



City of Richmond

Report to Council

To: Richmond City Council

Date: June 8, 2010

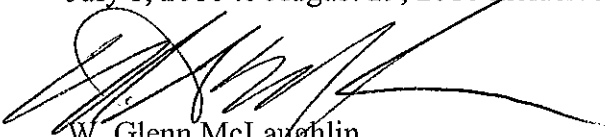
From: W. Glenn McLaughlin
Chief Licence Inspector & Risk Manager

File: 12-8275-20-AMANDA
#/2010-Vol 01

Re: Business Licence Hearing Hanma (Canada) Investments Ltd., dba Blue Sea Spa


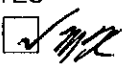
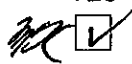
Staff Recommendation

That the Business Licence of Hanma (Canada) Ltd. doing business as Blue Sea Spa, operating from premises located at #100-3311 No. 3 Road, Richmond B.C. be suspended for 60 days from July 1, 2010 to August 29, 2010 inclusive.



W. Glenn McLaughlin
Chief Licence Inspector & Risk Manager
(604-276-4136)

Att.

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

Staff Report

Origin

At the Special Council meeting of June 7, 2010 Council made the following referral:

“That the business licence suspension of Hanma (Canada) Investments Ltd., doing business as Blue Sea Spa, operating from premises located at Unit # 100-3311 No. 3 Road, Richmond, B.C., be referred to staff for reconsideration of the penalty.”

Analysis

Blue Sea Spa was in contravention of a number of City By-laws as detailed in the attached (Appendix A) Business Licence Suspension report to Council dated March 2, 2010, with the more serious of infractions to the Business Regulation By-Law Bylaw for permitting the wearing of outer garments not covering from the neck to the knee and elbows. The recommendation of the report called for a 30-day business licence suspension for the violations.

This is the first bylaw contravention of Blue Sea Spa against the regulation that requires the wearing of garments covering from the neck to the knee and elbows. Blue Sea Spa has a history of other infractions and a prior licence suspension for 30 days in 2004 for operating outside of approved business hours.

The City takes a progressive approach in applying business licence discipline for violations with the first serious offence having a 30 day suspension and further violations calling for further or longer suspension periods or business licence cancellation. As this is the 2nd Business Licence Hearing for this establishment, reconsideration to a 60 day licence suspension is warranted.

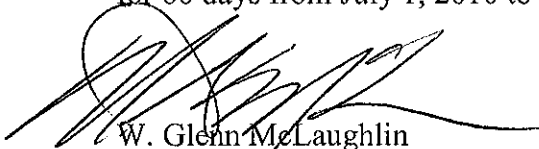
On June 17, 2010, the City received correspondence from the licensee indicating their corrective actions to eliminate further violations. (Appendix B)

Financial Impact

Blue Sea Spas' Body Rub Studio business licence fee is \$5,325. which is considerably higher than similar sized operations. This higher fee is in part to offset the costs associated with regulating this nature of business.

Conclusion

Staff recommend that the Business Licence of Hanma (Canada) Ltd. doing business as Blue Sea Spa, operating from premises located at #100-3311 No. 3 Road, Richmond B.C. be suspended for 60 days from July 1, 2010 to August 29, 2010 inclusive.



W. Glenn McLaughlin
Chief Licence Inspector & Risk Manager
(604-276-4136)



City of Richmond

Report to Council

To: Richmond City Council
From: W. Glenn McLaughlin
Chief Licence Inspector

Date: March 2, 2010
File: 12-8275-06/2010-Vol
01

Re: Business Licence Suspension Hanma (Canada) Investments Ltd.,
dba: Blue Sea Spa

Staff Recommendation

That Council suspend the business licence of Hanma (Canada) Investments Ltd., doing business as Blue Sea Spa, operating from premises located at Unit # 100-3311 No. 3 Road, Richmond, B.C., for a period of 30 days on dates determined by the Chief Licence Inspector.

W. Glenn McLaughlin
Chief Licence Inspector
(604-276-4136)

Att. 2

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

Staff Report

Origin

The City of Richmond, in partnership with other regulating agencies, continue to regulate businesses, with emphasis on businesses operating within the guidelines of all applicable bylaws, statutes and regulations. These efforts are to promote customer and community safety and to prevent businesses from obtaining operational advantages from other businesses in the same licence category by breaching City of Richmond bylaws.

Analysis

This report deals with bylaw infractions noted from routine inspections conducted at Hanma (Canada) Investments Ltd., doing business as Blue Sea Spa, operating at 3311 No. 3 Road --Unit #100 in the City of Richmond, British Columbia. Blue Sea Spa is licenced as an Adult Oriented Use (AO) category business and must adhere to the Body-Painting/Body-Rub Studio Regulation, Part Seven of the Business Regulation Bylaw No. 7538.

Blue Sea Spa had received a 30 day business licence suspension from Richmond City Council in February of 2004 for breaches of City of Richmond Regulations, primarily for operating outside permitted hours. Since that suspension Blue Sea Spa has been issued 11 violation notices of which seven violations are noted over five occurrence dates in a 13 month period for failing to register an employee, smoking violations and for permitting the wearing of outer garments not covering from the neck to the knee and elbows.

