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# City of Richmond

## Report to Council

**To:** Richmond City Council

**Date:** January 28, 2011

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

**File:** 12-8275-20-AMANDA  
#2011-Vol 01

**Re:** Business Licence Suspension - Watercube Vancouver Health Club Ltd.

### Staff Recommendation

That the Business Licence of the Watercube Vancouver Health Club Ltd. doing business as the Water Club at Radisson Hotel, operating from premises located at Unit 1288 – 8181 Cambie Road, Richmond BC, be suspended for a period of 60 consecutive days on dates determined by Council.

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

Att. 6

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

## Staff Report

### Origin

This report deals with the activities and bylaw infractions of the Watercube Vancouver Health Club Ltd., doing business as the Water Club at Radisson Hotel, operating from premises located at Unit 1288 – 8181 Cambie Road, Richmond BC.

The Water Club at Radisson Hotel (WATER CLUB) is licensed as an Adult Oriented Use business category and must adhere to all applicable bylaws including Part Seven of the Business Regulation Bylaw No. 7538, Body Painting /Body Rub Studio Regulation. (Appendix 1 including extracted Definitions).

### Findings Of Fact

#### Background

The Water Club applied for a Business Licence in June of 2009 and took over the premises from a departing Body Rub Studio that had been operating at 8181 Cambie Road since 1996. The CD zoning of this property when the first Body Rub Studio established their business permitted personnel services that by definition included massage parlours. In 1999 the City introduced zoning amendments which restricted Body Painting and Body Rub Studios to the then C6 Zoning (currently the Auto Oriented Commercial (CA) Zone in Zoning Bylaw 8500). Under the Local Government Act, operators would be permitted to continue this legal non-conforming use of the premises, provided the use is not discontinued for more than six months.

Following application reviews, a site inspection on August 26, 2009 and noting that the legal non-conforming use still applied to the property, the Water Club was issued a non-conforming business licence on September 14, 2009.

At the time the Water Club was starting business, BC Company #0853154 with a registered office at the 11<sup>th</sup> and 12th Floor – 8181 Cambie Road Richmond BC, the operating premises of Water Club, see Company Search dated November 24, 2009 attached as Appendix 2, and doing business as the Tin Tin Beauty Spa applied for a Beauty Spa Business Licence at Unit #1100 – 8181 Cambie Road. Property records indicated that Unit #1100 of the complex at 8181 Cambie was on the ground floor of the building (Appendix 3), and as there are no pre inspection requirements for Beauty Spas, which are classified as a Service Use – Therapeutic Touch Services, Tin Tin Beauty Spa was issued a Business Licence.

During the pre-approval inspection of the Water Club in Unit# 1288 on August 26, 2009, the Licence Inspector found Tin Tin Beauty Spa operating on the premises that was to be licensed for Water Club (rather than from Unit #1100 on the ground floor of the building) and also noted both establishments were managed by the same person. Recognizing the complexities associated to applying different business regulations to related businesses operating from the same premises, Tin Tin Beauty Spa was directed to amend their business licence to a Body Rub Studio business licence class. Subsequently, BC Company #0853154 applied for and was issued an Adult Oriented Use - Body Rub Studio Business Licence.

On November 7, 2009 Richmond RCMP members responding to a complaint of activity taking place on the premises of Tin Tin Beauty Spa noted several infractions against Part Seven of the Business Regulation Bylaw (see Appendix 4). On December 4, 2009 Municipal Tickets were issued for violations against 7.1.1 (a), 7.2.1 (a), and 7.3.1 (c) of the Business Regulation Bylaw.

Given the common management of the two businesses and the complications associated with pursuing business licence discipline against both business for the infractions committed by one, City staff requested and the operator agreed to cancel the business licence of Tin Tin Beauty Spa. This licence was cancelled on January 21, 2010.

### Current Status

On June 30, 2010, responding to a complaint from Radisson Hotel staff, RCMP members attended to the premises of Water Club at approximately 2:15 am and noted music coming from and persons moving in the premises (see Appendix 4, Page 2). Water Club Body Rub Studio on this date was to have ceased operations at midnight. An occupant in the premises noted RCMP presence, however, repeated attempts by the RCMP to enter the premises were ignored or denied by those present.

Refusal to permit entry to a business premises is a violation of Part 23 of the Business Regulation Bylaw, which states:

**23.1.1 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** [defined to included designates] from the carrying out of any of their duties with respect to the administration and enforcement of this bylaw.

The Chief Licence Inspector wrote a warning letter to the contact person and owner of the Water Club (included as Attachment 3 to Appendix 4) on July 7, 2010 advising:

“Denial of access to the RCMP or inspection officers is considered a serious violation for which repeated infractions will result in serious licence discipline which could include cancellation of your business licence.”

On September 29, 2010 at approximately 2:02 am, RCMP members responding to a complaint from Radisson Hotel staff that the Water Club was still open when they were to be closed at midnight, observed what resulted in the identification of multiple bylaw infractions:

1. Business Regulation Bylaw No. 7538 Section 7.1.1 (b) - operating a body rub studio outside of permitted hours.
2. Business Licence Bylaw No. 7360 Section 4.1.1 - operating without a business licence in reference to an unlicensed body rub employee.

3. Business Regulation Bylaw No. 7538, Section 7.2.1.c (ii) - in reference to an obstructed window.
4. Business Regulation Bylaw No. 7538 Section 7.3.1 (c) - permitting a person engaged in a body rub or other service to not wear garments covering his or her body between the neck, top of knees and below the elbows.
5. Public Health Protection Bylaw No 6989 Section 6.1.2 - permitting a person to smoke on the premises

During subsequent inspections the following bylaw infractions were noted:

November 21, 2010.

Public Health Protection Bylaw No 6989 Section 6.1.2 - permitting a person to smoke on the premises

November 26, 2010

Public Health Protection Bylaw No 6989 Section 6.1.2 - permitting a person to smoke on the premises.

Business Regulation Bylaw No. 7538 Section 7.2.1 (b) - failing to provide illumination of body rub studio room.

Richmond Zoning Bylaw No. 8500 Section 22.1.2 - use of a commercial premise for a dwelling unit.

On December 1, 2010 the Chief Licence Inspector sent a registered letter to the contact and owner of Water Club (Appendix 5) with copies to the registered office and hand delivered to the place of business. The letter required the owner of the business to attend a Business Licence Review meeting to address the series of activities and bylaw infractions committed by the Water Club.

On January 12, 2011 the Business Licence Review was held at which time the Licence Review Meeting information, Appendix 4 including Attachments 1 – 9, was provided to and presented to the Licensee and their legal counsel. Statements from members of the RCMP were also presented at this meeting. This information, except for Attachment 9 which part of was not received from the RCMP until after December 1, 2010, was provided to the licensee with the letter from the City of December 1, 2010.

The Licensee was represented at the Licence Review by legal counsel who responded to the infractions at the meeting. Legal counsel followed up with a written submission received after the meeting. (Appendix 6).

The written submission of the Licensee's legal counsel provides responses to specific allegations and states that the employee who was found in violation of Business Regulation Bylaw, Section

7.3.1(c) on September 29, 2010 “was immediately terminated” and “not allowed back in the premises” by the manager. Staff note, however, a RCMP officer obtained a list of employees working at the time of the November 21, 2010 inspection (see item 4, Will Say of Cst. BAL in Attachment 6 of Appendix 4) and this list included the employee who was allegedly “immediately terminated” and “not allowed back in the premises” following the September 29, 2010 inspection. The list of employees working on November 21, 2010 also included an employee who was found to be in violation of Business Regulation Bylaw, Section 7.3.1(c) during the November 7, 2009 inspection of the premises (see Attachment 1 of Appendix 4). At that time, the premises was occupied by both Tin Tin Beauty Spa and Water Club.

For the purposes of this report, the names of the employee’s are vetted for Privacy Legislation compliance, however staff attest to the fact that the employee names for the persons found to be in violation of Business Regulation Bylaw, Section 7.3.1(c) in the RCMP report of November 7, 2009 (Attachment 1 to Appendix 4) and of September 29, 2010 (Attachment 5 to Appendix 4) are the same named employees identified as employees (e) and (i) in the RCMP report of November 21, 2010 (item 4, Will Say of Cst. BAL in Attachment 6 to Appendix 4). Unvetted copies of these documents were provided to the Licensees’ legal counsel together with a copy of this report to Council.

Giving consideration to the culmination and compounding infractions committed by this business establishment warrants a licence discipline greater than treating this matter as a first offence. It is the recommendation of the Chief Licence Inspector that the Business Licence of the Watercube Vancouver Health Club doing business as the Water Club at Radisson Hotel, operating from premises located at Unit 1288 – 8181 Cambie Road, Richmond BC be suspended for up to 60 days following Council’s consideration of this report.

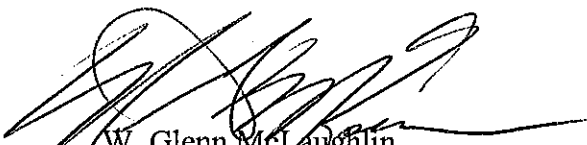
### **Financial Impact**

It should be noted that considerable City resources of Inspection Staff and RCMP members are called upon to regulate and inspect all Adult Oriented Use business. The financial impacts for these resources are included in the City’s annual operating budget.

There is no additional financial impact on the City associated to this report.

### **Conclusion**

Given the number of serious infractions by the Water Club at Radisson Hotel, a licence suspension of up to 60 days is recommended.



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

**Extract from Business Regulation Bylaw 7538**

**PART SEVEN: BODY-PAINTING/BODY-RUB STUDIO  
REGULATION**

**7.1 Operator Obligations - General**

7.1.1 Every **body-painting/body-rub studio operator** must:

- (a) provide the **Licence Inspector** with 24 hours' written notice of any changes in the personnel employed or engaged in such **business**, and the applicable provisions of the **Business Licence Bylaw** apply to any new persons proposed to be employed or engaged by the said **body-painting/body-rub studio**;
- (b) permit such business to be open only during the following hours:
  - Monday, 8:00 a.m. to midnight;
  - Tuesday, 8:00 a.m. to midnight;
  - Wednesday, 8:00 a.m. to midnight;
  - Thursday, 8:00 a.m. to midnight;
  - Friday, 8:00 a.m. to 1:00 a.m. Saturday;
  - Saturday, 8:00 a.m. to 1:00 a.m. Sunday;
  - Sunday, 8:00 a.m. to midnight.

**7.2 Operator Obligations - Buildings**

7.2.1 Every room used by the **operator** of a **body-painting/body-rub studio** for a **body-rub** or similar service must:

- (a) be free of any locking device;
- (b) be equipped with lighting of at least 550 lux, which must remain illuminated when either:
  - (i) the door into such room is closed; or
  - (ii) such room is occupied;and
- (c) be equipped with a window, which:
  - (i) may be translucent;
  - (ii) must remain unobstructed at all times;
  - (iii) must be visible from the reception area; and

- (iv) has a minimum area of 1,000 sq. cm. with no side having a dimension less than 25 cm.

### 7.3 Operator Prohibitions

7.3.1 An operator of a **body-painting/body-rub studio** must not:

- (a) employ any person in the premises unless that person is 19 years of age or over;
- (b) permit any person to be in the premises at any time unless that person is 19 years or age or over;
- (c) 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; or
- (d)
  - (i) have been; or
  - (ii) employ any person who has been

convicted of an offence under any of Sections 210, 211, 212 or 213 of the *Criminal Code of Canada* as evidenced by a criminal records check.



