because of the commission of the offence, and
- (b) in accordance with the schedule of costs prescribed under section 132 (2) (h) of the *Offence Act*, to pay to the regional district the costs incurred by the regional district in investigating and prosecuting the person.

(6) In the case of a dispute, the amount of compensation payable

under subsection (5) (a) must be proven on a balance of probabilities by the regional district or the other person.

(7) An order under subsection (5) may be enforced as a judgment of the court for the recovery of a debt in the amount stated against the person named.

Inspections to determine whether bylaws are being followed

268 If a board has authority to regulate, prohibit and impose requirements in relation to a matter, the board may, by bylaw, authorize officers, employees and agents of the regional district to enter, at all reasonable times, on any property to inspect and determine whether all regulations, prohibitions and requirements are being met.

Regional district action at defaulter's expense

269 (1) The authority of a board under this or another Act to require that something be done includes the authority to direct that, if a person subject to the requirement fails to take the required action, the regional district may

(a) fulfill the requirement at the expense of the person, and

(b) recover the costs incurred from that person as a debt.

(2) Section 363.2 [*special fees and charges that are to be collected as taxes*] applies to an amount recoverable under subsection (1) that is incurred for work done or services provided in relation to land or improvements.

Repealed

270 [Repealed 1999-37-70.]

Division 4 and 5

Repealed

271–280 [Repealed 2003-52-230.]

Repealed

280.1–280.6 [Repealed 2003-52-230.]

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CITY OF RICHMOND

BUSINESS REGULATION

BYLAW NO. 7538

EFFECTIVE DATE – JULY 28, 2003

CONSOLIDATED FOR CONVENIENCE ONLY

This is a consolidation of the bylaws below. The amendment bylaws have been combined with the original bylaw for convenience only. This consolidation is not a legal document. Certified copies of the original bylaws should be consulted for all interpretations and applications of the bylaws on this subject.

AMENDMENT BYLAW

EFFECTIVE DATE

Bylaw 7581
Bylaw 7767
Bylaw 8155
Bylaw 8156

September 22, 2003
July 28, 2004
January 8, 2007
January 8, 2007

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- (c) ensure that such **roadside stand** is moved to the rear of the **parcel** of land or the group of contiguous **parcels** of land on which it is located whenever it is not being used for the display or sale of **farm produce**, for a period of two weeks or longer.

18.3 Roadside Stand Regulations - Class B

18.3.1 Every Class B **roadside stand operator** must only display or sell **farm produce** which is grown or raised in the Province of British Columbia.

18.4 Roadside Stand Regulations - Class C

18.4.1 Every Class C **roadside stand operator** must only display and sell:

- (a) **farm produce** which is grown or raised in the Province of British Columbia, and
- (b) imported **farm produce**, provided:
 - (i) such **farm produce** is of a general class or kind not grown in British Columbia; or
 - (ii) at the time of sale or display, no British Columbia grown **farm produce** of such general class or kind is available through established commercial **farm produce** marketing organizations.

18.4.2 Every Class C **roadside stand operator** must place in a visible location, to any person looking at any individual class or kind of **farm produce** displayed in such **roadside stand**, a legible sign, stating in letters not less than 4 centimetres (1.6 inches) in height, the country of origin of each class or kind of such **farm produce**.

18.4.3 A Class C **roadside stand operator** must not sell or display any goods other than **farm produce** and firewood, provided that the sale of firewood is ancillary to the sale of **farm produce**.

PART NINETEEN: SCRAP METAL DEALER, SECOND HAND DEALER AND PAWNBROKER REGULATION

19.1 For the purposes of this Part:

BUSINESS DAY

means any calendar day, including any holiday, during which a **second hand** dealer or **pawnbroker** is open for business to one or more members of the public.

JUNK

means used or old **property** including scrap rubber, rubber tires, metal, bottles, glass, broken glass, paper, sacks, wire, ropes, rags, machinery, waste, or **scrap metal**, and property of similar nature commonly found in a junk shop.