Violation Table

DATE	VIOLATION	BY-LAW
December 13, 2009	Permitting the wearing of garments not covering from the neck to the knee and elbows.	Business Regulation Bylaw No 7538 – 7.3.1 c
November 7, 2009	Smoking	Public Health Protection Bylaw No 6989 – 6.1.2
October 23, 2009	Permitting the wearing of garments not covering from the neck to the knee and elbows.	Business Regulation Bylaw No 7538 – 7.3.1 c
May 14, 2009	Smoking	Public Health Protection Bylaw No 6989 – 6.1.1
February 8, 2009	Smoking	Public Health Protection Bylaw No 6989 – 6.1.1
February 8, 2009	Smoking	Public Health Protection Bylaw No 6989 – 6.1.2
Nov. 13, 2008	Failure to provide written notice of change in personnel employed/engaged by body-painting/body-rub studio	Business Regulation Bylaw No 7538 – 7.1.1 a
September 10, 2005	Failure to provide written notice of change in personnel employed/engaged by body-painting/body-rub studio	Business Regulation Bylaw No 7538 – 7.1.1 a

DATE	VIOLATION	BY-LAW
June 14, 2005	Smoking	Public Health Protection Bylaw No 6989 – 6.1.1.1 (a) to (k)
June 14, 2005	Failure to provide written notice of change in personnel employed/engaged by body-painting/body-rub studio	Business Regulation Bylaw No 7538 – 7.1.1 a
April 13, 2005	Failure to provide written notice of change in personnel employed/engaged by body-painting/body-rub studio	Business Regulation Bylaw No 7538 – 7.1.1 a

Given the seriousness and repetition of the most recent violations, on February 10, 2010 a Licence Review meeting was held with the Chief Licence Inspector to determine if licence discipline by City Council was warranted. Present were De Qun YANG the owner of Blue Sea Spa accompanied by two employees and Wallace WONG legal Counsel, plus a paralegal and an interpreter. Constable Billy LEUNG and Constable CHAPLIN of the Richmond Detachment of the RCMP and City of Richmond Licence Inspector, Victor DUARTE were also in attendance.

Legal counsel for Blue Sea Spa was provided details of the noted infractions (Appendix 1) which were then presented by Licence Inspector Duarte supported by the attending members of the RCMP.

The licensee, through their counsel, was permitted the opportunity to question and comment on the information presented and were requested to submit a written response to the Chief Licence Inspector in regards to the information presented.

On February 24, 2010, the City received correspondence dated February 23, 2010, from legal counsel for Blue Sea Spa (Appendix 2) responding to the three occurrence dates of October 23, 2009, November 12, 2009, (corrected to be November 7, 2009), and December 13, 2009.

In response to occurrence dates of *October 23, 2009* and November 12, 2009 (corrected to be *November 7, 2009*), listed as the first and second violations, the respondent noted the prompt payment of fines of \$100.00 and \$1000.00, respectfully, and asserts that the fines paid in these occurrences are the appropriate sanction. In addition, indicating that they were not aware that the violations for which Blue Sea Spa had been ticketed, could potentially lead to the suspension or loss of its business licence.

The third violation dated *December 13, 2009*, resulted in a Municipal Ticket issued against the employee of Blue Sea Spa and not to his client and it is argued that this violation should be excluded from consideration. Staff's position is that regardless of whom the violation notice is issued to, it is the licensee's responsibility to ensure compliance with the regulating bylaws within their establishment.

Staff also note that no Municipal Ticket infraction was issued for the breach of section 7.2.1(b) of the Business Regulation Bylaw No 7538, *requiring the operator of a body-painting/body-rub*

March 2, 2010

- 4 -

studio to have each room illuminated when either the door to such room is closed; or such room is occupied, as noted by the attending RCMP members on October 23, 2009. This infraction also occurred on December 13, 2009 and disclosed at the licence discipline meeting on February 10, 2010 by the Licensee's counsel and RCMP members.

Staff consider the bylaw violations warrant Council's consideration under Section 15(1)(e) of the Community Charter, which provides for the suspension or cancellation of a licence for failing to comply with terms or conditions of a licence or failing to comply with a bylaw.

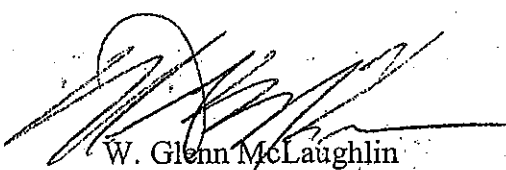
In careful consideration of all the information received, it is the opinion of the Chief Licence Inspector that this business should have its licence suspended for a period of 30 days.

Financial Impact

None

Conclusion

There have been multiple bylaw violations by Blue Sea Spa since their 2004 suspension warranting a suspension for 30 days on which dates can be determined by the Chief Licence Inspector following Council's suspension authorization.



W. Glenn McLaughlin
Chief Licence Inspector
(604-276-4136)

WGM:vmd

Licence Review Meeting

Appendix 1

INFORMATION:

Business: Hanma (Canada) Investments Ltd. dba:
Blue Sea Spa.

Address: 3311 No 3 Road – Unit # 100, Richmond, BC V6X 2B6

Ref. File #: 02202936

Meeting Date: Wednesday, February 10, 2010

Time: 10:00 a.m.

Location: Room T.4.139, Richmond City Hall, 6911 No. 3 Road, Richmond, BC

History:

Hanma (Canada) Investments Ltd., doing business as, and here after referred to as “Blue Sea Spa” operates an Adult Oriented Use (AO) category business, sub-category of Body-Rub Studio and must adhere to the Body Rub Studio Regulations, Part Seven, of the Business Regulation Bylaw No 7538.