**AMUSEMENT MACHINE**

means a machine on which mechanical, electrical, automatic or computerized games are played for amusement or entertainment, and for which a coin or token must be inserted or a fee charged for use, and includes machines used for the purposes of **gambling**.

**ANIMAL**

means any non-human mammal, **reptile**, amphibian or bird.

**ANIMAL CONTROL OFFICER**

means:  
(a) a **Licence Inspector**; or  
(b) a person employed by the **Contractor** to undertake animal control services.

**ANIMAL HOSPITAL**

means a building structure or premises in which animals receive medical or surgical treatment, and are hospitalized or maintained.

**ANIMAL SHELTER**

means any facility designated by **Council** as an animal pound, as provided for in the *Local Government Act*.

**AUTOMOBILE IMMOBILIZING DEVICE**

includes a wheel-lock-device, a "Denver Boot" or any other device designed to be affixed to the wheels or axle of a vehicle to prevent the movement of that vehicle.

**BILLIARDS**

includes billiards, snooker, pool, bagatelle and other similar games.

**BILLIARD/POOL HALL**

means any premises where more than 2 billiard or pool tables are made available to members of the public for a fee, but does not include **City** facilities or non-profit service clubs.

**BODY-PAINTING STUDIO**

includes any premises or part of such premises where, directly or indirectly, a fee is paid for any application of paint, powder or similar materials to the body of another person.

**BODY-RUB**

includes the manipulating, touching or stimulating by any means, of a person's body or part of that body, but does not include medical, therapeutic or cosmetic massage treatment given by a person duly licensed or registered under any statute of the Province of British Columbia governing such activities other than the *Local Government Act*, or **therapeutic touch therapy**.

**BODY-RUB STUDIO**

**Includes** any premises or part of such premises where a **body-rub** is performed, offered or solicited.  
**(Special)**

- (iii) used clothing, footwear, costume jewellery, knickknacks, used furniture or houseware items such as dishes, pots, pans, cooking utensils and cutlery,

but does not include a person

- (g) who deals in recyclable materials for the sole purpose of recycling to avoid waste, such as bottles, cans, plastics, glass, cardboard, paper or other recyclable materials; or
- (h) who holds a valid licence issued by the Province of British Columbia to deal in used motor vehicles.

**SUPERINTENDENT OF OF SCHOOLS**

means the person appointed by the Board of School District No. 38 (Richmond) to the position of Superintendent of Schools, and includes the person designated as an alternate.

**TATTOO PARLOUR**

means the service of piercing the skin with a needle for the purpose of inserting colour(s) so as to leave a permanent mark(s) or design(s) on the skin.

**TELEPHONE SALES OFFICE**

means any building, room or place from which residents are contacted by telephone for the purpose of soliciting, selling, taking orders for, or attempting to do so, or making appointments for agents or representatives of any person, firm or corporation to call at the home of such resident for the purpose of demonstrating, selling, taking orders for, or attempting to do so, of any goods, services, magazines, books or any other publication or thing.

**THERAPEUTIC TOUCH CLINICS**

means a building, structure or premises in which clients receive **Therapeutic Touch Treatments**

**THERAPEUTIC TOUCH THERAPY**

includes but is not limited to shiatsu, reflexology, biokinesiology, hellework, polarity, reiki, rolfing and trager approach.

**TOXIC**

means capable of causing a seriously harmful or fatal reaction in a human adult or child by means of a bite, sting, scratch or physical contact.

**VENOMOUS**

means possessing venom which is seriously harmful or fatal to a human adult or child.

**VERMIN**

includes fleas, lice, worms and other parasitic insects.



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Victoria BC  
250 356-8626

*Appendix 2*

## BC Company Summary

For  
**0853154 B.C. LTD.**

**Date and Time of Search:** November 24, 2009 10:48 AM Pacific Time  
**Currency Date:** November 13, 2009

### ACTIVE

**Incorporation Number:** BC0853154  
**Name of Company:** 0853154 B.C. LTD.  
**Recognition Date and Time:** Incorporated on May 29, 2009 02:46 PM Pacific Time  
**Last Annual Report Filed:** Not Available  
**In Liquidation:** No  
**Receiver:** No

### REGISTERED OFFICE INFORMATION

**Mailing Address:**  
11TH & 12TH FLOOR-8181 CAMBIE ROAD  
RICHMOND BC V6X 3X9  
CANADA

**Delivery Address:**  
11TH & 12TH FLOOR-8181 CAMBIE ROAD  
RICHMOND BC V6X 3X9  
CANADA

### RECORDS OFFICE INFORMATION

**Mailing Address:**  
11TH & 12TH FLOOR-8181 CAMBIE ROAD  
RICHMOND BC V6X 3X9  
CANADA

**Delivery Address:**  
11TH & 12TH FLOOR-8181 CAMBIE ROAD  
RICHMOND BC V6X 3X9  
CANADA

### DIRECTOR INFORMATION

**Last Name, First Name, Middle Name:**  
Jin, Paul King

**Mailing Address:**  
103-4411 NO. 3 ROAD  
RICHMOND BC V6X 2C3  
CANADA

**Delivery Address:**  
103-4411 NO. 3 ROAD  
RICHMOND BC V6X 2C3  
CANADA

**Last Name, First Name, Middle Name:**  
Sai, Hiroshi

**Mailing Address:**  
511-1278 GRANVILLE ST.  
VANCOUVER BC V6Z 3B2  
CANADA

**Delivery Address:**  
511-1278 GRANVILLE ST.  
VANCOUVER BC V6Z 3B2  
**CNCL-10  
(Special)**

**Last Name, First Name, Middle Name:**

Singh, Vijay Canesh

**Mailing Address:**

77 HARNESS CIRCLE  
MARKHAM ON L3S 1X8  
CANADA

**Delivery Address:**

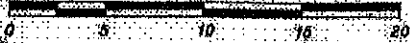
77 HARNESS CIRCLE  
MARKHAM ON L3S 1X8  
CANADA

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NO OFFICER INFORMATION FILED .

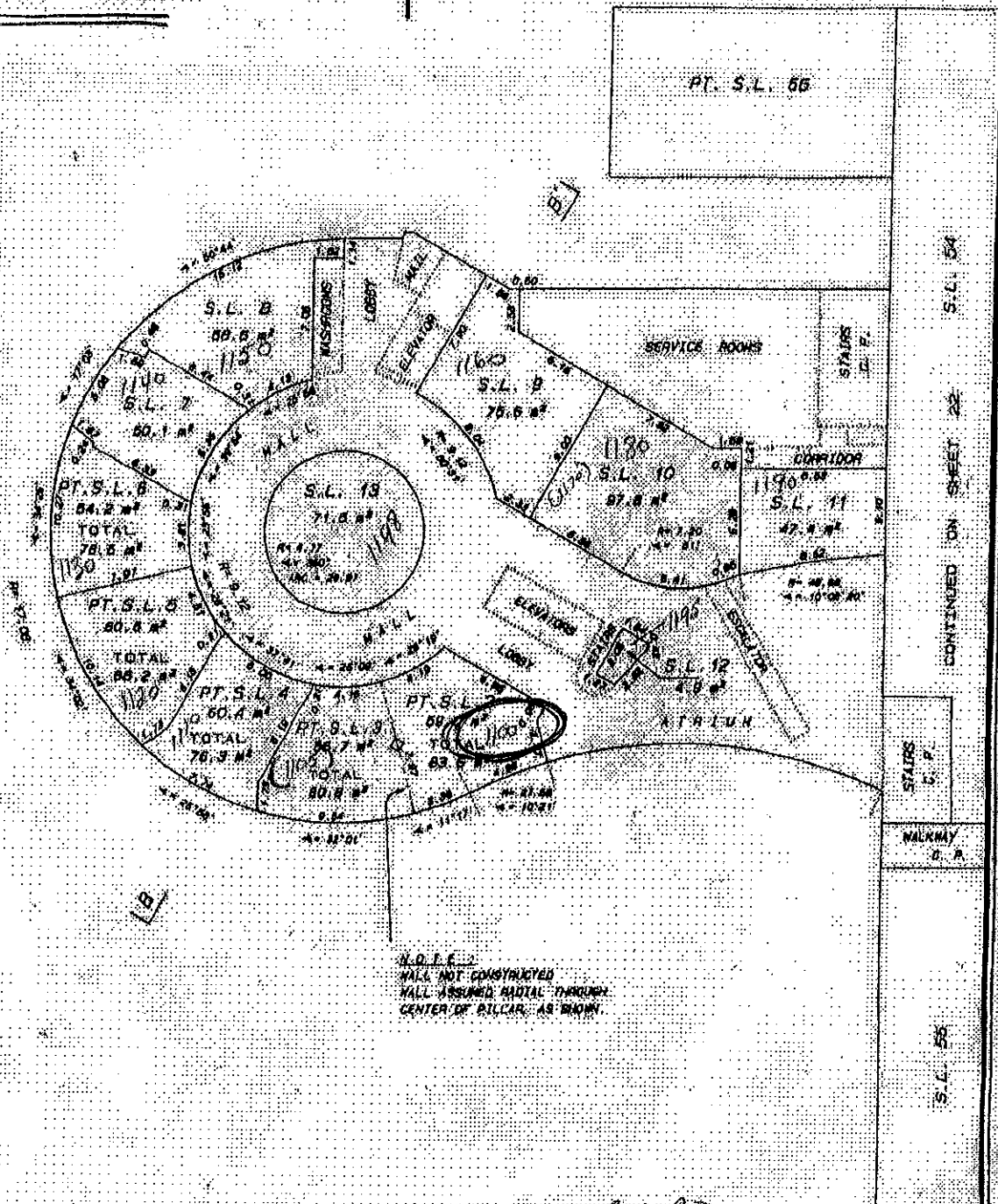
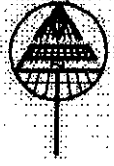
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SCALE 1:250



STRATA PLAN LMS 1162

BUILDING B  
GROUND FLOOR



CONTINUED ON SHEET 12

STAIRS  
C.P.

MILKWAY  
S.A.

S.L. 56

8181 CAMBIE RD

## Licence Review Meeting

INFORMATION:

**Business:** Watercube Vancouver Health Club Ltd. dba:  
Water Club at Radisson Hotel.

**Address:** 8181 Cambie Road – Unit # 1288, Richmond, BC V6X 3X9

**Ref. File #:** 09474646

**Meeting Date:** Wednesday, January 12, 2011

**Time:** 10:00 a.m.

**Location:** Room M.2.001, Richmond City Hall, 6911 No. 3 Road, Richmond, BC

History:

**Watercube Vancouver Health Club Ltd.**, doing business as, **Water Club at Radisson Hotel** (hereinafter referred to as **Water Club**), operates at Unit # 1288-8181 Cambie Road, in the City of Richmond. **Water Club** has operated at this location since August of 2009. **Water Club** 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, and as such, are routinely inspected by various regulatory enforcement groups such as Richmond RCMP Police and City of Richmond Inspectors, to ensure compliance of various regulations.

**Water Club** is a Corporation with four Directors listed as Incorporators. One of the four, Hong TAO, is listed as the Principal Operator and Licence holder as per information on City Records. This business has been Managed and operated by Paul King JIN (hereinafter referred to as JIN) since commencing in 2009.

