Schedule 1 to the Minutes of the Special meeting of Richmond City Council held on Monday, November 7, 2016.

A&K Health Enterprises Ltd. 4940 No. 3 Road, Unit 132 Richmond, B.C., V6X 3A5

November 7, 2016

#### By Hand

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

WRITTEN SUBMISSION by A&K Health Enterprises Ltd. dba King Feet Massage ("King Feet")

Dear Sirs/Mesdames:

Re: Business Licence Suspension by the City of Richmond (the "City") – King Feet Massage (operating from premises located at 4940 No. 3 Road Unit 132, Richmond, B.C.)(the "Premises").

It has been determined by the City that King Feet has violated part 14.1.1(b) of the "Business Regulation" Bylaw No. 7538 of the City of Richmond (the "City"), which stipulated:

14.1.1 Every Therapeutic Touch Clinic operator must:

[...]

(b) permit such business to be open only between the hours of 8:00 a.m. and 9:30 p.m. each day; and

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26.1 In this bylaw, unless the context requires otherwise:

[...]

THERAPEUTIC TOUCH CLINICS means a building, structure or premises in which clients receive Therapeutic Touch Treatments

THERAPEUTIC TOUCH TREATMENTS includes but is not limited to shiatsu, reflexology, biokineisiology, hellework, polarity, reiki, rolfing and trager approach.<sup>1</sup>

(the "Bylaw").

The City Staff recommended that the City suspend the Business License of A&K doing business as King Feet Massage ("King Feet") for a period of 10 consecutive days from November 14<sup>th</sup>, 2016 to November 23<sup>rd</sup>, 2016, inclusive (the "Proposed Suspension").

<sup>&</sup>lt;sup>1</sup> City of Richmond, Business Regulation Bylaw No. 7538 [the "Bylaw"].

In 2011, King Feet was purchased by Ms. Eugenia Chan ("Ms. Chan"). King Feet currently employs 7 massage therapists in addition to managerial staff. The managerial staff are on either a day-shift or evening shift. The dayshift hours are between 8:00 a.m. and 5:30 p.m. (the "Day Shift Hours") while evening shift hours are typically between 5:30 p.m. and 9:30 p.m. (the "Evening Shift Hours") Currently, Ms. Chan personally supervises her staff during Evening Shift Hours.

A&K makes the following submissions with respect to the Proposed License Suspension ("King Feet's Proposal Plans"):

- 1. that the Proposed License Suspension be varied to 5 full business days from December 23<sup>rd</sup> to December 28<sup>th</sup>, inclusive, or payment in lieu of a full license suspension; or
- 2. further or in the alternative, that the City's Proposed License Suspension takes place between December 23<sup>rd</sup> and January 1<sup>st</sup>, inclusive.

King Feet Massage makes the above submissions in support of King Feet's Proposal Plans:

#### Business and Policy Implementations made by King Feet

- 1. Since the City's September 2, 2016 evening inspection, King Feet Massage has implemented the following measures at its Premises:
  - a. the previous evening shift manager has been switched to Day Shift Hours that end at 5:30 p.m.;
  - b. Ms. Chan now personally supervises staff during Evening Shift Hours and/or acts as the Evening Shift Manager herself;
  - c. It will be Ms. Chan and/or another managerial staff that will close shop promptly by 9:30 p.m.;
  - d. all customers and employees have been reminded that the King Feet Premises will close by 9:30 p.m. and customers are encouraged to arrive early for their prescheduled appointments so that their sessions can end earlier, in time for the next customer;
  - e. Employees and managerial staff have been advised not to book any appointments that will extend beyond 9:15 p.m., thus providing customers sufficient time to exit the Premises before 9:30 p.m.;
  - f. Ms. Chan will be present during most or all closing hours, including weekends, in addition to being present at the shop during the Day Shift Hours;
  - g. Employees will no longer have access to keys to the Premises. Only managerial staff that open or close the shop will have access to keys to the Premises.

- h. Given that King Feet has never endorsed nor paid for any search engine advertisement, any customer citing incorrect information found on any search engines will be advised of the correct information by King Feet's employees;
- i. King Feet has already asked Yellow Pages to take down or correct any misinformation shown in yellowpages.ca with respect to its closing time or any other information about its business. Although beyond King Feet's control (City's materials: Attachment 3), customers that rely on information from search engines such as Google that show a different closing time than King Feet's own website will be advised of the correct closing time by King Feet.

## Financial Impact and Hardship on King Feet's Bottom-Line

- 1. The City's Proposed Suspension will lead to a loss of 30% revenue if business is shut down during the proposed period at the end of November 2016.
- 2. Closing down the Premises for a period of 10 days will also deprive massage therapists of their normal earnings during November of 2016;
- 3. The City's Proposed Suspension may cause irreparable harm to King Feet beyond the 10-day suspension because King Feet may lose employees or massage therapists to competition in the surrounding area during that period of time.
- 4. Despite any period of License Suspension, King Feet must continue to pay fixed costs such as rent and maintenance fees;
- 5. Without prior ability to warn King Feet's regular customers, King Feet would have no choice but to cancel its client's pre-booked appointments.

# Specific and General Deterrence met with King Feet's Proposal Plans

- i. As opposed to the City's Proposed Suspension, King Feet's Proposal Plan of suspending business for 5 days meets the underlying principles and effects of specific and general deterrence that is no less effective than the City's Proposed Suspension.
- ii. Subsequent to the September 2, 2016 Inspection that was conducted by the City, King Feet has implemented various policy and training measures to avoid future violations of the Bylaw.
- iii. King Feet further submits that the 10-day suspension period as proposed by the City is excessive in scale, when compared to the previous fine paid by King Feet in April 2016. It is unlikely the case that it is the City's intention to shut down King Feet through the suspension of its business license but suspending its business license for 10 days will cause King Feet's business to lose revenue. King Feet's employees will lose wages and earn 30% less in the month of November as a result.

iv. Lastly, allowing King Feet to close shop during the Christmas season and provide its customers with ample time to re-schedule appointments will enable King Feet to suffer less damage. King Feet will also be able to renovate the Premises during the Christmas Period during the Proposed Business Suspension period.

## Intention to Apply for a different business license

- 1. King Feet intends to apply for a different business license, namely the Body-Rub Studio described in Part Seven of Bylaw No. 7538, which would allow King Feet Massage to open until midnight each day.
- 2. Therefore, in the future and given the above policy and business implementations, it is unlikely the case that King Feet will re-offend the Bylaw in question.

Given the foregoing reasons, it is respectfully submitted that the King Feet Proposal is the most just and appropriate penalty for its breach.

Yours truly,

"Eugenia Chan"

A&K Health Enterprises Ltd.