The owner, De Qun YANG, has operated Blue Sea Spa since it first opened in June of 2002, operating at 3311 No 3 Road – Unit # 100, in the City of Richmond, Province of British Columbia.

- As an Adult Oriented Use (AO) business, Blue Sea Spa and other businesses in the same category, are routinely inspected by various regulatory enforcement groups to ensure compliance of various regulations.

Blue Sea Spa received a suspension by Richmond City Council in February of 2004 for the period of 30 days commencing February 14, 2004 through March 14, 2004, both dates inclusive.

Since this suspension of 2004, Blue Sea Spa has been responsible for a noted 13 violations which resulted in the issuance of Municipal Ticket Information's (MTI's) for various offences under the Public Health Protection Bylaw No 6989 and the Business Regulation Bylaw No 7538. A noted 8 violations were issued in 2009 over 5 occurrence dates.

Current Information:

On October 23, 2009 at or about 10:50 p.m., Members of the Richmond RCMP Police, Corporal PETERS, Corporal DHILLON, Constable SHIN and Constable MUSHI, attended Blue Sea Spa at 3311 No 3 Road, - Unit # 100, for a routine inspection to ensure compliance of the Body Rub Studio Regulations. The following is a narrative of this inspection.

During this inspection, Cpl. PETERS observed lights off in occupied rooms, numbered, 6, 8 and 11, each containing a male customer and a female masseuse. This is a violation of section 7.2.1 (b) of the Business Regulation Bylaw No 7538, which states Every room used by the operator of a body-painting/body-rubbing for a body-rub or similar service must:

(Special)

be equipped with lighting of at least 550 lux, which must remain illuminated when either the door to such room is closed; or such room is occupied.

During this inspection, Cpl. DHILLON observed female masseuse in room 11 not wearing pants. This is a violation of the Business Regulation Bylaw No 7538, section 7.3.1(c), which states; An operator of a body-painting/body-rub studio must not permit any person engaged in providing a body-rub or other service to be in such premises unless such person is wearing clean, washable, non-transparent outer garments, covering his or her body between the neck and the top of the knee, the sleeves of which must reach below the elbows. A copy of Occurrence Report attached as – **Attachment 1**

As a result of this inspection by RCMP on October 23, 2009, Licence Inspector for the City of Richmond, Victor DUARTE, attended Blue Sea Spa on November 02, 2009 and issued MTI (21839) for the noted violation, section 7.3.1(c) of the Business Regulation Bylaw No 7538. This violation carries a fine of \$100.00. A copy of MTI attached as – **Attachment 2**

This fine was paid on November 12, 2009 – Copy of Receipt – **Attachment 3**

On November 07, 2009 at or about 9:50 p.m. RCMP officers including Constable LEUNG attended at Blue Sea Spa and noted a fresh smell of cigarette smoke within the premises. Cst. LEUNG notes:

- 1) a fresh cigarette butt inside a garbage can (near the top);
- 2) one cigarette butt on the tiles near the tub;
- 3) one lit cigarette found underneath a table in the area;
- 4) fresh cigarette butts, inside a Styrofoam cup filled with liquid. A copy of Occurrence Report attached as – **Attachment 4**

On December 03, 2009, DUARTE attends business with Bylaw Officer D. BENNING. DUARTE issues MTI (21959) for permitting or allowing smoking, section 6.1.2 of the Public Health Protection Bylaw. DUARTE speaks with owner, De Qun YANG and informs YANG his business has received numerous violations for permitting smoking inside this premise and the City of Richmond will not tolerate further violations of the Public Health Protection Bylaw. This violation carries a fine of \$1,000.00. A copy of MTI attached as – **Attachment 5**

This fine was paid on December 08, 2009 – Copy of Receipt – **Attachment 6**

On December 13, 2009, at or about 5:00 p.m., Cst. LEUNG and Cst. CHAPLIN conducted a routine inspection at Blue Sea Spa. Cst. LEUNG observed a female employee and male customer conducting an activity not covered under any licence category. A copy of Occurrence Report attached as – **Attachment 7**

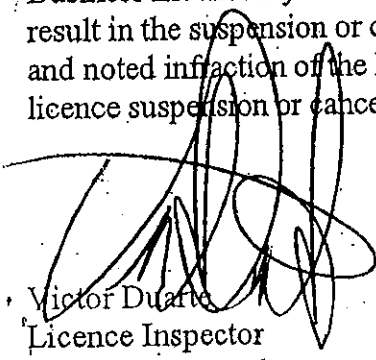
Cst. LEUNG issued MTI 22560, for a violation of the Business Regulation Bylaw No 7538, section 7.3.1(c), which states; An operator of a body-painting/body-rub studio must not permit any person engaged in providing a body-rub or other service to be in such premises unless such person is wearing clean, washable, non-transparent outer garments, covering his or her body between the neck and the top of the knee, the sleeves of which must reach below the elbows. A copy of MTI attached as – **Attachment 8**

(Special)

This fine was paid on December 15, 2009 – Copy of Receipt – Attachment 9

The City of Richmond continues to enforce bylaws with emphasis on businesses operating within the guidelines of all applicable bylaws, statutes and regulations within the business premises. These ongoing efforts are in order to promote customer and community safety.