**Water Club** operates on the 11<sup>th</sup> and 12<sup>th</sup> floors of the Radisson Hotel. In 2009, a second Business Licence was applied for to operate at the same location by a business noted as 0853154 BC Ltd. doing business as, Tin Tin Beauty Spa. **Water Club** and Tin Tin Beauty Spa operated jointly in Unit 1288 and both operating under Adult Oriented Use (AO) category business licences.

On November 07, 2009 Richmond RCMP Police were dispatched to the location of **Water Club** and Tin Tin Beauty Spa on a complaint of alleged prostitution occurring in these premises. RCMP Police did observe activity occurring which is not conducive under any City Licence Category. RCMP found numerous lubrication bottles and a handbag full of contraceptives which endorses intent of activity noted by RCMP Officers. (Attachment 1)

A Corporate Search of 0853154 BC Ltd., was done on November 18, 2009 and it was discovered that the Manager of **Water Club**, JIN, was also listed as a director of Tin Tin Beauty Spa.

As both businesses were in the control of JIN and operating in the same unit it was Licence Inspector, Victor DUARTE's (hereinafter referred to as DUARTE) belief that both businesses were involved in these contraventions.

The evidence was clear on a balance of probability that these businesses had an intent to conduct activity or endorse activity which was not conducive under any licence category. It was the writers opinion that two licences were sought out for this location in an attempt to circumvent the City of Richmond's Bylaws and an attempt to create an umbrella company to shield **Water Club** from receiving any discipline by the City of Richmond, when and if the situation ever arose.

In an agreement reached with the City of Richmond, JIN et al, agreed to cancel the Business Licence of Tin Tin Beauty Spa and the City agreed not to take further action against **Water Club** for the incident of November 07, 2009.

**Current Information:**

On June 30, 2010, at approximately 02:15 a.m., Richmond RCMP police attended the business location of **Water Club** following a complaint from the hotel staff.

Hotel Management advised Cst. TAM that suspicious females entered the Radisson Hotel with liquor at 1:24 a.m. and proceeded up the elevator to the 11/12 floor which is occupied by **Water Club**.

**Water Club** is regulated by operating hours and on the morning in question, **Water Club** should have been closed at 12:00 midnight. Cst. TAM and other Members of the Richmond RCMP Police attended the business entrance of **Water Club**. The entrance was locked but music could be heard coming from inside the premises.

RCMP Police knocked and rang the door bell for **Water Club**. RCMP Members observed an Asian male covered in a white towel approach the front door. Members identified themselves as Police. Asian male said no and proceeded back up the stairs. Police made several attempts to have business open the door for approximately 35 minutes with no success. This info was forwarded to DUARTE. (Attachment 2)

The Business Regulation Bylaw No 7538, section 1.1.1 (b), states that, "The operator of any business regulated under this bylaw must permit reasonable inspection access to the Licence Inspector, the Building Inspector, the Medical Health Officer, Animal Control Officer or the Police Chief, for any residence, place, premises, building or vehicle for which a licence has been issued."

Under the definition of "Police Chief" all Members of the RCMP Police, of the Richmond Detachment are covered.

By the refusal of **Water Club** to permit reasonable inspection access to RCMP Members, DUARTE found this to be a breach of Sec 1.1.1(b) of the Business Regulation Bylaw No 7538. Further, by operating at 02:15 a.m., **Water Club** was also operating outside permitted hours, a violation of the Business Regulation Bylaw No. 7538, section 7.1.1(b).

On July 07, 2010, a warning letter was written by Chief Licence Inspector, Glenn McLaughlin to **Water Club. (Attachment 3)**

On July 09, 2010, the warning letter was hand delivered to JIN by DUARTE at business premises. DUARTE observed a gaming table and cards and poker chips in premises and DUARTE advised JIN that if business was found to be gambling the City of Richmond would take severe action against the business licence for this company. JIN denied any gambling was occurring on premises. Photo of gaming table attached as **(Attachment 4)**

October 20, 2010, DUARTE received a package from Cst ZENTNER in regards to an inspection conducted on September 29, 2010. **(Attachment 5)**

On September 29, 2010 at 2:02 a.m. Cst. ZENTNER and Cst. LU of Richmond RCMP Police, attended **Water Club** at 8181 Cambie Road – Unit # 1288, following a complaint from the Radisson Hotel staff. Hotel representative informed Police Members that **Water Club** is regulated to close at 12:00 midnight but was still operating. Hotel representative stated to Cst.'s ZENTNER and LU that the Hotel has issued numerous warnings to **Water Club** which have been ignored.

**Water Club** Manager, JIN opened front door for Cst.'s ZENTNER and LU. JIN informed Cst.'s ZENTNER and LU that **Water Club** was closed and that there was no one there.

Cst. ZENTNER and Cst. LU conducted an inspection of the lower level (11<sup>th</sup> Floor) of **Water Club** and found two females asleep in one of the rooms. Further inspection of the upper level (12<sup>th</sup> Floor) found bedroom occupied by JIN.

**Water Club** is operating in a Hotel Commercial (ZC1) Zone. This zone does not permit Housing or Dwelling as accessory use or secondary use to the main use which is the (Adult Orientated Use (AO) Body Rub Studio, licenced at this location. This is a violation of Zoning Bylaw No. 8500, section 22.1.2.

Cst. ZENTNER and Cst. LU inspected the second floor of **Water Club** and found one room noted as "Room 11" had the window obstructed with a towel on the inside of the room. This is a violation of the Business Regulation Bylaw No 7538, section 7.2.1 (c) (ii), which states, "*Every room used by the operator of a body-painting/body-rub studio for a body-rub or similar service must remain unobstructed at all times;*

Cst. ZENTNER opened the door and observed two occupants, a male and female both found nude inside the room. The female was identified as an employee of **Water Club** but not licenced or registered as a Body Rub Employee at **Water Club** and should not have been in a room with any client providing massage services.

An Adult Orientated Use (AO) Licence for Body Rub Studio, is based on a fee of \$3,353.00 with an additional fee of \$116.00 for each Body Rub Employee registered at the business. If an employee is registered as a receptionist, or as in this particular case, as a Foot Massage Only, then business is not charged the licence fee of \$116.00 and employee should not be providing this service.

**CNCL - 15**  
**(Special)**



This is a violation of the Business Licence Bylaw No 7360, section 4.1.1, "*operating without a business licence.*"

The Business Regulation Bylaw No 7538, section 7.3.1 (c), states that "*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 a 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;*" With the employee being found naked in the room, **Water Club** has violated this regulation.

**Water Club** is regulated by permitted operating hours. On this particular day in question, **Water Club** was only permitted to operate until 12:00 midnight. **Water Club** was found operating at 2:02 a.m.

By operating outside the permitted hours, **Water Club** has violated the Business Regulation Bylaw No. 7538, section 7.1.1(b), "*operating a body-painting/body-rub studio outside permitted hours.*"

Cst. LU detected the odour of liquor on the breathe of the male patron found in "Room 11". This individual was drinking from a green plastic cup. Cst. LU picked up the container and could detect the odour of alcohol from this container.

**Water Club** is not licensed to serve alcohol and the consumption of alcohol should not be permitted.

Cst. LU and Cst. ZENTNER found evidence of smoking occurring within **Water Club**. Cups were found which were used as ashtrays for placement of cigarette butts.

This is a violation of the Public Health Protection Bylaw No. 6989, section 6.1.2 which states, "*Except as permitted in section 6.1.1, a responsible person for any of the following(a) a business which occupies a building or premises; must not permit, suffer or allow a person to smoke while the person is: (h) within any such building, premises, place, common area, customer service area or vehicle for hire;*"

Cst. LU and Cst. ZENTNER cleared the premises and found no other occupants. Cst. ZENTNER returned to his police vehicle to retrieve a camera and Cst. LU remained by the entrance to **Water Club** on the lower floor. Cst. ZENTNER returned with the camera and proceeded upstairs with Cst. LU. Male voices were heard once upstairs and Cst.'s ZENTNER and LU discovered three male occupants in the sauna and jacuzzi room wearing only towels. It was discovered that these three males had snuck out the emergency exit stairwell to avoid detection under the guidance of JIN while lower floor was initially being inspected by Cst.'s ZENTNER and LU. Cst. LU and Cst. ZENTNER could hear JIN speaking in Mandarin on the upper floor. When Cst's LU and ZENTNER went downstairs after initial inspection of upper floor, the three males returned inside premises.

JIN is also Managing the Body Rub Studio, Water Cube, operating at 4411 No 3 Road – Unit #103 and has assisted in the Managing of Blue Sea Spa which is operating at 3311 No 3 Road – Unit #

**CNCL - 16**  
**(Special)**

100. JIN has extensive knowledge of the Body Rub Studio Regulations and quite aware of requirements to following City of Richmond Regulations. Further JIN was associated with Tin Tin Beauty Spa and well aware of the requirements to maintain the Body Rub Studio Regulations and the repercussions which could follow if violations were noted. This leads DUARTE to believe the false and misleading statements to Police and the conduct of JIN during the inspection conducted by the Cst. LU and Cst. ZENTNER was an attempt to cover the blatant disregard of the City of Richmond's Regulations.

On November 21, 2010 at or about 5:30 p.m. Members of the RCMP Richmond Gang Enforcement Team (RGET) were querying plates in the parking lot of the Radisson Hotel as **Water Club** known to Police as a hang out for persons with gang association.

RCMP Members got a match on a query of a vehicle to an individual flagged as "Armed and Dangerous/Violent" with access to Firearms. A second vehicle query returned another match to an individual with weapon possession, drugs, liquor and robbery.

RGET Members and Uniform Members attended **Water Club** and discovered fresh smell of cigarette smoke. Members proceeded towards the foot massage area and detected the odour of Marijuana. A Marijuana joint was discovered by RCMP in a cigarette package found and identified by a smoking patron to be his. **(Will Say Statements of RGET Members) – Attachment 6**

**Water Club** has violated of the Public Health Protection Bylaw No. 6989, section 6.1.2 which states, *"Except as permitted in section 6.1.1, a responsible person for any of the following (a) a business which occupies a building or premises; must not permit, suffer or allow a person to smoke while the person is: (h) within any such building, premises, place, common area, customer service area or vehicle for hire;*

ON November 26, 2010 at or about 10:18 p.m., DUARTE was conducting joint inspections with RCMP Members, Cst. B. LEUNG and Cst. J. LEHOUX in plain clothes and Cst. I. BAIRD and Cst. M. SMITH in uniform along with LCLB Liquor Inspector, D. DYCK.

DUARTE has received information that **Water Club** has employees which are not registered as required by City of Richmond Regulations. DUARTE has received information when inspections are conducted, any employee not registered with the City of Richmond to be working at **Water Club**, exits from the fire exit door to the stairwell at the back of the building.

During this inspection, Cst. I BAIRD made his way to the fire exit stairwell by the back of the building to intercept any employee that exited from this fire exit door.

DUARTE and inspection team approached front door of **Water Club**. DUARTE knocked and could see JIN at front counter dealing with 3-4 patrons. Still ignoring knock JIN spoke briefly with Receptionist who quickly moved towards the upper floor and started yelling in Chinese. After approximately 20 seconds, DUARTE yelled, "Paul, open the door". DUARTE heard the door buzzer releasing the magnetic lock and DUARTE opened the door and proceeded upstairs quickly.