PAWN	means the deposit of property as a pledge or collateral security for a debt.
PAWNER	means an individual, firm or corporation who pawns property to a pawnbroker but does not include a seller .
PICTURE IDENTIFICATION	<p>means one or more of the following, not more than five years old, that includes a photograph of the bearer:</p> <ul style="list-style-type: none">(a) valid driver's licence issued by a Canadian province or territory; or any state within the United States of America.(b) valid Provincial identity card;(c) valid passport issued by a legitimate government;(d) certificate of Indian status issued by the Government of Canada;(e) certificate of Canadian citizenship issued by the Government of Canada;(f) conditional release card issued by Correctional Services Canada.
PROPERTY	means goods, chattel, wares, merchandise, articles or things.
REGISTER	means the Second-hand Dealers' and Pawnbrokers' Register as referred to in Sections 19.2, and where this Part stipulates that a second-hand dealer or pawnbroker has an obligation in connection with a register, the reference is to that register which the second-hand dealer or pawnbroker is obliged, under this Part, to establish and maintain;
SCRAP METAL	<p>includes new or used items substantially made of aluminum, brass, bronze, copper, stainless steel, steel, tin or other metal, purchased by a scrap metal dealer including, without limitation metal sheet or plate, wire, piping, or similar items, but does not include:</p> <ul style="list-style-type: none">(a) items that are purchased from a licensed manufacturer, wholesaler or distributor and invoiced to the scrap metal dealer, or(b) used cans or containers for food, beverages, paint, domestic or household products normally recycled to avoid waste.

SECOND-HAND ITEM	means a good, chattel, ware, merchandise, article or thing that is purchased , sold, procured or offered for sale.
SELLER	means a individual, firm or corporation who sells or otherwise disposes of property to a second-hand dealer , but does not include a pawner .

19.2 Every second-hand dealer and pawnbroker must:

- (a) establish and maintain a record, to be called the Second-Hand Dealers and Pawnbrokers' Register, of all **second-hand items** purchased or held by the **second-hand dealer** or **property** taken or held in **pawn**, other than items mentioned in Section 19.16;
- (b) immediately after the **purchase** or taking in **pawn** of any **second-hand items** or **pawned property**, set out in the **register** in chronological order by date of **purchase** or taking in **pawn**, in the English language, a record of the transaction that must include:
 - (i) the full name, current residence or street address, telephone number, and birth date of the person from whom the **property** was **purchased** or taken in **pawn**;
 - (ii) confirmation of the identity of the **seller** or **pawner** by way of **picture identification** including a complete description of the **picture identification** and name of the authority who issued it and signature of the person from whom the **property** was **purchased** or taken in **pawn**;
 - (iii) a complete description of the **property**, including the make, model, and serial number, whether stamped, engraved or on a label, and any other letters, numbers or names, or combinations thereof, on each article;
 - (iv) the type of **purchase** as described in the definition of "**purchase**", or that the **property** was taken in **pawn**, as applicable;
 - (v) the price paid for **second-hand items purchased** or **property** taken in **pawn**;
 - (vi) the precise date and time of **purchasing** a **second-hand item** or taking **property** in **pawn**;
 - (vii) identifiable or distinguishing marks on the second-hand items **purchased** or **property** taken in **pawn**; and
 - (viii) where **scrap metal** is **purchased** or taken in **pawn**, the complete description of the type, size, length and width and any distinguishing marks that may be found on the **property**; and
 - (ix) where **metal salvage** is **purchased** or taken in **pawn**, the make, description, and provincial license number of any motor vehicle used by the **seller** or **pawner** to deliver the **second-hand item** to the **second-hand dealer's** premises, including taxicab company name and taxicab number and provincial license number.

19.3 Subject to section 19.4, every **second-hand dealer** and **pawnbroker** must:

- (a) maintain the **register** electronically in a form approved by the **Police Chief**;
- (b) record all information in the **register** electronically;
- (c) immediately after the **purchase** of each **second-hand item**, or taking **property in pawn**, transmit to the **Police Chief** electronically, to a specified database via the Internet and using a site licence and password provided by the **Police Chief**, a report of the transaction in the electronic **register**; and
- (d) before the close of each **business day**, print out a hard copy of all electronic information recorded during the course of the day, and maintain all such hard copies as a manual version of the **register**.

19.4 If the **second-hand dealer** or **pawnbroker** is unable, for any reason, to record or transmit information electronically, he or she must:

- (a) maintain the **register** in legible handwriting in ink, using the form attached to this Bylaw as Schedule C, until recording and transmission electronically is again available so that no omissions or delays or gaps in record keeping or reporting may occur;
- (b) before 10:30 a.m. of each **business day**, deliver by hand or courier to the **Police Chief** at the **Police Department**, 6900 Minoru Boulevard, Richmond, British Columbia, a report, signed by the **second-hand dealer** or **pawnbroker** consisting of an exact and legible photocopy of that portion of the **register** containing each entry of **second-hand items purchased or property taken in pawn** between 8:00 a.m. of the **business day** immediately preceding and 8:00 a.m. of the **business day** the report is due, that has not been electronically recorded or transmitted; and
- (c) when electronic recording and transmission is available, immediately transmit to the **Police Chief** electronic entries for all transactions required under section 19.3 by the **second-hand dealer** or **pawnbroker** and not previously recorded or transmitted or delivered to the **Police Chief**.