A licensee, operator, or any other person who violates or who causes or allows any provisions of the Business Regulation Bylaw No 7538, or fails to comply with the provisions of any other bylaw or statute, is deemed to have committed an infraction of the Business Licence Bylaw No 7360 or the Business Regulation Bylaw No 7538 and could result in the suspension or cancellation of the licence. In careful consideration of the severity and noted infraction of the Business Regulation Bylaw, it is the undersigned's belief that a licence suspension or cancellation is warranted.



Victor Duarte
Licence Inspector
City of Richmond

RICHMOND RCMP

GO#1401 2009-35272

Related text page(s)

SYNOPSIS

BYLAW INSPECTION

Author : 045498 PETERS, STEPHAN

Related date : Wed, 28 Oct. 2009 at 04:44

09-10-23 @ 2250hrs

Bylaw inspection at Blue Sea Health Spa at 100-3311 No 3 Rd Richmond. Two (2) violations for no light in the massage rooms and one (1) violation for masseuse not wearing pants while massage being given. Victor DUARTE (City Bylaw) advised.

Cpl PETERS 45498
C watch NCO

**** CONFIDENTIAL ****

RICHMOND RCMP

GO#1401 2009-35272

OCCURRENCE REPORT
BODY-RUB STUDIO INSPECTION.
Author : 045498 PETERS, STEPHAN
Related date : Wed, 28 Oct. 2009 at 04:49

09-10-23 @ 22:50hrs

* Body-Rub Studio Inspection:

Team: Cpl PETERS
Cpl DHILLON (plainclothes)
Cst SHIN (plainclothes)
Cst MUSHI

On October 23rd 2009 at approximately 22:50hrs, members conducted an inspection at Blue Sea Spa located at 100-3311 No 3 Rd Richmond. Cpl DHILLON and Cst SHIN were the first members to enter the premise followed by Cpl PETERS and Cst MUSHI. Blue Sea Spa was fairly busy with approximately 10-13 male customers at the time.

Cpl PETERS quickly examined the massage rooms and confirmed that room #6, #8 and #11 were occupied by a female masseuse and a male customer with the light turned off. Furthermore, Cpl DHILLON advised Cpl PETERS that the masseuse in room #11 had no pants and a male customer was naked. Cpl DHILLON could not confirm if she was wearing underwear. When the masseuse saw Cpl DHILLON thru the window, she quickly put her pants on (black pants, black shirt). The Asian female masseuse was identified with BC drivers licence # [REDACTED] as [REDACTED] (dob [REDACTED]) is registered with the City and is currently employed by Blue Sea Spa.

room #8 was occupied by [REDACTED] (dob [REDACTED]) who produced a valid BC drivers licence # [REDACTED] with matching photo. [REDACTED] is registered with the City and is currently employed by Blue Sea Spa.

room #6 was occupied by [REDACTED] (dob [REDACTED]) who produced a valid BC drivers licence # [REDACTED] with matching photo. [REDACTED] is registered with the City and is currently employed by Blue Sea Spa.

No other infraction observed. Manager was advised that the City would be contacted via an inspection report. No MTI issued by members

Cpl PETERS 45498
C watch NCO

** CONFIDENTIAL **

CNCL - 11
(Special)

09 10 23

FRIDAY

PL. B17
PORT P14374

2100 BRIEFING

[REDACTED]

2230 [REDACTED]

2235 [REDACTED]

2250 NO E - 6 NO UREAS
NO 11 NO PANTS

[REDACTED] DOB [REDACTED]

[REDACTED] DL [REDACTED]

[REDACTED] ALB
Pretensions

(NO 8) [REDACTED]

DOB [REDACTED]

DL [REDACTED]

[REDACTED] RD

NOV [REDACTED]

DOB [REDACTED]

DL [REDACTED]

[REDACTED] DR

2325
12
0100
0040



Royal Canadian Mounted Police
Gendarmerie royale
du Canada

Cpl. Stephan (J.J.) PETERS
Richmond City Detachment

RCMP-GRC

6900 Minoru Boulevard
Richmond, B.C. V6Y 1Y3
Telephone: 604-278-1212
Facsimile: 604-278-6773

File No.:
Voice-mail: 2505

Canada

Attachment 2

City of
Richmond

Community Charter

Ref # 02202936 M 21839

MUNICIPAL TICKET INFORMATION

ISSUED TO: [REDACTED] Receptionist

SURNAME OR CORPORATE NAME BLUE SEA HEALTH SPA		<input type="checkbox"/> YOUNG PERSON
GIVEN NAMES (OR CORPORATE NAME CONTINUED)		

THE BYLAW ENFORCEMENT OFFICER SAYS THAT HE OR SHE HAS REASONABLE AND PROBABLE GROUNDS TO BELIEVE, AND DOES BELIEVE, THAT THE ABOVE NAMED

ON OR ABOUT 09/10/23 AT THE TIME OF 22:50 (24hr Clock)

AT OR NEAR 3311 NO 3RD - UNIT #100 STREET ADDRESS, CITY OF RICHMOND, PROVINCE OF BRITISH COLUMBIA

DID COMMIT THE OFFENCE INDICATED, UNDER THE FOLLOWING BYLAW

BYLAW NAME	DESCRIPTION OF OFFENCE	SECTION	FINE AMOUNT
	PERMITTING THE WEAR AND POWER GARMENTS NOT COVERING THE BODY BETWEEN THE NECK & THE TOP OF THE KNEE	7.3.1(c)	\$100.00

IF THE FINE IS NOT PAID OR THE VIOLATION CONTAINED IN THIS TICKET IS NOT DISPUTED (SEE REVERSE) WITHIN 14 DAYS, THIS TICKET WILL BE TREATED AS NOT DISPUTED. YOU MAY BE CONVICTED IN YOUR ABSENCE AND WITHOUT A HEARING AND, UPON CONVICTION, THE FINE AMOUNT WILL BE IMPOSED FOR THE OFFENCE CHARGED.