DUARTE could still hear Receptionist talking loudly when DUARTE reached the top of the stairs. When DUARTE was approaching foot massage lounge area, DUARTE observed male employee exiting lounge area with two cups in his right hand with his left hand holding the top of the cups. Employee moved quickly towards staff room in what appeared to be an attempt to get rid of content in cups. DUARTE informed employee to pass cups to DUARTE which DUARTE initially expected to find alcohol however after smelling and discovering the strong smell of cigarette smoke, DUARTE removed top cup and noticed 2 cigarette butts in a liquid substance which was possibly water. This is a violation of the Public Health Protection Bylaw No. 6989, section 6.1.2 which states, *"Except as permitted in section 6.1.1, a responsible person for any of the following (a) a business which occupies a building or premises; must not permit, suffer or allow a person to smoke while the person is: (h) within any such building, premises, place, common area, customer service area or vehicle for hire;*

DUARTE also detected the odour of marijuana coming from the entrance of the changing room. DUARTE proceeded towards the employee staff room in back where Receptionist's voice was heard to be coming from this general area. DUARTE entered staff room and proceeded to the fire exit door. DUARTE opened the door and heard voices coming from stairwell. DUARTE heard Cst. I. BAIRD speaking with a female and proceeded up the stairs to opening where DUARTE was standing. Cst. I. BAIRD informed DUARTE that there were two females that exited the door but he only caught up with one of them and the other one got away.

DUARTE proceeded to check the massage rooms which had the doors closed and found the lighting was turned off in each room and DUARTE could not identify if rooms were occupied or vacant, contrary to the Business Regulation Bylaw No. 7538, Section 7.2.1(b) which states, *"Every room used by the operator of a body-painting/body-rub studio for a body-rub or similar services must be equipped with lighting of at least 550 lux, which must remain illuminated when either: (I) the door into such room is closed; or (ii) such room is occupied;"* DUARTE identified one room did contain two occupants, a patron and a body-rub employee. A second room was found to contain a female body rub employee but no customer and employee was already speaking with RCMP officer when DUARTE approached.

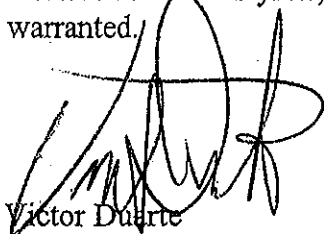
DUARTE heard JIN speaking with RCMP Members and JIN sounded frustrated stating he runs a legitimate place and a good business. JIN denied employee found in stairwell worked for him and stated she was a friend of receptionist and only there to receive a massage. Employee and Receptionist confirmed to RCMP Cst. B. LEUNG later that she was there to work for **Water Club**. Individual was not registered with the City of Richmond and therefore, this is a violation of the Business Regulation Bylaw No. 7538, Section 7.1.1(a) which states, *"Every body-painting/body-rub studio operator must provide the Licence Inspector with 24hours' written notice of any changes in the personnel employed or engaged in such business, and the applicable provisions of the Business Licence Bylaw apply to any new persons proposed to be employed or engaged by the said body-painting/body-rub studio."*

DUARTE inspected JIN's bedroom and discovered a 30 can pack of Kokanee beer. DUARTE asked JIN why there was alcohol in the premises. JIN stated this was his living quarters, his personal area and beer was for his personal consumption. DUARTE informed JIN this was a commercial premises and he was not permitted to use for a dwelling unit. This is a violation as per

section 22.1.2 of the Zoning Bylaw No. 8500. **Will Say Statement of Inspection of November 26, 2010) – Attachment 7; (Photos taken on November 26) – Attachment 8 ; Cst. B. LEUNG Will Say Statement – 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 Licence Bylaw, Business Regulation Bylaw, 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 business licence. In careful consideration of the severity and noted infraction of the Business Regulation Bylaw and the Business Licence Bylaw, The Zoning Bylaw and Public Health Protection Bylaw, it is the undersigned's belief that a licence suspension or cancellation is warranted.



Victor Duarte  
Licence Inspector  
City of Richmond

Attachment 1

Duarte, Victor

From: Gabor Egri [Gabor.Egri@rcmp-grc.gc.ca]  
Sent: November 8, 2009 9:58 PM  
To: Duarte, Victor  
Subject: 2009-36602



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B)



DSC00929.JPG  
(794 KB)



DSC00927.JPG  
(805 KB)



DSC00928.JPG  
(828 KB)

Here is my file, audio statement, and photographs attached. Please let me know if there is anything else you need us to do. Can you please update me on any enforcement you do, if any. Thanks

On 2009-11-07 at 1345hrs Cst EGRI was dispatched to a report of prostitution occurring at the Water Club on the 11th floor of the Radisson Hotel. The anonymous complainant provided the address of 8181 Cambie Rd, Richmond BC. The COM stated a group of males were with young Asian females, possibly under age, performing sexual acts. The COM refused any personal information and had limited English.

Cst EGRI, Cst LEUNG, and Cpl BERNARD arrived on scene and attended the 11th floor. Members were greeted by two female staff members at the front desk counter. Cst EGRI observed one of the staff reach for what appeared to be a key fob.

Cst EGRI walked along the hallway, looking into each one of the massage rooms. At the very end of the hall on the left, Cst EGRI observed the following:

-the door was locked, and the windows looking outside the hotel had the blinds closed; -a naked male was sitting upright on the massage bed with a towel over his lap; -a naked female was lying on her back on the massage bed; -the female did not have any clothes on and had her knees bent, with her legs spread; -the male had his left hand in between the female near her groin; -the female had her right hand underneath the males towel;

At this point the male and female noticed Cst EGRI by the door, and were startled. The female jumped up, and began putting on a black short skirt, and top. The female also grabbed something and wrapped it into a towel. The male stayed where he was.

Cst EGRI asked the two to open the door. Cst EGRI opened the door, and the female stated "its so hot in here". Cst EGRI advised the female to provide identification. The female left the room and walked towards the other members by the front desk. Cst EGRI unfolded one of the towels, and a used condom was located inside. There was also numerous lubrication bottles inside the room.

The male verbally identified himself to Cst EGRI as [REDACTED]. It was explained to [REDACTED] that he was being detained at this point for prostitution.

Cst LEUNG took photographs of the scene without moving any items.

[REDACTED] then provided an audio statement to Cst EGRI inside the room. [REDACTED] stated, in part, the following:

-That he is a pilot for [REDACTED];  
-That he arrived late last night from Washington; -That he was at the Radisson hotel with another coworker; -That he woke up kind of late this morning; -That he usually gets massages at home, and decided to get one today; -That he felt the hotel massage parlour was safe; -That he went to the front desk and asked for a massage; -That there was no mention of money at that time; -That he went upstairs to use the shower; -That he left his clothes upstairs and came down with two towels around him; -That he entered the room; -That he waited until a female masseuse entered. -That he laid on his stomach and she began massaging his back; -That she was hinting at sexual innuendo; -That one thing led to another; -That the female did not speak English, so nothing was discussed; -That the

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(Special)

female began giving him a handjob; -That she did not give him oral sex; -That he sat up, and the female put a condom on his penis; -That the female was the one who brought the condom; -That she eventually sat on his lap facing him, and they had intercourse; -That he has a family, and two kids; -That this is the first time this has happened; -That he gets massaging because he had a serious injury in the past; -That no money was exchanged or talked about at any time;

This concluded the statement.

Cpl BERNARD identified the female as [REDACTED]. Water Club provided the correct documents and identification. Cst LEUNG observed the property owner, Paul JIN who he recognized from previous dealings. JIN was in charge of another partner business Water Cube. JIN did not have any identification on him and stated in Mandarin "be quiet" to [REDACTED].

Prior to members leaving, front desk staff requested [REDACTED] pay \$100 cash plus "tip" for the one hour massage. [REDACTED] initially wanted to pay with American Express but was refused. [REDACTED] paid \$100 US in cash.

Two rooms also appeared to be housing females. One female was located sleeping in one of the rooms. The other room had lots of clothes, backpacks, a laptop, blankets, pillows, and was set up as a bedroom.

Cst LEUNG advised [REDACTED] that it might be in his best interest and safety to leave the hotel. Cpl AU was contacted.

Licence inspector was contacted via Groupwise, and was sent photographs and the statement.

No further action required. Concluded here

Cst EGRI, 55942, A-Watch, Richmond RCMP

Attachment 2

WILL-SAY CST TAM  
File # 2010-22508

On June 30, 2010 Constable (Cst) TAM was in full police uniform and driving a marked police vehicle RI6036. Cst TAM has been a Member of the Royal Canadian Mounted Police (RCMP) since June 2008 and is currently posted to the General Duty Section of the Richmond Detachment of A Watch. Cst TAM is currently assigned to the City of Richmond, British Columbia (BC). Unless otherwise mentioned, all account of Cst TAM'S activity regarding file 2010-22508 took place in the City of Richmond, BC.

At approximately 01:24 hours,  
Dev Kumar LOGANATHEN, the night manager of the Radisson Hotel at 8181 Cambie Road reported suspicious females entering the hotel with liquor. The females appeared underage and went to level 11/12 to the Water Club. LOGANATHEN advised that the Water Club is privately owned and not part of the hotel, he did not have access to the Water Club. LOGANATHEN also advised the Water Club should be closed after midnight and several guests had complained about the noise.

At approximately 02:15 hours,  
Cst TAM along with other Members attended the scene. Upon attendance on the 11<sup>th</sup> floor, Members observed the business, the doors were locked and music could be heard from the unit. Members rang the doorbell and knocked on the door. The doors were glass and transparent, Members observed an Asian male in a white towel came down the stairs to answer the door. Members identified themselves as Police both in English and Cantonese. When the male came to the door and saw it was the Police, he said "no", turned around and walked back up the stairs, refusing to open the door. Females could be seen running into rooms and hiding. Feet could be seen walking around in the upper levels. Members continued to knock at the door and ring the doorbell, Members also tried calling the business phone numbers. Members could hear the phone ringing inside but there was no answer. At the same time, several Members attended upstairs on level 12 where they tried knocking on the door. They could hear females giggling and running around inside and music playing. They also refused to open the door.

At approximately 02:50 hours,  
Members left the scene.

Cst TAM, 168781/56120, Richmond RCMP, A Watch



# City of Richmond

6911 No. 3 Road  
Richmond, BC V6Y 2C1  
www.richmond.ca

Attachment 3

July 7, 2010

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

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

Watercube Vancouver Health Club Ltd.  
dba Water Club at Radisson Hotel  
1288-8181 Cambie Road  
Richmond BC V6X 3X9

Attention: **Hong Tao**

Dear Sir:

Re: **Police attendance at business premises June 30, 2010**

Responding to public complaints, the Richmond detachment of the R.C.M.P. attended your place of business at approximately 1:30 am on June 30, 2010. Activity with music, noise and person movement was noted to be carried out. Attempts to access the premises by the RCMP were either ignored or were denied by those present.

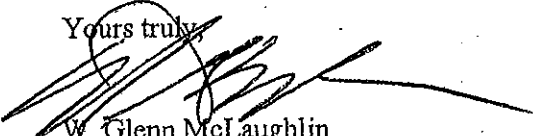
Under the Business Regulation Bylaw for your Business Licence, your establishment was to be closed at midnight on this date. Further, the business regulations require any business to permit reasonable inspection access to a number of officials including the RCMP.