19.5 A **second-hand dealer** or **pawnbroker** must:

- (a) not amend, obliterate or erase any entry in the **register** or remove any page from the **register** either wholly or partially or electronically or manually without prior notification to, and acknowledgement by the **Police Chief**;
- (b) not permit, allow or suffer any other person to amend, obliterate or erase any entry in the **register**, or remove any page from the register either wholly or partially or electronically or manually;
- (c) immediately report to the **Police Chief** or **Licence Inspector** any amendment, obliteration, or erasure of an entry in the **register** or the removal of the **register** itself or any part thereof from the premises of the **second-hand dealer** or **pawnbroker**;
- (d) take steps to ensure that information recorded in the **register** pursuant to section 19.2 (b) (i) and (ii) is reasonably secure from access, collection, use, disclosure, or disposal except to the **Police Chief**, **Police Department**, **Licence Inspector** or as authorized by this Bylaw, another enactment, or a court; and

- (e) on request by the **Police Chief, Licence Inspector** or any person authorized to act on behalf of the **Police Chief or Licence Inspector**,
 - (i) produce the **register** for inspection on the premises of the **second-hand dealer or pawnbroker**;
 - (ii) provide the **register** to the **Police Chief** or other member of the **Police Department**, or any person authorized by the **Police Chief**, for inspection on premises other than those of the **second-hand dealer or pawnbroker** or for use as evidence in court or other proceedings;
 - (iii) immediately upon return of the **register** removed from the premises under this Part or otherwise, record in the **register**, in chronological order as established in section 19.3, every **purchase** by the **second-hand dealer of second-hand items**, or **property** taken in **pawn** by the **pawnbroker**, that occurred during the absence of the **register**;
 - (iv) permit the **Police Chief** or other member of the **Police Department**, or any person authorized by the **Police Chief** or other member of the **Police Department**, to inspect
 - (A) the premises of the **second-hand dealer or pawnbroker** and any **property** thereon;
 - (B) any **second-hand items purchased**, taken in **pawn** or held by the **second hand dealer or pawnbroker**; or
 - (C) in the case of **property** taken in **pawn**, the redemption portions of **pawn tickets**, signed by the **pawner**.

19.6 Every second-hand dealer and pawnbroker must:

- (a) subject to removal of the **register** pursuant to section 19.5 (e), or to direction by a court of competent jurisdiction, keep on the business premises of the **second-hand dealer or pawnbroker** the **register**, or any portion of the **register**, that contains any record made or required to be made within the previous 24 months;
- (b) keep, within the Province of British Columbia, each record entered on the **register** for a period of seven (7) years following the date the record was made; and
- (c) if the business of the **second-hand dealer or pawnbroker** is sold, leased, assigned, transferred or disposed of to any person, transfer possession of the entire **register** to the person who bought, leased, took assignment or transfer of the business or to whom the business was otherwise disposed.

19.7 A person who receives a register from a second-hand dealer or pawnbroker, whether by sale, lease, assignment, succession, transfer or other disposal or agreement, must comply with this Part in relation to securing and maintaining the register, and for reporting about, producing or providing the register to the Police Chief or Licence Inspector or otherwise pursuant to section 19.5, whether or not the person is a second-hand dealer or pawnbroker within the meaning of this Part.

19.8 Every second-hand dealer and pawnbroker shall place and maintain his or her name and address on

- (a) the front of the premises at which he or she carries on business, and

- (b) both sides of any vehicle or vessel used in connection with such business.

19.9 A second-hand dealer or pawnbroker must not:

- (a) purchase, sell, or keep **second-hand items** or take in pawn any property except at the premises designated in the **second-hand dealer's** or **pawnbroker's** business licence;
- (b) purchase **second-hand items** or take in pawn property from any person between 8:00 p.m. of any calendar day and 8:00 a.m. of the next calendar day;
- (c) purchase or take in pawn any property of which the serial number or other identifying marks appear to have been wholly or partially obliterated, tampered with or removed;
- (d) purchase any **second-hand item** or take in pawn property from a person
 - (i) under the age of 18 years;
 - (ii) who appears to be intoxicated by alcohol or drugs;
 - (iii) who appears to be offering stolen goods for purchase or pawn.

19.10 During the applicable period established in section 19.11, but subject to section 19.12, every second-hand dealer and pawnbroker, with respect to each second-hand item he or she purchases and each item of property taken in pawn, must:

- (a) clearly and individually tag each item by date of purchase or taking in pawn, and clearly and physically separate it from other **second-hand items** or **pawned property** in the **second-hand dealer's** premises;
- (b) not alter, repair, dispose of, or in any way part with possession of the item, or remove it from the **second-hand dealer's** premises, and
- (c) not permit, allow or suffer any other person to alter, repair, dispose of the item, or in any way part with possession of it, or remove it from the premises of the **second-hand dealer** or **pawnbroker**.