COURT COPY

21839

**** Duplicate Receipt ****

City Hall
6911 No. 3 Road
Richmond, BC
604-276-4000
GST# R121464003

Front of House Cashier: 339
#17-0061877 Nov 12 2009 -- 12:20PM

10 Fines - MTI Business Lic \$100.00
 m21839

SubTotal: \$100.00
 GST: \$0.00
 PST: \$0.00

Total Due: \$100.00

Payment: Cash \$100.00



Attachment 4

Page 1

RICHMOND RCMP

085777 LEE, SIMON

Case: GO 1401 2009-36662

BYLAW-OTHER
/FRESH SMELL OF CIGARETTES
SYNOPSIS

2009-Nov-07, 2150hrs:

Police members conducted a license premise check at Blue Sea Health Spa at 100-3311 No.3 Rd and noted fresh cigarette smells within. An employee replied that he believed that the cigarettes butts located were from the cleaners. Police members did not see cleaners inside at the time and noted the following in the tub area.

- 1) one fresh cigarette butt inside in garbage can (near the top);
- 2) one cigarette butt on the tiles by the tub;
- 3) one lit cigarette found underneath a table in the area;
- 4) fresh cigarette butts inside a styrofoam cup filled with liquid.

Store employees were advised to keep their customers from smoking inside. This report will be made available to city business inspectors. File concluded.

Cst. B. LEUNG, Reg# 55936, C Watch, Richmond RCMP

Author: LEUNG, BILLY
Related date: Sat, 2009-Nov-07 2217

Signatures: _____

(Wed.) 2009-Nov-25

CNCL - 15
(Special)

City of Richmond

Ref

M 21959

02202936

Community Charter

MUNICIPAL TICKET INFORMATION

ISSUED TO:

DEQUN YANG - owner

SURNAME OR CORPORATE NAME BLUE SEA HEALTH SPA	<input type="checkbox"/> YOUNG PERSON
GIVEN NAMES (OR CORPORATE NAME CONTINUED)	

THE BYLAW ENFORCEMENT OFFICER SAYS THAT HE OR SHE HAS REASONABLE AND PROBABLE GROUNDS TO BELIEVE, AND DOES BELIEVE, THAT THE ABOVE NAMED

ON OR ABOUT 09/11/07 AT THE TIME OF 21:50

AT OR NEAR 3311 NO 320 - WATSON STREET ADDRESS CITY OF RICHMOND, PROVINCE OF BRITISH COLUMBIA

DID COMMIT THE OFFENCE INDICATED, UNDER THE FOLLOWING BYLAW PUBLIC HEALTH PROTECTION BYLAW 6989

DESCRIPTION OF OFFENCE	SECTION	FINE AMOUNT
PERMITTING OR ALLOWING SMOKING	6.1.2	\$1,000.00

IF THE FINE IS NOT PAID OR THE ALLEGATION CONTAINED IN THIS TICKET IS NOT DISPUTED (SEE REVERSE) WITHIN 14 DAYS, THIS TICKET WILL BE TREATED AS NOT DISPUTED, YOU MAY BE CONVICTED IN YOUR ABSENCE AND WITHOUT A HEARING AND, UPON CONVICTION, THE FINE AMOUNT WILL BE IMPOSED FOR THE OFFENCE CHARGED.

COURT COPY

M 21959

**** Duplicate Receipt ****

City Hall
6911 No. 3 Road
Richmond, BC
604-276-4000
GST# R121454003

Permit Counter
#49-0040788

Cashier: 527
Dec 8 2009 - 11:55AM

10 Fines - MTI Business Lic \$1,000.00
Municipal Tkt# M21959
100-3311 No 3 RD
Bylaw 3989 Sec 6.1.2
Blue Sean Health Spa

SubTotal: \$1,000.00
GST: \$0.00
PST: \$0.00

Total Due: \$1,000.00

Payment: Cheque \$1,000.00



Attachment 7

Page 1

RICHMOND RCMP

165051 LEUNG, BILLY

Case: 1401 2009-40942

\CST. CHAPLIN
OCCURRENCE REPORT

2009 12 13
1700 hours

On December 13th 2009 at approximately 1700 hours Constable LEUNG and Constable CHAPLIN conducted a premise inspection of Blue Sea Health Spa located at 3311 No 3 Road in unit 100.

Constable LEUNG walked into the back of the rear of the business (massage area) and began to check the massage rooms. Constable LEUNG checked the first room to the right in the back, and Constable CHAPLIN walked past Constable LEUNG. After approximately two seconds, Constable CHAPLIN heard Constable LEUNG state "What's going on in here?" Constable CHAPLIN turned around and looked into the partially open door and window in the door.

Constable CHAPLIN observed an Asian female, now known as [REDACTED] astride an Asian male, now known as [REDACTED]. They were on the floor of the room, and not utilizing the masseuse table.