Denial of access to the RCMP or inspection officers is considered a serious violation for which repeated infractions will result in serious licence discipline which could include cancellation of your business licence.

I have requested follow up inspections by the RCMP and inspection staff prior to your business licence renewal at which time I will re-evaluate the need for business licence discipline.

If you have any questions or concerns on this matter please contact me directly at 604-276-4136.

Yours truly,

  
W. Glenn McLaughlin  
Chief Licence Inspector & Risk Manager

CNCL - 23  
(Special)



## Water Club

photo taken by V Duarte on July 09, 2010



## RICHMOND RCMP

GO#1401 2010-34249

## Related text page(s)

## SYNOPSIS

/MESSAGE PAROLOR

Author : 176639 ZENTNER, BRANDON

Related date : Wed, 29 Sep. 2010 at 04:27

On 2010-09-29 at 02:02hrs Cst ZENTNER and Cst LU were dispatched to Water Club located at 8181 Cambie Rd for a complaint from [REDACTED] who stated the Water Club at that location was a massage parlor that was scheduled to close at 00:00hrs but was still open. Members attended and spoke with Paul JIN who was the manager. He stated they were closed. Patrols of the area located [REDACTED] and [REDACTED] fully naked in a massage room. Cst ZENTNER returned a short time later with a camera and found [REDACTED], [REDACTED] and [REDACTED] now there. They had been hiding in the hallway through an emergency exit. Photographs of the business were taken. Information forwarded to Bylaws for Follow Up.

Cst B. ZENTNER 57114/176639 Richmond General Duty C Watch 2010-09-29

\*\* CONFIDENTIAL \*\*

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(Special)

RICHMOND RCMP

GO#1401 2010-34249

OCCURRENCE REPORT  
/DETAILED NARRATIVE

Author : 176639 ZENTNER, BRANDON  
Related date : Wed, 29 Sep. 2010 at 04:36

On 2010-09-29 at 02:02hrs Cst ZENTNER and Cst LU were dispatched to Water Club located at 8181 Cambie Rd for a complaint from [REDACTED] who stated the Water Club at that location was a massage parlor that was scheduled to close at 00:00hrs but was still open.

Cst ZENTNER arrived at 02:05hrs. Cst. ZENTNER spoke with [REDACTED] who advised that this was an ongoing issue with males coming at all hours of the night to go up to the massage parlor. He stated that the Raddison Hotel (who they leased the space from) had given them numerous warnings about this activity which they have ignored.

Cst ZENTNER and Cst LU went to the 11th floor where the Water Club was located. There was a glass double door entrance which was locked. Cst ZENTNER could see Paul JIN inside and indicated for him to open the door. JIN did not react and waited approximately ten seconds before finally getting up from the desk to unlock the door. JIN stated that he was closed and there was no one there.

Cst ZENTNER and Cst LU went from room to room on the main level. The rooms appeared to be storage rooms and bedrooms. One room contained two females who were asleep inside.

Cst ZENTNER and Cst LU moved up to the second floor. JIN was talking loudly nearly yelling saying that there was no one there.

Cst ZENTNER and Cst LU began to check the rooms.

Several of the massage rooms were empty with towels disheveled on the massage tables but no one inside.

Cst ZENTNER then went to Room 11. The door had a small window which had been covered with a white towel. Cst ZENTNER was unable to see into the room.

Cst ZENTNER opened the door and observed:

- [REDACTED] was sitting on the massage table facing the door.
- [REDACTED] was sitting on the massage table with his back to the door.
- [REDACTED] and [REDACTED] were facing one another on the massage table.
- [REDACTED] had no clothing on and when Cst ZENTNER entered the room he turned to see who had opened the door. [REDACTED] was fully naked.
- [REDACTED] had no clothing on and was fully naked.
- No intercourse was observed.
- [REDACTED] had her clothing set beside the massage table.

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RICHMOND RCMP

GO#1401 2010-34249

- ██████████ did not have his clothing in the room and required a towel to cover himself.

- ██████████ stated that he had paid \$120 for an hour and a half full body massage.

- ██████████ stated he did not pay money for sex and he was surprised when ██████████ took off her clothing.

- ██████████ said that he didn't argue when she took her clothes off and he didn't know how far it was going to go.

The rest of the business was cleared and no one else was located.

Cst ZENTNER went back to his police vehicle to retrieve a camera.

At 03:08hrs Cst ZENTNER returned with the camera. At that time Cst ZENTNER and Cst LU went upstairs and heard male voices.

In the sauna and jacuzzi room ██████████ ██████████ and ██████████ were located wearing only a towel. They stated they had just been going into the jacuzzi.

Cst ZENTNER asked how they got into the business as Cst LU was waiting for Cst ZENTNER to return from the front door and they had not entered from that way. They were not located when the business was searched earlier.

They stated that they did not know where they had been or how they had gotten there now.

Cst ZENTNER later discovered that they had used an emergency fire exit and had waited in the hall.

Cst ZENTNER noted that there were cigarette butts in cups and all ██████████ had an odour of liquor on his breath.

Cst LU asked JIN for identification. JIN stated he would get it. After several minutes JIN did not return and Cst ZENTNER and Cst LU went looking for him.

JIN was located through two doors that lead to a bedroom on the second floor. JIN was inside in bed pretending to sleep. He seemed surprised when Cst LU shined a flashlight in his eyes.

All parties were identified before being released.

Cst ZENTNER will forward all information to Bylaws for review and follow up.

SUI - Follow up with Bylaws.

Cst B. ZENTNER 57114/176639 Richmond General Duty C Watch 2010-09-29

\*\* CONFIDENTIAL \*\*

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(Special)

RICHMOND RCMP

GO#1401 2010-34249

POLICE STATEMENT

Cst. LU 180724

Author : 180724 LU, HILARY

Related date : Wed, 06 Oct. 2010 at 17:53

On 2010/09/29 at 0202hours Cst. LU and Cst. ZENTNER were dispatched 8181 Cambie Road(Water Club) regarding a report of males entering into the establishment, past business hours.

Cst. LU and Cst. ZENTNER arrived and spoke to the complainant [REDACTED] who advised that this was an ongoing issue with males coming at all times of the night. [REDACTED] works for Raddison Hotel as the desk clerk, advised that Water Club rents the 11th & 12th floor of the Hotel building.

The management at Raddison hotel has given numerous warnings for opening past business hours, however Water club continues to disregard the hotel policy.

Cst. LU and Cst. ZENTNER proceeded to the 11th floor where the Water club was located. Cst. LU noted the front glass door to the club was locked.

Cst. LU observed an Asian male, (later identified as Paul JIN through his British Columbia Driver's Licence) sitting behind the front counter of the Water club. Cst. LU knocked on the glass door and noted JIN was looking towards the floor. JIN eventually looked up, stared at members for a few seconds and then proceeded to get up from the desk to unlock the door.

Once the front door was unlocked, JIN stated to Cst. LU and Cst. ZENTNER that his club was closed and that there was no one inside. Cst. LU noted prior to entering into the Water club a visible sticker displaying close time for the business at midnight.

Cst. LU asked JIN again if there were any customers inside the business, JIN stated 'No'. Cst. LU and Cst. ZENTNER then proceeded to clear the rooms on the main floor of the business. Cst. LU noted most of the rooms appeared to be storage rooms and bedrooms.

Cst. LU and Cst. ZENTNER opened one of the rooms on the main floor and observed two females were asleep inside. As Cst. LU and Cst. ZENTNER were clearing the other rooms on the 11th floor, JIN could be heard walking around on the 12th floor and yelling in Mandarin.

Cst. LU and Cst. ZENTNER then proceeded to the 12th floor to see who JIN was speaking to, as no one should have been inside the business. The 12th floor was quite large consisting of numerous rooms, facilities areas (sauna & Jacuzzi). Cst. LU and Cst. ZENTNER proceeded to open and clear each room starting from the stairs.

The initial rooms checked, were empty with White towels covering the massage tables. Cst. LU and Cst. ZENTNER proceeded to room 11 on the 12th floor and observed a small window which was covered with a White towel.

Cst. ZENTNER opened the door and the following was observed by Cst. LU.

- Asian female later identifies as [REDACTED] sitting down on the massage

\*\* CONFIDENTIAL \*\*

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RICHMOND RCMP

GO#1401 2010-34249

table facing the door.

- East Indian male later identified as [REDACTED] sitting on the massage table with his back towards the door.

- [REDACTED] and [REDACTED] were in very close proximity facing each other with there knees touching each others.

- [REDACTED] and [REDACTED] quickly got up when the door was open, Cst. LU noted that both of them were completely naked.

- [REDACTED] shouted out that [REDACTED] had taken his clothing and did not know what was going on.

- [REDACTED] and [REDACTED] were advised to get dress, [REDACTED] clothing was located beside the massage table.

- [REDACTED] stated that he did not know where his clothing was in the room and required a towel to cover himself.

- JIN then arrived in room 11 and began yelling at [REDACTED] in Mandarin. JIN pleaded that he was not aware that customers were still inside his business. JIN stated that he did not know how [REDACTED] got inside.

Cst. ZENTNER remained with [REDACTED] as Cst. LU proceeded downstairs with JIN and [REDACTED]. Cst. LU was provided with photo documentation of [REDACTED] passport information.

Cst. LU then requested JIN provide his driver's licence, at which point JIN stated he needed to retrieve it from his room upstairs. Cst. LU remained downstairs with [REDACTED], and attempted to speak with her however her English was very limited.

The rest of the business was cleared and no one else was located.

Cst. LU stayed by the front entrance as Cst. ZENTNER returned to his police vehicle to retrieve a camera.

At 03:08hrs Cst ZENTNER returned with the camera. At that time Cst LU and Cst. ZENTNER could hear male voices coming from upstairs.

Cst. LU and Cst. ZENTNER proceeded to the 12th floor and located in the sauna and jaccuzzi area three males later identified as [REDACTED] [REDACTED] and [REDACTED]. All three males were wearing only a towel.

When question on how they got into the business, all three males could not provide any explanation. The males appeared confused and stated, they did not know how they got in here however were about to enter into the sauna room.

It was later discovered by Cst. ZENTNER, that they had used an emergency fire exit and had waited in the hall. The fire exit was located, which lead to a stair well. The door was left ajar, allowing easy access in and out of the club.

While on the 12th floor Cst. LU and Cst. ZENTNER noted that there were cigarette butts in cups located on top of a round table in the lobby area.

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RICHMOND RCMP

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Also While speaking to ██████████, Cst. LU and Cst. ZENTNER detected had an odour of liquor on his breath.

██████████ was having a beverage from a green plastic cup, ██████████ finished his beverage and placed the cup onto a table. Cst. LU picked up the cup and could detect the smell of liquor from the container.

Cst LU then asked JIN for identification again. JIN stated he would get it. After several minutes JIN did not return and Cst. LU and Cst. ZENTNER went looking for him.

JIN was located on the second floor, JIN was inside in bed pretending to sleep. JIN appeared surprised when Cst LU shined a flashlight in his eyes, again requesting his identification. JIN then proceeded to get up at which point he retrieved his British Columbia Driver's Licence.

JIN continued to advise Cst. LU that he ran a legit business and that police officers should be checking the other illegal massage parlors in Richmond. JIN directed Cst. LU to look at Kingdom Massage, Temptations and Cloud nine for illegal activities.