19.11 Subject to section 19.12, every second-hand dealer and pawnbroker must comply with the requirements of section 19.10, with respect to each second-hand item purchased or property taken in pawn, for the following periods:

- (a) other than in relation to a purchase of **junk** or **scrap metal**:
 - (i) at least 30 days after the date that a transaction has been recorded electronically in accordance with this Part, or
 - (ii) at least 45 days after the date that a transaction has been recorded manually in accordance with this Part;
- (b) in relation to a purchase of **junk** or **scrap metal**:
 - (i) at least 7 days after the date that a transaction has been recorded electronically in accordance with this Part, or
 - (ii) at least 21 days after the date that a transaction has been recorded manually in accordance with this Part; or
- (c) for a period specified by the **Police Chief**, to a maximum of 90 days after the date the item was purchased or taken in pawn.

19.12 The time periods established in section 19.11 do not apply to

- (a) a purchase of a **second-hand item**, including without limitation, **junk or scrap metal**, from another **second-hand dealer, junk dealer or scrap metal dealer** who apparently has complied with section 19.10 and 19.11 of this Bylaw, or, if in another jurisdiction, any lawful requirements applicable to that **second-hand dealer**;
 - (b) a purchase of new **property** from a licensed merchant or dealer;
 - (c) a purchase of **junk or scrap metal** from another **junk dealer or scrap metal dealer**, or manufacturer, wholesale dealer, or distributor, any of whom carry on business under a valid licence, where the **junk dealer or scrap metal dealer** has been invoiced for payment by a date later than the periods established in section 9.11 (b) of this Bylaw; or
 - (d) a shorter period specified in writing by the **Police Chief** pursuant to section 19.13, subject to any conditions that he or she may specify.
- 19.13 A **second-hand dealer** who, before expiry of the applicable time period established in section 19.11, wishes to sell or otherwise dispose of a **second-hand item** at an earlier time may deliver a written request to the **Police Chief**, who may, in writing, waive the applicable time period on such conditions as he or she considers appropriate and necessary in the circumstances.
- 19.14 A person who holds a licence for both a **second-hand dealer** and a **pawnbroker** must clearly and physically separate all **second-hand items purchased** as a **second-hand dealer** from **property** taken in pawn, and must clearly and individually tag each item to indicate the date of its transaction and whether the dealer **purchased** the item or received it in pawn.
- 19.15 A **second-hand dealer or pawnbroker** who deals with new **property** on a wholesale or retail basis at or within the same premises where second-hand goods are purchased, taken in pawn, held or sold, must obtain a separate business licence under this Bylaw for each of the retail or wholesale trade, as well as for dealing in second-hand **property**.
- 19.16 Subject to section 19.7, this Part does not apply to a **second-hand dealer** who carries on the business of retailing or wholesaling used property limited to
- (a) antiques;
 - (b) used books, papers, magazines, vinyl records or long-playing records;
 - (c) used clothing, footwear, costume jewellery, knickknacks, used furniture or houseware items such as dishes, pots, pans, cooking utensils and cutlery.
- 19.17 The **Police Chief, Licence Inspector** and members of the **Police Department** shall take steps to ensure that information required to be recorded in a **register** under section 19.2 (b)(i) and (ii) shall, once received by transmission, personal delivery, mail, request under section 19.5 (e) or otherwise into the custody of the **City, the Police Chief or member of the Police Department**, is reasonably protected from access, use, disclosure or disposal other than for the purposes of a specific investigation, undertaken with a view to a related law enforcement proceeding or from which a law enforcement proceeding is likely to result, or as directed by a court of competent jurisdiction.

PART TWENTY: TATTOO PARLOUR REGULATION

20.1 Operator Prohibitions

- 20.1.1 A **tattoo parlour operator** must not permit any person under the age of 18 to be tattooed, unless with the written consent of the person's parent or guardian.

PART TWENTY-ONE: TELEPHONE SALES OFFICE REGULATION

21.1 Operator Obligations

- 21.1.1 Every **telephone sales office operator** must advise the **Licence Inspector**, in writing, not later than 24 hours after any change has been made to any of the information which must be provided to the **Licence Inspector** to obtain a **telephone sales office licence**, as stipulated in the **Business Licence Bylaw**.