The female was wearing a white blouse and a skirt. The skirt was raised approximately mid thighs, and there were no leg coverings. [REDACTED] was astride [REDACTED] in the mid section area. As Constable CHAPLIN observed this [REDACTED] stood up and stepped to the side of [REDACTED].

[REDACTED] was completely naked lying prone on the floor. There was a towel underneath [REDACTED].

Constable CHAPLIN, after [REDACTED] donned a robe, obtained [REDACTED] identification and inquired to what was occurring in the room. Constable CHAPLIN had difficulty talking with [REDACTED] as [REDACTED] spoke only in Mandarin.

Constable CHAPLIN inquired as to the amount [REDACTED] paid for "boom boom" and [REDACTED] stated "No boom boom" and motioned that there was a massage only. Constable CHAPLIN informed that the position of the bodies, lack of clothing, and positioning of the masseuse on [REDACTED] indicated there was more than a massage. [REDACTED] reiterated that there was no sex.

Constable CHAPLIN after the statement with [REDACTED] reobserved [REDACTED], who was wearing the same clothing, except there was a black undergarments that covered [REDACTED] thighs.

This concludes Constable CHAPLIN's involvement in the incident.

Constable CHAPLIN 54394/154055 Richmond Royal Canadian Mounted Police

Case: 1401 2009-40942

\DETAILS OF EVENT
OCCURRENCE REPORT

2009-Dec-13, 1700hrs:

PREMISE CHECK

Cst. LEUNG and Cst. CHAPLIN conducted a routine business check at Blue Sea Health Spa at unit 100-3311 No.3 Rd. During the check, Cst. LEUNG observed a female masseuse sitting on a male patron's pelvic area on the floor. She wore a very short skirt and wore no undergarment, he male's penis was clearly exposed underneath the female after she got up. From Cst. LEUNG's observation, it appeared that the two were having sex. However Cst. LEUNG's view was partially obstructed by the door window and that the female's clothing. They did appeared very nervous and embarrassed upon police entry.

CONVERSATION WITH FEMALE MASSEUSE AND PATRON

The female and male were later identified as employee [REDACTED] and [REDACTED] via valid BCID. [REDACTED] spoke no English but he motioned he was only he was a customer here for massages only. Cst. LEUNG spoke with [REDACTED] and with her limited English, [REDACTED] stated:

- that she was giving [REDACTED] a massage on the floor;
- that she was not having sex with [REDACTED];
- that she was not, paid to have sex with [REDACTED], but to give massage only;
- that no persons offered to give money for sex nor did she offer the same;
- that the massage rate of Blue Sea was charged- \$60/1hr or \$90/2hrs;

However, [REDACTED] could not explained why she had no undergarment on during the massage and why the massage could not take place on the designated massage table that was present, and being instead occurred on the floor.

CONVERSATION WITH ONSITE MANAGER

Blue Sea Spa has been warned on previous checks by Cst. LEUNG about apparent sexual activities between its workers and patrons. Cst. LEUNG spoke with the Manager De Qun YANG who denied having any knowledge of the above. YANG stated he does not condone any illegal activities at his business and stated [REDACTED] would be fired for her actions (without any prompts by police). Cst. LEUNG advised YANG to closely monitor his workers and that the richmond City Hall will be advised of this incident.

LACK OF SOLICITATION EVIDENCE

At this point, charge of "operating a bawdy house" not considered due the lack of evidence:

- no recording equipment of any kind inside the premise;
- no available witnesses and the lack of complainants;
- activities in 8 other massage rooms within the premise were normal;
- no other bylaw infractions located;

Case: 1401 2009-40942

\DETAILS OF EVENT
OCCURRENCE REPORT

CPIC/PRIME checks were negative for all parties. Bylaw ticket issued to [redacted] for "improper attire" (ticket #M22560). Notes, copy of ticket, and occurrence report sent forth to city inspector should they consider further bylaw actions. File concluded.

Cst.B.LEUNG, Reg# 55936, C Watch, Richmond RCMP at YVR

Author:LEUNG, BILLY
Related date:Tue, 2009-Dec-15 0223

Signatures: _____

(Wed.) 2010-Feb-10

RCMP GRC

Cst. B. LEUNG

Richmond City Detachment

6900 Minoru Boulevard
Richmond, B.C. V6Y 1Y3
Telephone: 604-278-1212
Facsimile: 604-278-6773
Email: billy.leung@rcmp-grc.gc.ca

File No. _____
Vocicemail: 2357

Royal Canadian Mounted Police
Gendarmerie royale du Canada

Canada

170

BLID

SIN

Richmond

609

170

YANG, De Qun

DC

#

→ M. 22560

- Need to get date &

name

- Forward into the

CP

- ask vic for details

PL

M 22560

City of
Richmond

Community Charter

MUNICIPAL TICKET INFORMATION

ISSUED TO:

SUBNAME OR CORPORATE NAME [REDACTED]	<input type="checkbox"/> YOUNG PERSON
[REDACTED] (DATE NAME CONTINUED)	

THE BYLAW ENFORCEMENT OFFICER SAYS THAT HE OR SHE HAS REASONABLE AND PROBABLE GROUNDS TO BELIEVE, AND DOES BELIEVE, THAT THE ABOVE NAMED

ON OR ABOUT DATE OF OFFENCE
2009 12 13 AT THE TIME OF 17:02
 AT OR NEAR 100-3311 No 3 Rd Richmond CITY OF RICHMOND, PROVINCE OF BRITISH COLUMBIA