JIN stated that he was a hard working ?Hero? from his home country and nothing illegal was happening at his business. When questioned about the naked male and female located in room 11, JIN had no response.

Cst. LU and Cst. ZENTNER obtained pictures from the Water Club, identified all the males in the business after hours, and the female worker located in room 11 fully naked prior to exiting the establishment.

Cst. LU 57584, Richmond RCMP, General Duty, C Watch

**Follow Up Report # 1401 1**

Assigned to 176639 ZENTNER, BRANDON Rank: CONSTABLE

Capacity: LEAD INVESTIGATOR

Org unit: C WATCH

Assigned on Tue, 05 Oct. 2010 12:16 By 045498 PETERS, STEPHAN

Report due on Fri, 15 Oct. 2010

Remarks: CONTACT BYLAWS

\*\* CONFIDENTIAL \*\*

CNCL - 30

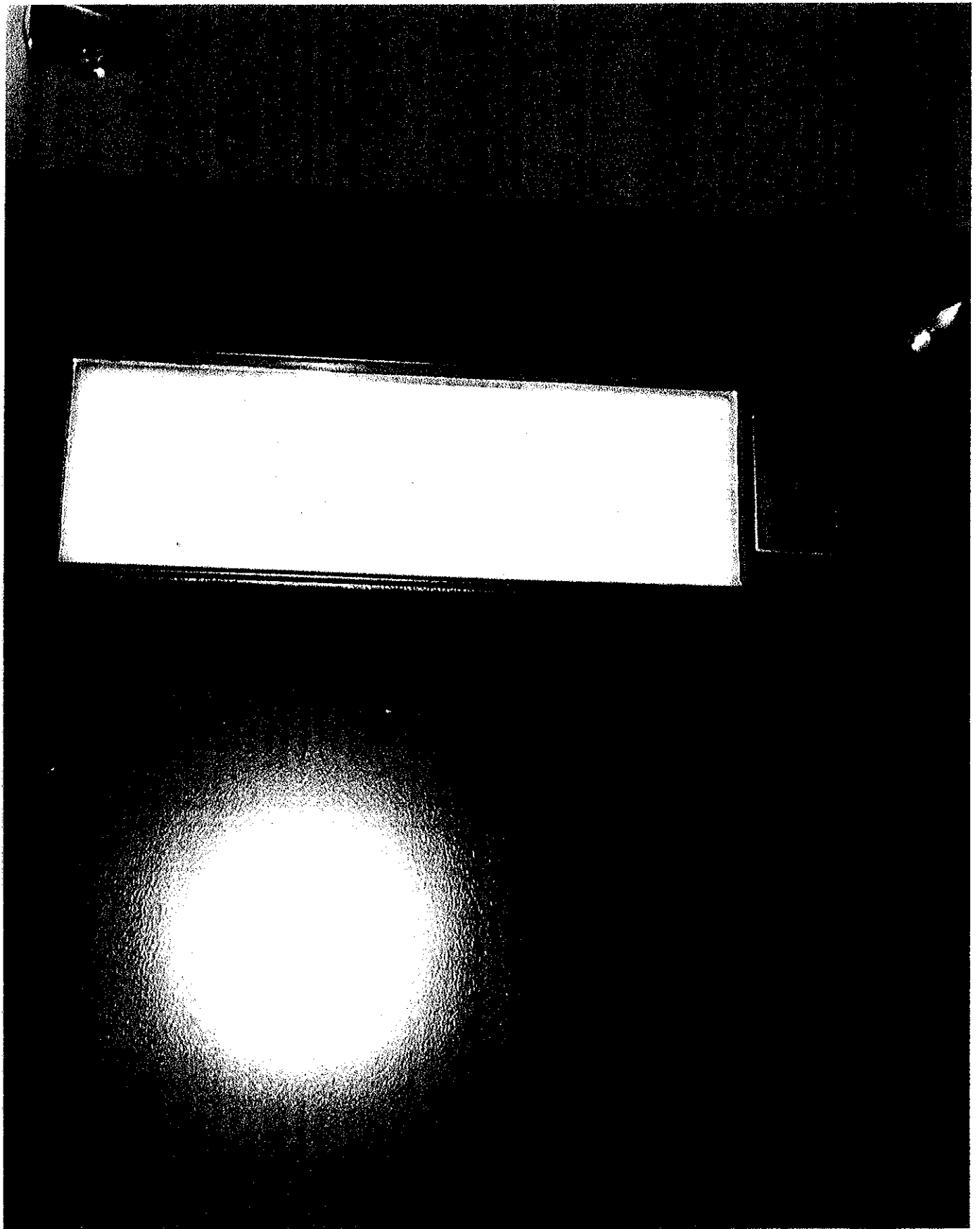
(Special)



10-34249 Taken by Cst ZENTNER

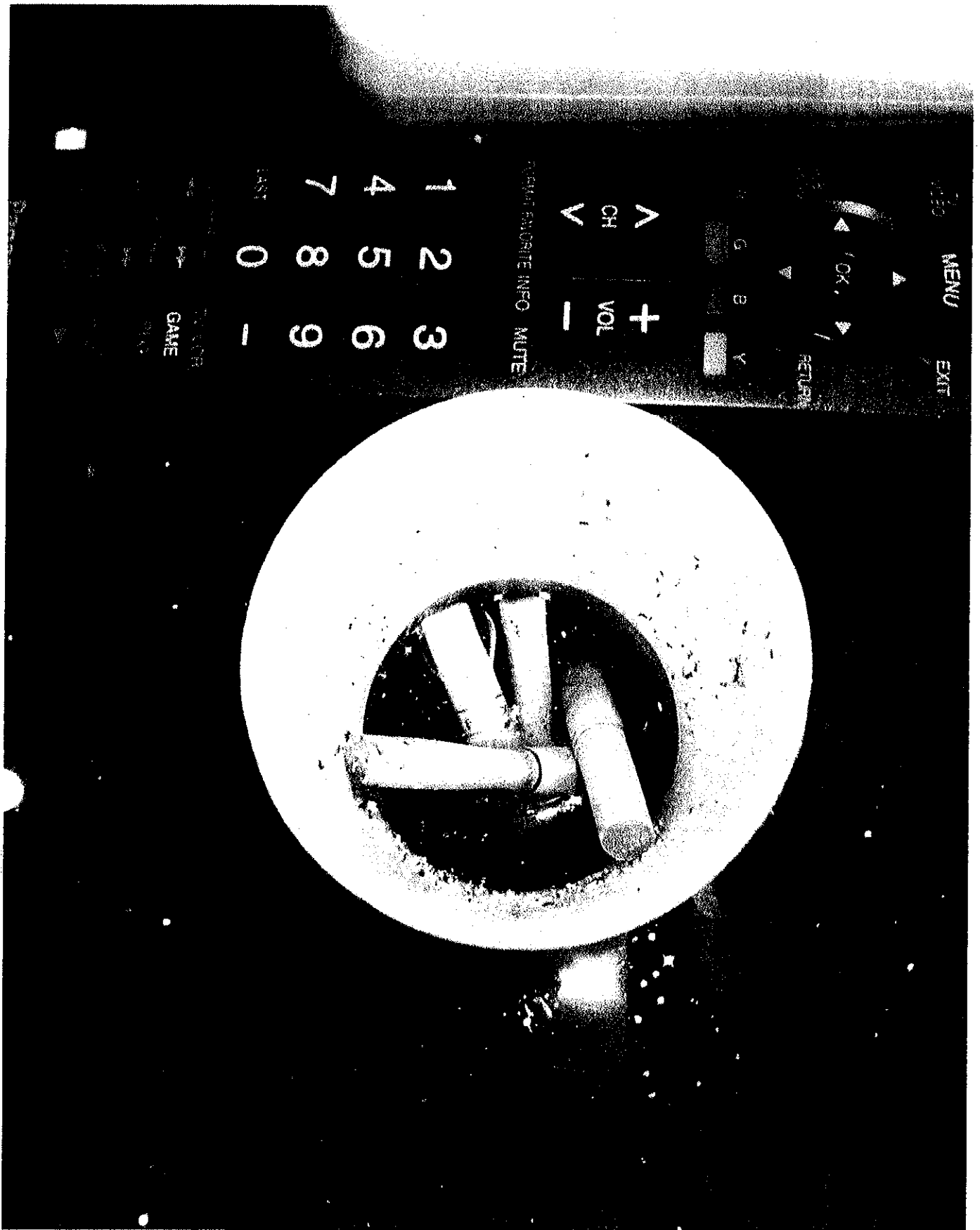
**CNCL - 31**  
**(Special)**





10-34249 Taken by Cst ZENTNER

**CNCL - 32**  
**(Special)**



10-34249 Taken by Cst ZENTNER

CNCL - 33  
(Special)

Attachment 6

Page 1

RICHMOND RCMP

178755 ZACHER, PETER

Case: GO 1401 2010-40551 POSSESSION-CANNABIS 30G & UNDR  
/WATER CLUB WALKTHROUGH  
OCCURRENCE REPORT

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Location: 1288-8181 CAMBIE RD (Water Club)  
RGET Walkthrough/Marihuana Seizure

On 2010-11-21 at 17:30 hrs, members of the Richmond Gang Enforcement Team (RGET) began querying plates in the parking lot of the above location. Water Club is a known hang-out for persons with gang associations. Cst. ZACHER and Cst. WONG queried:

-VETTED . Leased vehicle to VETTEDVETTE  
-Vehicle has PRIME for drugs and suspicious vehicles  
-VETT is flagged on PRIME as "ARMED and DANGEROUS/VIOLENT" VETT also listed on PRIME as having access to firearms

-VETTED . Leased vehicle to VETTED  
-Vehicle has PRIME for drugs, liquor, and robbery  
-VETT has PRIME for weapons possession and drugs

Several other licence plates were queried, however nothing of interest was noted.

Due to above plates of interest, all members of RGET conducted a walk-through of the establishment. Members entered the upstairs area of the business and smelled cigarette smoke in the air. Members proceeded to the foot massage room/waiting area and all members noted a very strong odour of fresh marihuana. 2 males were inside the room, identified as VETTE and VETTEDVETTED D

A package of cigarettes was located beside VETTED in a basket. Cst. WONG looked inside the box while asking VETTED if they were his, VETTED replied "Yeah". During this conversation, Cst. WONG observed a marihuana cigarette inside the package and passed the package to Cst. ZACHER. Cst. ZACHER confirmed the item to be marihuana and seized it as such. VETTED was verbally advised he was detained for CDSA offences and given his rights/caution. VETTED was also observed smoking a cigarette at this time, contrary to Richmond City Bylaws.

Members spoke with the other male in the room and identified him to be VETTEDVETTED was hesitant but cooperative with members. VETT allowed members to look inside his locker in the club, nothing of note was located. Members observed that VETT had 2 cellphones in his possession, an Iphone and a Blackberry. The 'message waiting indicator' on the Blackberry was flashing.

Members conducted a walkthrough of the remainder of the club and found 2 other males smoking contrary to the bylaw. One was identified as VETTED ; negative CPIC/CNI/PRIME. Other male identified as VETTED , also negative CPIC/CNI/PRIME.

Case: GO 1401 2010-40551 POSSESSION-CANNABIS 30G & UNDR  
/WATER CLUB WALKTHROUGH  
OCCURRENCE REPORT

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The marihuana was seized for destruction.