PART TWENTY-TWO: VIOLATIONS AND PENALTIES

22.1 Any licensee, operator, or any other person who:

- (a) violates or who causes or allows any of the provisions of this bylaw to be violated; or
- (b) fails to comply with any of the provisions of this, or any other bylaw or applicable statute; or
- (c) neglects or refrains from doing anything required under the provisions of this bylaw or the **Business Licence Bylaw**; or
- (d) fails to maintain the standard of qualification required for the issuing of a licence; or
- (e) makes any false or misleading statement, is deemed to have committed an infraction of, or an offence against, this bylaw or the **Business Licence Bylaw**, whichever is applicable, and is liable on summary conviction, to the penalties provided for in the *Offence Act*, and each day that such violation is caused or allowed to continue constitutes a separate offence and may result in the suspension or cancellation of the licence.

PART TWENTY-THREE: ADMINISTRATION AND ENFORCEMENT

- 23.1 The **Licence Inspector**, **Building Inspector**, **Medical Health Officer**, or **Police Chief** are hereby authorized to enter at any reasonable time, the premises of any **business** regulated under this bylaw, to determine whether the provisions of this bylaw are being, or have been complied with; and it is unlawful for any person to prevent or obstruct the **Licence Inspector**, **Building Inspector**, **Medical Health Officer** or **Police Chief** from the carrying out of any of their duties with respect to the administration and enforcement of this bylaw.

SCHEDULE C TO BYLAW NO. 7538

SECOND HAND DEALERS AND PAWNBROKERS REGISTER

To: OIC Richmond RCMP Detachment,
6900 Minoru Blvd.,
Richmond, B.C. V6Y 1Y3

Date: 20, 10:30 a.m.

I hereby certify that the following is a correct copy of the entries in my book of all articles received during the twenty-four hours immediately preceding the hour of date of this Certificate, in compliance with the Bylaw regulating the same, and that the said entries are true.

Business Name: Report of:

Signature:

Identity No.		Description of Article (ONE ITEM PER ENTRY)		Person Selling Article or Pawning Article			Date Returned
Time Received	Type of Article	Date of Birth	Surname (Print)	Given Name	Signature		
a.m. p.m.	Make	Height	Address				
Amount Paid	Serial Number	Weight	Description				
\$	Color	Picture Identification Type/ Number				Or Date Sold	
Pawn <input type="checkbox"/>	Model or Other Information	Police Remarks and Other Information					
Purchase <input type="checkbox"/>							
		Vehicle Description					
Identity		Description of Article (ONE ITEM PER ENTRY)		Person Selling Article or Pawning Article			Date Returned
Time Received	Type of Article	Date of Birth	Surname (Print)	Given Name	Signature		
a.m. p.m.	Make	Height	Address				
Amount Paid	Serial Number	Weight	Description				
\$	Color	Picture Identification Type/ Number				Or Date Sold	
Pawn <input type="checkbox"/>	Model or Other Information	Police Remarks and Other Information					
Purchase <input type="checkbox"/>							
		Vehicle Description					
Identity No.		Description of Article (ONE ITEM PER ENTRY)		Person Selling Article or Pawning Article			Date Returned
Time Received	Type of Article	Date of Birth	Surname (Print)	Given Name	Signature		
a.m. p.m.	Make	Height	Address				
Amount Paid	Serial Number	Weight	Description				
\$	Color	Picture Identification Type/ Number				Or Date Sold	
Pawn <input type="checkbox"/>	Model or Other Information	Police Remarks and Other Information					
Purchase <input type="checkbox"/>							
		Vehicle Description					