DID COMMIT THE OFFENCE INDICATED UNDER THE FOLLOWING BYLAW
Business Regulation Bylaw # 7536

DESCRIPTION OF OFFENCE	SECTION	FINE AMOUNT
Permitting the wearing of outer garment not covering the body between neck and knee	7.3.1(c)	100

IF THE FINE IS NOT PAID OR THE ALLEGATION CONTAINED IN THIS TICKET IS NOT DISPUTED (SEE REVERSE) WITHIN 14 DAYS, THIS TICKET WILL BE TREATED AS NOT DISPUTED, YOU MAY BE CONVICTED IN YOUR ABSENCE AND WITHOUT A HEARING AND, UPON CONVICTION, THE FINE AMOUNT WILL BE IMPOSED FOR THE OFFENCE CHARGED.

COURT COPY

22560

**** Duplicate Receipt ****

City Hall
6911 No. 3 Road
Richmond, BC
604-276-4000
GST# R121454003

Permit Counter #49-0040958 Cashier: 339
Dec 15 2009 - 3:24PM

10 Fines - MTI Business Lic \$100.00
m22560

SubTotal: \$100.00
GST: \$0.00
PST: \$0.00

Total Due: \$100.00

Payment: Cash \$100.00



Appendix 2

Wallace M. Wong & Co.

BARRISTERS & SOLICITORS

WALLACE M. WONG

File: WW-C570

ASSOCIATE: BETTY P. LIN

February 23, 2010

City of Richmond
Business and Financial Services Department
Business Licences
6911 No. 3 Road
Richmond, B.C.
V6Y 2C1

By Fax: (604) 276-4157

Attn: W. Glenn McLaughlin, Chief Licence Inspector & V. Duarte, Licence Inspector

Dear Sirs:

Re: Licence Review of Hanma (Canada) Investments Ltd. dba Blue Sea Spa
Hearing date: February 10, 2010
Your file: 02202936

Thank you for the opportunity to make a written submission on behalf of our client Blue Sea Spa.

We understand that the licence review was occasioned by three bylaw violations which occurred October 23, November 12, and December 13, 2009, respectively, and especially by the most recent one. The violations were observed by police officers during the course of routine checks. None of the violations gave rise to a complaint by a member of the public.

The first and third violations were of s. 7.3.1 (c) of Business Regulation Bylaw No. 7538, "permitting the wearing of outer garments not covering the body between the neck and the top of the knee". The second violation was of s. 6.1.2 of Health Protection Bylaw No. 6989, "permitting smoking". The first and second violations resulted in the issuance of Municipal Ticket Informations against our client, which promptly paid the fines of \$100 and \$1000, respectively.

The third violation was associated with the conclusion of a police officer that a former employee of our client [REDACTED] had engaged in a act "not covered under any licence category" on our client's premises. The Occurrence Report prepared by Cst. Leung on December 13, 2009 indicates that he observed [REDACTED] sitting on the pelvic area of a man [REDACTED], who was on the floor. When [REDACTED] got up, Cst. Leung observed [REDACTED] penis. Cst. Leung stated that it appeared that [REDACTED] and [REDACTED] were having sex, when he first saw them. However, he did not actually see them engage in sex. Cst. Leung explained that his view was partially obstructed by the door window and by [REDACTED] clothing. Both [REDACTED] and [REDACTED] denied that they had engaged in sexual conduct. It will be noted that there is no reference in his contemporaneous hand-written notes to what Cst. Leung conjectured to have been a sex act.

[REDACTED] denied to Cst. Leung that she had had sex with [REDACTED]. She later explained in Mandarin that

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(Special)

February 23, 2010 Business and Financial Services Department Page 2

she was giving [REDACTED] a Thai massage, a type of massage which can more easily be given to a man of [REDACTED] size on the floor than on the massage table. She also stated that she was not sitting on [REDACTED] pelvic area, but was rather squatting over him in order to massage him more effectively. She further stated that she had been wearing underwear (black shorts and a black T-shirt) during the whole course of her interaction with [REDACTED]. Because [REDACTED] speaks very little English, she was not able to provide more than a denial concerning their sexual allegations to the police officers. Cst. Leung suggested to Mr. Yang, the manager of the Blue Sea Spa, that he dismiss [REDACTED] and she agreed to quit.

According to the report of Cst. Leung, no consideration was given to charging our client with "operating a bawdy house" because of the lack of evidence, more specifically the lack of the following:

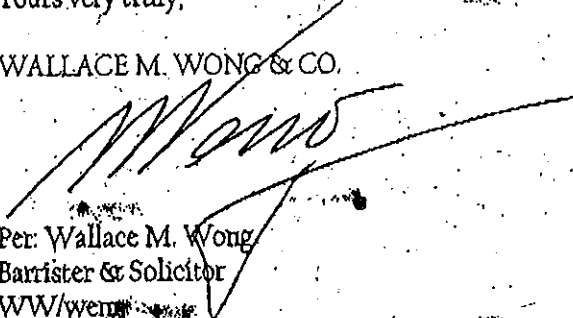
- recording equipment within the premises;
- witnesses, or complainants;
- abnormal activities in any other massage room in the premises;
- any other bylaw infraction.