A compilation of member observations prepared and forwarded to Richmond City Bylaws for enforcement action and followup.

Members did not observe any "NO SMOKING" signs within the premises of Water Club. The only "NO SMOKING" sign observed was located on Raddison Hotel property, directly outside the elevators on the 11th floor.

Cst. ZACHER 57361-Richmond Gang Enforcement Team-Richmond RCMP

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Author: ZACHER, PETER  
Related date: Sun, 2010-Nov-21 1826

Signatures: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Mon.) 2010-Nov-29

Case: GO 1401 2010-40551POSSESSION-CANNABIS 30G & UNDR  
Cst. CHAPLIN 154055  
POLICE STATEMENT

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Constable CHAPLIN  
Will Say

On November 21st 2010 at 5:30 p.m. Constable CHAPLIN along with other Richmond members attended the eleventh floor of the Radisson Hotel and upon entering the business detected an odour of cigarettes and fresh burnt marihuana.

Constable CHAPLIN followed the other members upstairs and when the members followed the main path, Constable CHAPLIN entered the steam room. Inside the steam room the odour was more prevalent. Constable CHAPLIN walking through into a lounge/waiting area observed VETTED smoking a cigarette. VETTED was told to put it out, and did so immediately in a small paper cup with water next to where he was sitting.

Another unnamed male was sitting in the lounge. The males denied smoking marihuana, however the odour was extremely prevalent inside the room, and it was obvious that marihuana had been smoked recently inside the room.

The males were detained and during a search of their effects a joint was located inside VETTED's cigarette pack.

At 5:40 p.m. Constable CHAPLIN seized the joint. Constable CHAPLIN then obtained a valid drivers licence from VETTED. A search of his other belongings located no other marihuana.

During further walk through of the business there was several cigarette packs lying around on tables with no other personal items on the tables. Personal items are typically locked in lockers, and clients are given robes to change into.

Constable CHAPLIN also observed a haze of smoke in the rear of the business, but did not observe anyone smoking a cigarette.

Constable CHAPLIN gave the joint to Constable ZACHER for destruction.

Constable CHAPLIN 54394/154055 Richmond Royal Canadian Mounted Police

Case: GO 1401 2010-40551 POSSESSION-CANNABIS 30G & UNDR  
Cst. CHAPLIN 154055  
POLICE STATEMENT

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Author: CHAPLIN, JEFFREY  
Related date: Mon, 2010-Nov-22 0029

Signatures: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Sun.) 2010-Nov-28

Case: GO 1401 2010-40551 POSSESSION-CANNABIS 30G & UNDR  
/Jaggassar 088631  
POLICE STATEMENT

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On 2010-11-21 at approximately 17:30 hours Cst JAGGASSAR conducted a premise check of Water Cube Massage Parlour at the Radisson Hotel on Cambie Rd.

Upon entry to the business Cst JAGGASSAR checked the first floor of the business and noted nothing suspicious.

Cst JAGGASSAR then proceeded to the second floor and could immediately smell a fresh odour of burning marihuana in the hallway. Cst JAGGASSAR proceeded to the lounge room where two males were sitting watching television. The odour of marihuana was strongest in this room. Cst JAGGASSAR could also smell cigarette smoke in the room. A pack of cigarettes was seen on the table. The males were later identified by Cst YUNG.

At room # 9 Cst JAGGASSAR looked through the window and observed a female massaging a male. The female employee, later identified as [REDACTED], was wearing a tank top with spaghetti straps on top (approx 1/4 inch thick). The manager was advised of the inappropriate dress and stated that he would speak with her.

At room # 2 Cst JAGGASSAR observed a female massaging a male. The male was laying on his stomach and was fully nude. The male, later identified as VETTED, did not have a towel covering any part of his body.

At approximately 18:09 Cst JAGGASSAR passed by Room #2 and observed that the door was not open and no one was inside the room. There was a strong odour of smoke in the hallway outside room #2. Cst JAGGASSAR proceeded inside the room and observed a cigarette butt in a cup with water.

No "No smoking" signs were observed anywhere in the business.

Cst A JAGGASSAR  
Richmond RCMP  
RGET  
48319

Case: GO 1401 2010-40551 POSSESSION-CANNABIS 30G & UNDR  
/Jaggassar 088631  
POLICE STATEMENT

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Author: JAGGASSAR, ADRIAN  
Related date: Mon, 2010-Nov-22 0030

Signatures: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Sun.) 2010-Nov-28 \*



Case: GO 1401 2010-40551 POSSESSION-CANNABIS 30G & UNDR  
/Cst Roy WONG 105149  
POLICE WILL SAY

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2010-11-22

Cst Roy WONG is a member of the Royal Canadian Mounted Police (RCMP) since January 2003. On this date, Cst WONG was working in full police uniform with the Richmond Gang Enforcement Team, in the City of Richmond, Province of British Columbia. Cst WONG will say the following.

Cst WONG was conducting a Licence Premise Check at the Water Club massage business located on the 11th floor of the Radisson Hotel in Richmond, BC. Upon entry on to the second level of the business, a strong odour of burning marijuana smoke was noticed. Upon entry into the massage chair area, Cst WONG found two males sitting in chairs. The odour of burning marijuana was obvious and Cst WONG found a pack of cigarettes which contained tobacco cigarettes and one marijuana cigarette commonly known as a "joint".

After dealing with the males, Cst WONG walked the hallway corridor and noticed a strong odour of burning cigarette smoke. A ceiling pot light showed the movement of smoke in the air. It was later found by another member that Room 2 was full of smoke and a smoldering cigarette butt was found in a cup.

Further observation at the Water Club premise found no signage stating "No Smoking" in the hallway, reception area or message rooms.

This concludes the will say of Cst WONG.

Cst Roy WONG 49871  
Richmond Gang Enforcement Team  
RCMP - Richmond Detachment

Case: GO 1401 2010-40551 POSSESSION-CANNABIS 30G & UNDR  
/Cst Roy WONG 105149  
POLICE WILL SAY

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Author: WONG, ROY  
Related date: Mon, 2010-Nov-22 1449

Signatures: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
(Sun.) 2010-Nov-28

Case: GO 1401 2010-40551POSSESSION-CANNABIS 30G & UNDR  
CST YUNG 188417  
POLICE STATEMENT

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Constable Wilson YUNG (Hereinafter referred to as Cst. YUNG) is a regular member of the Royal Canadian Mounted Police (RCMP) and has been so employed since December 7th, 2009. Cst. YUNG is currently attached to the General Duty Section of the Richmond RCMP, working on 'C' Watch. All locations, addresses, and roadways named or described in this report, unless stated otherwise, are in the City of Richmond, British Columbia.

On November 21st, 2010 Cst YUNG was working a regular scheduled shift in a full duty uniform and was operating a marked police vehicle.

On November 21st, 2010 Cst YUNG, Cst CHAPLIN, Cst ZACHER, Cst WONG, Cst JAGGASSAR and Cst BAL (Richmond Gang Enforcement Team, "RGET") attended the "Water Club" spa located on the 11th floor of the Radisson Hotel for a premise walkthrough.

Cst YUNG and other RGET members went to the second floor of the spa and immediately noticed strong odour of cigarette and freshly burned marihuana emitting from one of the rooms. Cst YUNG is very familiar with the premise (from previous walkthroughs in the past) and located two males inside the main lounge area. The males were VETTED and VETTED. VETT is VETTED.

. A single joint of rolled marihuana was located inside VETTED's cigarette carton. The joint was later seized by RGET members and VETTED was advised of his detention and his rights.

Cst YUNG spoke with VETTED and noted that he was smoking, contrary to Richmond Bylaws. VETTED was advised to stop smoking and he agreed to do so. While other members continued to speak with VETT and VETTED, Cst YUNG and Cst JAGGASSAR identified a male, VETTED, inside room #2. Cst YUNG and Cst JAGGASSAR noted that VETTED was lying on his stomach naked while receiving his massage. RGET members also later located a plastic cup with multiple cigarette buds inside. The odour of cigarette smoke was very strong inside the room.

Cst YUNG and Cst JAGGASSAR also noted a female employee (in Room #9), who was giving a massage, wearing a low cut tank top, contrary to Richmond Bylaws.

Cst YUNG spoke with the manager, Paul JIN, and advised him of all the violations inside the premise. JIN stated that he was unaware of the activities and denied having any knowledge of drug/alcohol use inside the spa.

This concludes Cst YUNG's involvement in this file.

Cst Wilson YUNG 58591, Richmond RCMP, C Watch

Case: GO 1401 2010-40551 POSSESSION-CANNABIS 30G & UNDR  
CST YUNG 188417  
POLICE STATEMENT

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Author: YUNG, WILSON  
Related date: Mon, 2010-Nov-22 0024

Signatures: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Sun.) 2010-Nov-28

Case: GO 1401 2010-40551 POSSESSION-CANNABIS 30G & UNDR  
/Cst. J. BAL 000134714  
POLICE STATEMENT

Willsay of Cst. BAL  
File number: 2010-40551  
2010-11-21  
2053hrs

Cst. Janelle BAL will state the following:

1. Cst. BAL is a regular member of the Royal Canadian Mounted Police (RCMP) and has been so employed since May 2nd, 2005. Cst. BAL is currently attached to the Richmond Gang Enforcement Team (RGET), in the City of Richmond, Province of British Columbia.

2. On 2010-11-21, Cst. BAL along with 5 other Constables of RGET, attended the Water Club inside the Radisson Hotel, located at 8181 Cambie Road at 1735hrs. RGET's attendance to the water club was for public safety as there were some vehicles in the parking lot which came back to two males; one carded on PRIME as armed and dangerous and another with drug and weapons history.

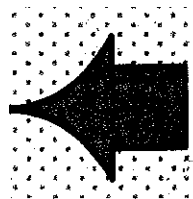
3. Upon arrival to the Water Club, Cst. BAL noted two female employees downstairs and remained with them while the 5 other Constables went upstairs.

4. Cst. BAL obtained the names of the employees working at the present time and only identified the three females downstairs by photo. Cst. BAL also observed the business licence lying on the desk, under a few papers. The employees names were as follows:

- a. [REDACTED]
- b. [REDACTED]
- c. [REDACTED]
- d. [REDACTED]
- e. [REDACTED]
- f. [REDACTED]
- g. [REDACTED]
- h. [REDACTED]
- i. [REDACTED]
- j. [REDACTED]
- k. Paul King JIN (manager attended after police arrival)

5. Cst. BAL was advised by Cst. JAGGASSAR there were two males found to be in possession of marihuana and were smoking upstairs. Cst. BAL did not obtain the odour of burning marihuana upon arrival however after there was movement up and down the stairs, Cst. BAL did obtain the odour of fresh burning marihuana while at the front desk.

6. Cst. BAL later went upstairs and could still smell the odour of



Case: GO 1401 2010-40551POSSESSION-CANNABIS 30G & UNDR  
/Cst. J. BAL 000134714  
POLICE STATEMENT

cigarette smoke. Cst. BAL could see smoke floating under a light in the hallway outside Room #2. Cst. BAL did not observe any No Smoking signs inside the Water Club. The only sign observed was beside the elevator, outside the Water Club main doors.