PHOTOGRAPH IMAGES
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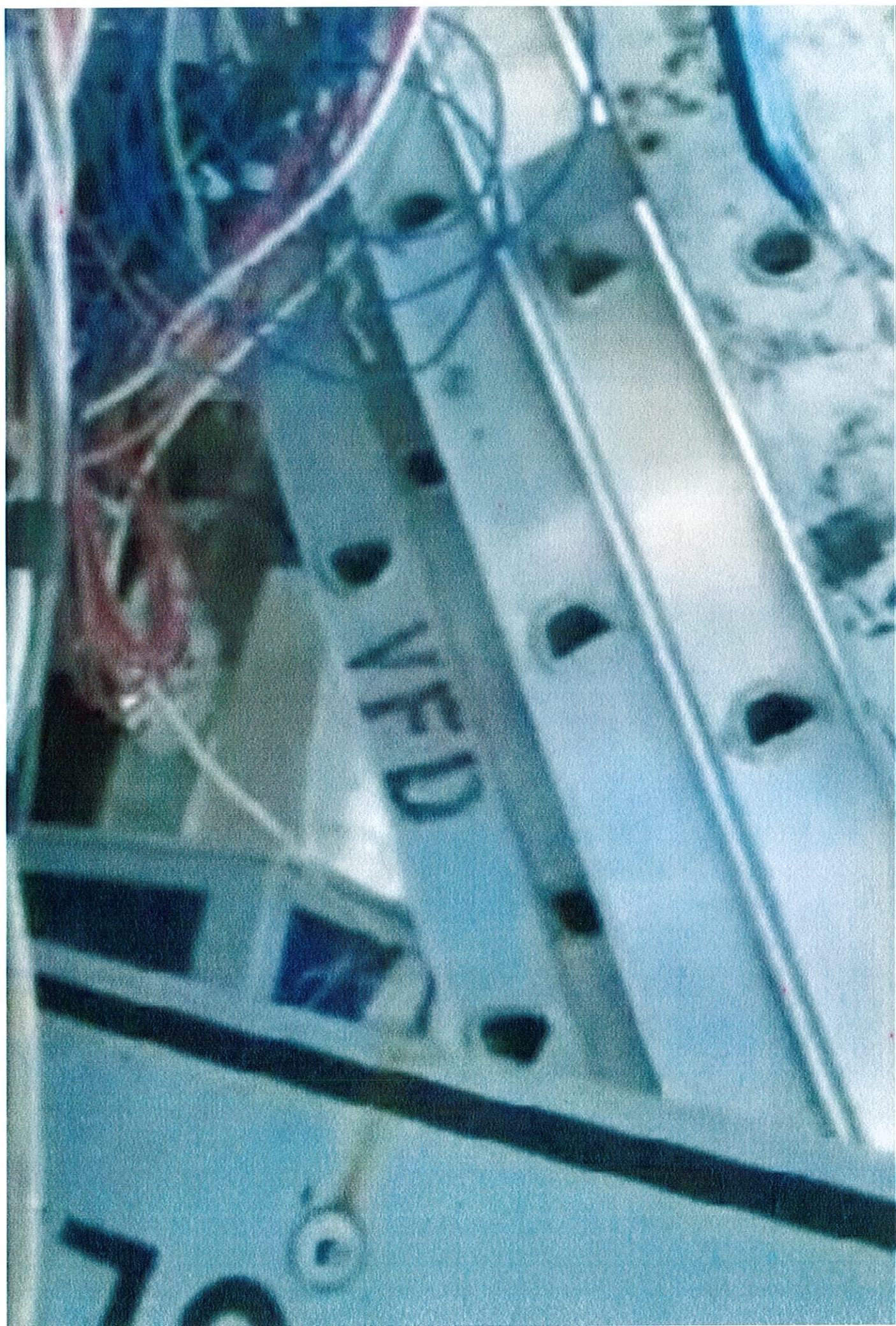


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RELEVANT SECTIONS OF
Community Charter and City Bylaws

(3) Notice required under subsection (2) (a) may be provided in the form and manner, at the times and as often as the council considers reasonable.

2003-26-59

Business licence authority

60. (1) An application for a business licence may be refused in any specific case, but
- (a) the application must not be unreasonably refused, and
 - (b) on request, the person or body making the decision must give written reasons for the refusal.
- (2) In addition to the authority under section 15 (1) (e) [*licences, permits and approvals – suspension and cancellation*], a business licence may be suspended or cancelled for reasonable cause.
- (3) Before suspending or cancelling a business licence, the council must give the licence holder notice of the proposed action and an opportunity to be heard.
- (4) Despite section 155 (2) (b) [*restriction on delegation of hearings*], a council may, by bylaw under section 154 [*delegation of council authority*], authorize a municipal officer or employee to suspend or cancel a business licence.
- (5) If a municipal officer or employee exercises authority to grant, refuse, suspend or cancel a business licence, the applicant or licence holder who is subject to the decision is entitled to have the council reconsider the matter.

2003-26-60

Restriction on authority to require examination or certification

61. A provision in a bylaw under section 8 (6) [*spheres of authority – business*] that requires an examination or certification of a person engaged in a trade or occupation does not apply to a person who has been granted a certificate or other evidence of competence for that trade or occupation under a Provincial or federal Act

2003-26-61

Division 10 – Other Spheres

Public place powers

62. The authority under section 8 (3) (b) [*spheres of authority – public places*] includes the authority in relation to persons, property, things and activities that are in, on or near public places.

2003-26-62

Protection of persons and property

63. The authority of a council under section 8 (3) (g) [*spheres of authority – protection of persons and property*] may be exercised in relation to the following:
- (a) emergency exits in places to which the public is invited;
 - (b) smoke alarms, to the extent that any standards established under this authority do not exceed those established by the Provincial building regulations;
 - (c) any matter within the scope of the *Fire Services Act*;
 - (d) the enclosure of swimming pools and other pools;
 - (e) trailer courts, manufactured home parks and camping grounds;
 - (f) rental units and residential property, as those are defined in the *Residential Tenancy Act*, that are subject to a tenancy agreement, as defined in that Act, to the extent that any standard established under this authority does not exceed those established by the Provincial building regulations.