In fact the Municipal Ticket Information was laid against [REDACTED] not against our client. (It is our understanding that [REDACTED] has paid the fine, without admitting any liability, and only to avoid the inconvenience of contesting the ticket.) Accordingly, our client respectfully submits that the third violation should be entirely excluded from consideration because it did not commit, and was not, in fact, charged with any violation.

Our client's position is that it did not knowingly violate any law, though it acknowledges that conduct inconsistent with Bylaws No. 7538 and 6989 occurred on its premises, and undertakes to increase its vigilance to prevent proscribed conduct by others on its premises. Our client states that the masseuses it employs are selected for their skill at massage, as opposed to their physical attractiveness. Accordingly, they are in the 45 to 50 age range, and typically married with children. Our client respectfully submits that the fines that it has paid in this matter are the appropriate sanction, and that the cancellation or suspension of its licence would be excessive. Mr. Yang states that he had not been aware that the violations for which the Blue Sea Spa has been ticketed, could potentially lead to the suspension or loss of its licence.

Yours very truly,

WALLACE M. WONG & CO.


Per: Wallace M. Wong
Barrister & Solicitor
WW/weng

B.J. 03-01-2010

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(Special)

Appendix B

June 17, 2010

Hanma (Canada) Investments Ltd.
dba Blue Sea Spa
Unit 100-3111 No. 3 Road
Richmond, BC V6X 2B6

Attention: W. Glenn McLaughlin

Dear Sir:

Re: Business Licence Regulation Contravention

My name is De Qun Yang and I am 47 years old. I am director and sole shareholder of Hanma (Canada) Investments Ltd., and the owner of the subsidiary company, Blue Sea Spa. I moved to Canada in 2001. In 2005 my daughter, who was almost 18 years old at the time, died from surgical malfeasance. In 2008, my ex-wife and I were divorced.

Blue Sea Spa was opened on May 18, 2002. It is an establishment that offers massages and spa services for relaxation for both men and women clients. The fifteen female massage therapists were employed based on their skills and all of them are 40 years old and above all have families and most have children.

My business licence has been suspended for one month in February 2004 for operating outside permitted hours. I had learned my lesson then and I undertook to ensure that the business would not operate beyond the permitted hours.

As for the present Business Licence Regulation Contravention that brings the matter to the Richmond City Council, I, as owner and director of the Blue Sea Spa, acknowledge the contraventions of the bylaws and that I am fully responsible for them. During the span of approximately five years since the last licence suspension, there were 11 contraventions: five smoking violations, two improper attire contraventions, and four failure to provide notice of change in personnel employed.

Regarding the smoking violations, although we inform our clients that they cannot smoke on the premise, many of them smoked regardless. Most of these incidents occurred in the shower room because they know that there is no surveillance camera there. In any event, I should have been more vigilant in deterring them. Therefore, I have put up more no-smoking signs throughout the building, told my staff to inform clients that they ought not to smoke since the city and the police take smoking very serious, and have delegated staff to actively patrol the premise to deter smokers.

With respect to the contraventions of massage therapists not wearing proper garments covering from the neck to the knee and elbows, I have been aware of the requirement of appropriate garments, however, I was not careful enough. As a result, those contraventions regrettably occurred. In order to prevent them from happening again, I have warned the massage therapists that they must wear proper attire, and have made it a policy to inspect the massage therapists every time when they arrive at

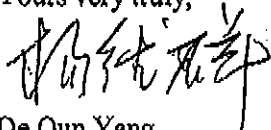
work. Further, I have assigned staff to be vigilant on the lookout for any change of attire during business hours. Moreover, I have decided to fix signs by the light switches in every room that they cannot be touched so that the lighting would remain appropriately bright during business hours.

In respect of failure to provide written notice of change in personnel employed, between 2001 and 2008, I was involved in a messy divorce proceeding with my ex-wife, and my daughter died tragically on June 11, 2005 from a serious operation which failed. As I was very concerned with my daughter's operation around that time, I had neglected the management of the Blue Sea Spa and therefore, the contraventions of April 13, 2005, June 14, 2005, and September 10, 2005 occurred. I did not pay as close of attention as I should have. I accept responsibility for what had occurred and that my personal life should not excuse my poor management then. With respect to the November 13, 2008 failure to provide notice contravention, I had approximately 20 massage therapists working at the time. Some of the therapists were on a trial basis, and therefore, notices were not provided until a hiring decision was made. Although I had delegated the task of providing written notices of new employees to a general manager who was then working, I accept responsibility for not having provided such notices.

The fixed operating expenses each month is approximately \$12,000 and the fixed wages paid out each month is at the range of \$6,000 to \$7,000. Therefore, for each month that my licence becomes suspended, I would still incur operating expenses of about \$18,000 to \$19,000. Further, since the media exposure after the last Special Council Meeting at city hall, five of the massage therapists have taken time off work because they are scared of the media. Further, the number of patrons has reduced as well. Simply put, the business has been seriously affected and reduced.

Although my English is minimal and that I had not been aware of the potential of business licence cancellation, I should have taken more responsible steps to ensure that these violations would not occur. As indicated above, I have committed to take practical and effective measures to eliminate potential violations of the bylaws and be an upstanding Canadian citizen so that my children will grow up to be good Canadians. I know that I am facing a potential licence cancellation and this may very well be the last licence suspension. I have learned my lessons and I will do my best to ensure that no bylaws contraventions would occur in the future because I do not want my only source of livelihood to be terminated.

Yours very truly,



De Qun Yang