2003-26-63

Nuisances, disturbances and other objectionable situations

64. The authority of a council under section 8 (3) (h) [*spheres of authority – nuisances, disturbances and other objectionable situations*] may be exercised in relation to the following:
- (a) nuisances;

(c) limit the number of vehicles with respect to which persons may be licensed in a class of carrier.

(3) A bylaw under this section may establish different classes of carriers and make different provisions for different classes.

1999-37-149.

Division 2 - Business Licensing

Authority to require business licences

658. (1) Subject to this Part, a council may, by bylaw, provide for a system of business licences, including one or more of the following:

- (a) prohibiting a business from being carried on unless the owner or operator holds a valid licence under this Division;
 - (b) providing for the granting, refusal, suspension and cancellation of licences for businesses;
 - (c) providing for the duration periods of licences;
 - (d) providing that terms and conditions may be imposed on any licence, the nature of the terms and conditions and who may impose them;
 - (e) setting out the conditions that must be met before a licence is granted, the nature of the conditions and who may impose them.
- (2) A bylaw under this section may
- (a) establish different classes of businesses,
 - (b) make different provisions for different classes and different areas of the municipality, and
 - (c) in relation to a provision under subsection (1) (c), provide that duration periods for different individual licences may be different based on the duration period of some other licence, permit, certificate or other authority that is required for the business or business activities to be carried on or for persons to engage in the business activities.

1999-37-149.

Refusal of business licence

659. (1) An application for a business licence may be refused in any specific case, but

- (a) the application must not be unreasonably refused, and
- (b) the council or designated municipal officer must give reasons for the refusal.

(2) In the case of a refusal by a designated municipal officer, the officer must notify the applicant of the right to a reconsideration by council.

1999-37-149.

Suspension or cancellation of business licence

660. (1) A business licence may be suspended or cancelled for reasonable cause.

- (2) Without limiting subsection (1), any of the following circumstances may constitute reasonable cause:
- (a) the holder fails to comply with a term or condition of the licence;
 - (b) the holder is convicted of an offence indictable in Canada;
 - (c) the holder is convicted of an offence under an Act or municipal bylaw in respect of the business for which the holder is licensed or with respect to the premises named in the licence;
 - (d) the holder is deemed, under this Act or the *Offence Act*, to have pleaded guilty to an offence referred to in paragraph (c);
 - (e) the holder has ceased to comply with a bylaw or has otherwise ceased to meet the lawful requirements to carry on the business for which the holder is licensed or with respect to the premises named in the licence;

(f) in the opinion of the council, the holder has engaged in misconduct that warrants the suspension or cancellation of the licence, if the misconduct is

- (i) in respect of the business,
- (ii) in or with respect to the premises named in the licence, or
- (iii) in respect of that business or another business, or in or with respect to the premises of that business or other business, carried on by the holder inside or outside the municipality.

(3) Before suspending or cancelling a business licence, the council must give the licence holder notice of the proposed action and an opportunity to be heard.

(4) A suspension under this section is for the period determined by the council, and the council may impose additional conditions on the licence that relate to the reasons for the suspension and apply after the period of suspension.

(5) Despite section 193 (1) [*restriction on delegation of hearings*], a bylaw under section 192 [*delegation of council authority*] may authorize a designated municipal officer to exercise the powers of the council under this section.

(6) In the case of a suspension or cancellation under subsection (5), the designated municipal officer must notify the holder of the right to a reconsideration by council.

(7) The obligations under subsections (2) and (6) are satisfied if a reasonable effort was made to mail or otherwise deliver the notices.

1999-37-149.

Right to reconsideration of delegated decisions

661. If a designated municipal officer exercises a delegated authority to grant, refuse, suspend or cancel business licences, the applicant or licence holder who is subject to the decision is entitled to have the council reconsider the matter.

1999-37-149.

Intermunicipal business licences

662. (1) Two or more municipalities may, by bylaw adopted by the councils of each of the participating municipalities, establish an intermunicipal business licence scheme.

(2) An intermunicipal business licence scheme may provide that one or more of the municipalities may exercise its authority under this Part in another municipality participating in the scheme.

1999-37-149.

Offence to carry on business without a licence

663. A person who carries on a business for which a business licence is required, without holding a valid business licence for the business, commits an offence and is liable to the penalties provided in section 4 of the *Offence Act*.

1999-37-149.

Division 3 – Licensing of Commercial Vehicles

Definitions

664. For the purposes of this Division:

“commercial vehicle” means a vehicle used by a person on a highway in a participating municipality, if the vehicle is

- (a) a commercial vehicle as defined by and licensed under the *Commercial Transport Act*, or
- (b) a vehicle not licensed as referred to in paragraph (a), but used for the collection or delivery, or both, of merchandise or another commodity in the ordinary course of a business;

“licence plate” includes licence decal;

“licence year” means the period from March 1 to the last day of February of the following year;

Add
June 12/00

PART TWENTY: TATTOO PARLOUR REGULATION

20.1 Operator Prohibitions

- 20.1.1 A **tattoo parlour operator** must not permit any person under the age of 18 to be tattooed, unless with the written consent of the person's parent or guardian.

PART TWENTY-ONE: TELEPHONE SALES OFFICE REGULATION

21.1 Operator Obligations

- 21.1.1 Every **telephone sales office operator** must advise the **Licence Inspector**, in writing, not later than 24 hours after any change has been made to any of the information which must be provided to the **Licence Inspector** to obtain a **telephone sales office licence**, as stipulated in the **Business Licence Bylaw**.

PART TWENTY-TWO: VIOLATIONS AND PENALTIES

22.1 Any licensee, operator, or any other person who:

- (a) violates or who causes or allows any of the provisions of this bylaw to be violated; or
 - (b) fails to comply with any of the provisions of this, or any other bylaw or applicable statute; or
 - (c) neglects or refrains from doing anything required under the provisions of this bylaw or the **Business Licence Bylaw**; or
 - (d) fails to maintain the standard of qualification required for the issuing of a **licence**; or
 - (e) makes any false or misleading statement,
- is deemed to have committed an infraction of, or an offence against, this bylaw or the **Business Licence Bylaw**, whichever is applicable, and is liable on summary conviction, to the penalties provided for in the *Offence Act*, and each day that such violation is caused or allowed to continue constitutes a separate offence and may result in the suspension or cancellation of the **licence**.

PART TWENTY-THREE: ADMINISTRATION AND ENFORCEMENT

- 23.1 The **Licence Inspector**, **Building Inspector**, **Medical Health Officer**, or **Police Chief** are hereby authorized to enter at any reasonable time, the premises of any **business** regulated under this bylaw, to determine whether the provisions of this bylaw are being, or have been complied with; and it is unlawful for any person to prevent or obstruct the **Licence Inspector**, **Building Inspector**, **Medical Health Officer** or **Police Chief** from the carrying out of any of their duties with respect to the administration and enforcement of this bylaw.

- 4.4.2 Subsection 4.4.1 does not apply to the operator of any news stand, the operation of which has been approved in writing by the **Licence Inspector** on the recommendation of the **Police Chief** and subject to such conditions as may be contained in such written approval.
- 4.4.3 Subject to the *Local Government Act*, a **person** must not canvass or solicit **business** on any street or from anyone in the **City**, from cards, samples or in any other manner whatsoever for the sale of **goods** for future delivery, without having first obtained the appropriate **licence**.

4.5 Miscellaneous Business Licence Provisions

- 4.5.1 Every **licence** is considered to be personally issued to the **licencee**.
- 4.5.2 Where a **business** is carried on by two or more **persons** in partnership, only one **licence**, which must be taken out in the name of the partnership, is required.
- 4.5.3 Subject to the *Local Government Act*, the **Licence Inspector** has the power to grant, issue, renew, suspend or transfer **licences**.

PART FIVE: BYLAW VIOLATIONS AND PENALTIES

- 5.1 Any **licencee**, operator, or any other **person** who:
 - (a) violates or who causes or allows any of the provisions of this bylaw to be violated; or
 - (b) fails to comply with any of the provisions of this, or any other applicable bylaw or statute; or
 - (c) neglects or refrains from doing anything required by this bylaw; or
 - (d) fails to maintain the standard of qualification required for the issuance of a **licence** under this bylaw; or
 - (e) makes any false or misleading statement,

is deemed to have committed an infraction of, or an offence against this bylaw, the **Business Regulation Bylaw** or the **Vehicle for Hire Regulation Bylaw**, whichever is applicable, and is liable on summary conviction, to the penalties provided for in the *Offence Act*, and each day that such violation is caused or allowed to continue constitutes a separate offence, and may result in the suspension, cancellation or revocation of the **licence** in question.

- 5.2 Subject to the *Local Government Act*, **Council** may:
 - (a) revoke or cancel a **licence** issued under the provisions of this bylaw; and,
 - (b) refuse to grant the request of an **applicant** under this bylaw.