7. Cst. BAL spoke with the Radisson Hotel Manager, [REDACTED], prior to departure. Cst. BAL advised [REDACTED] of the following:

a. Police located marihuana that it was being smoked in the Water Club, along with cigarettes;

b. Police will be forwarding all information to the City of Richmond By-Law enforcement; and

c. That the Hotel could possibly get charged for the incident, and to prevent the same incident in the future, the hotel may want to send security into the Water Club to ensure they are abiding by the business by-laws.

8. Cst. BAL was thanked by [REDACTED] for our attendance and [REDACTED] welcomed the police back at anytime .

This concludes Cst. BAL's involvement with this matter.

Cst. Janelle BAL  
52098  
RGET  
Richmond RCMP

Author: BAL, JANELLE  
Related date: Sun, 2010-Nov-21 2120

Signatures: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Mon.) 2010-Nov-22

Will Say Of Licence Inspector, DUARTE  
Occurrence Report (Narrative)

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Will Say of Licence Inspector Victor DUARTE

That Licence Inspector Victor DUARTE, (hereinafter referred to as DUARTE) was appointed by Richmond City Council as a Bylaw Enforcement Officer in accordance with Section 36 of the Police Act on December 20, 1999.

DUARTE will state:

That on the evening of Friday, November 26, 2010, DUARTE was conducting routine inspections with Richmond RCMP Members, Cst. B. LEUNG, and Cst. J. LEHOUX in plain clothes and Cst. I. BAIRD and Cst. M. SMITH in Uniform along with LCLB Liquor Inspector, D. DYCK.

That at approximately 10:18 p.m., inspection team attended at 8181 Cambie Road –Unit # 1288 to inspect Watercube Vancouver Health Club Ltd., doing business as Water Club at Radisson Hotel (hereinafter referred to as Water Club)

That DUARTE inspection team attended front door of Water Club while Cst. I. BAIRD proceeded through hallway towards fire exit. That DUARTE knocked and could see Manager, Paul JIN behind counter dealing with 3-4 customers at Counter. DUARTE observed Receptionist, briefly speak with JIN and then quickly went upstairs. DUARTE could hear Receptionist speaking Chinese loudly. After approximately 20 seconds DUARTE yelled, "Paul, Open the Door!!" DUARTE heard door buzzer go and DUARTE proceeded upstairs quickly. When DUARTE got upstairs DUARTE could still hear Receptionist talking Chinese but did not see her. DUARTE noticed a male coming out of the lounge or changing room into the hallway with his back to DUARTE. Male was moving quickly towards a staff room. DUARTE noticed male holding a couple of cups in his right hand with his left hand covering top. DUARTE initially thought there might be alcohol in the cups which appeared that individual was attempting to get rid of. DUARTE called individual to give DUARTE the cups which DUARTE smelt but did not get a trace of alcohol. DUARTE lifted the top cup off the lower cup and then observed two cigarette butts in a watery substance.

DUARTE put cups on a shelf and proceeded towards staff room in back where DUARTE suspected Receptionist had made her way there, as the sound of her voice was coming from this general area. DUARTE walked through staff room where a couple of employees were sitting. DUARTE opened emergency fire exit door and heard Cst I. BAIRD speaking with someone and returning up the stairs with a female. Cst. I BAIRD informed DUARTE that two females had made their way out the back door but he only caught up with one and second one got away.

DUARTE checked massage rooms and noted they had the doors closed and found the lighting was not illuminated and could not notice if rooms were occupied or vacant, contrary to the Bylaw which requires the lights to remain illuminated in each room used for Body-Rub or similar services when the door to such room is closed or the room is occupied. DUARTE did notice one room occupied with a client and employee.

DUARTE heard Paul JIN speaking with RCMP Officers and JIN sounded frustrated stating he runs a legitimate place and a good business in Richmond. **ON ON up 46** stating we were bothering him and he was

(Special)

going to sell his business. JIN denied employee was working for him that ran out the back stating she was only a friend of Receptionist.

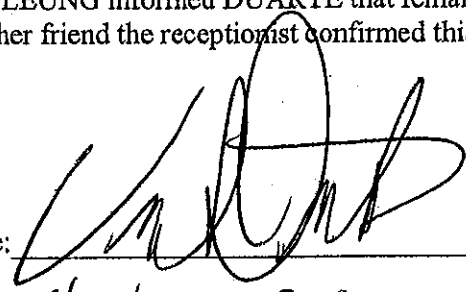
DUARTE asked JIN where his bedroom was located. JIN showed DUARTE location of room. DUARTE observed a 30 can pack of Kokanee beer. DUARTE asked JIN why there was alcohol in the premises. JIN stated this was his living quarters, his bedroom and beer was for his personal use. DUARTE informed JIN that this was a commercial premises and he is not permitted to live in this location or consume alcohol. DUARTE also observed a couple of cigarette packs laying on a table with the lids open. JIN stated they were his but he did not smoke inside premises.

DUARTE was called over to speak with another employee with Cst. LEUNG as she was wearing a sleeve less top cut low on back and front which showed no undergarments which did not meet with the bylaw requirements. Employee was spoken to by Cst. LEUNG about the dress code and required garments. Employee stated that she was not providing massage service at this time and as she was hot, so she had changed from her appropriate garment and apologized stating it would not happen again.

DUARTE went to check changing room and found strong odour of Marijuana coming from entrance area and inside changing area. RCMP officers inside checking and informed DUARTE they were also smelling the odour of Marijuana coming from this area. Inspection however did not reveal the cause.

DUARTE observed Cst. B. LEUNG speaking with receptionist and JIN walked up to her informing her not to speak with Cst. LEUNG and to get back to her station. Cst. B. LEUNG informed JIN to back away and that he was speaking to her and he could speak to her or anyone he needed to while doing his investigation. JIN again frustrated and upset walked away from Cst. B LEUNG mumbling something about City of Richmond and he will sell his business. Cst. B. LEUNG informed DUARTE that female had informed him she was there to work for Water Club and her friend the receptionist confirmed this.

Author: DUARTE, Victor

Signature: 

Date: NOV 30, 2010

CNCL - 47  
(Special)



Water Club at Radisson Hotel  
photo taken by V. Duarte on 10-11-26



Attachment 9

Page 1

RICHMOND RCMP

165051 LEUNG, BILLY

Case: GO 1401 2010-62

LIQUOR ACT INSPECTIONS  
Cst Billy Leung 165051  
POLICE STATEMENT

Police Willsay of Constable Billy LEUNG  
Reg# 55936, HRMIS# 165051  
General Duty "C" Watch, Richmond RCMP  
File: 2010-62

Constable Billy LEUNG ("Cst.LEUNG") has been a member of the Royal Canadian Mounted Police ("RCMP") since February 2008. He is currently posted at the Richmond Detachment in the City of Richmond ("Richmond"), in the province of British Columbia ("BC"). On 2010-Nov-26, Cst.LEUNG was on duty and was in plaincloths. Unless otherwise mentioned, all accounts regarding this file took place in Richmond, BC.

\*\*\*\*\*

POLICE ARRIVAL

On 2010-Nov-26 at about 10:20hrs, Cst.LEUNG, several other police members and Richmond City inspectors checked Water Club at 1288-8181 Cambie Rd. Water Club is a licensed massage parlour. Soon after arriving on scene, Cst.LEUNG was advised that a female was seen running out of the business upon police arrival. The female identified herself with a student card with the name of [REDACTED]

INFORMATION FROM [REDACTED]

Initially, [REDACTED] stated she was a guest at Water Club. [REDACTED] is an Asian female in mid-20's and did not fit the typical client type at Water Club, which are middle-age males. Cst.LEUNG began to question [REDACTED] to her real purpose at the Water Club and her method of payment. [REDACTED] eventually stated the following:

- she initially lied to the city inspectors;
- she was not a customer;
- she was here to work to give foot massages to male customers here;
- she was getting paid \$10 an hour;
- she was recommended to "try-out" here by her female friend;
- her friend works here as a receptionist;
- she only knows her by her chinese name "[REDACTED]";
- she did not have a licence to give foot massage nor was she trained;
- she did not what type of business Water Club does;
- after police arrived, she was told to run out the back door by Paul (JIN);
- she stated she will leave and will not returned here;

RECEPTIONIST LOCATED ON SCENE

Cst.LEUNG later located [REDACTED] at the receptionist. She did not have any

CNCL - 49  
(Special)

Case: GO 1401 2010-62

LIQUOR ACT INSPECTIONS  
Cst Billy Leung 165051  
POLICE STATEMENT

ID but identified herself to police and gave her date of birth. [REDACTED]  
confirmed that she knows [REDACTED] through their school [REDACTED]  
[REDACTED] ) and recommended [REDACTED] to try out here.

This concludes Cst.LEUNG's involvement in this file. His notes and willsay  
(hardcopy) have been provided to Richmond City inspectors for this file.

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

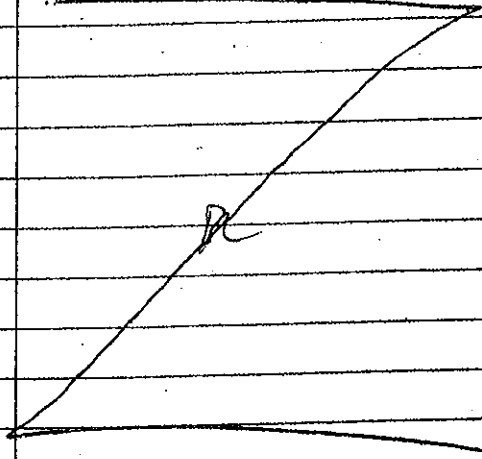
It was later determined she was an unlicence foot masseuse, working on a  
try-out basis. She was identified as [REDACTED] and admitted initially lied to police. Owner/manager Paul  
JIN was confrontational with police throughtout. A bylaw infractions was  
issued by City inspectors.

Author:LEUNG, BILLY.  
Related date:Sat, 2011-Jan-01 0748

Signatures: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
(Sat.) 2011-Jan-01

[REDACTED]

[REDACTED]



Date: 2010-11-26  
OT # 2130-8330  
AK 2010-62  
15 min / 15 min enforcement.

1206 [REDACTED]

[REDACTED] (F)

Driver  
[REDACTED]  
[REDACTED]  
[REDACTED]  
(Special)

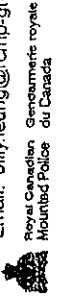
**RCMP-GRC**

Cst. Billy 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

Voice mail: #2357

File #:



Royal Canadian Mounted Police  
Gendarmes royales  
du Canada

2279 Frise with collar

- Frise with collar

- as known

- see the boss

- Dec 28 2009

Mr. Jean [unclear]

[Redacted]

- reception desk

- out of [unclear] [unclear]

- ran out back door

- working w/ license  
at [unclear] club

2289

[Redacted]

[Redacted]

2310

[Redacted]

2324

[Redacted]

2328

[Redacted]

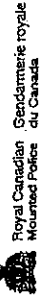
BCMP-GRC

Cst. Billy 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

Voice mail: #2357

File #



Canada

10-11-26

22:18 - AT water club

[REDACTED]

DL [REDACTED]

\* [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] NOT

WEARING APPROPRIATE CLOTHING

[REDACTED]

CONFIRMED TO BE WORKING BY RECEPTIONIST, JIM TOLD RECEPTIONIST NOT TO SPEAK TO CST Lema.

22  
NCE-53  
Special



City of  
Richmond

Victor Duarte

Business Licence Inspector  
Business and Financial Services Department

T: 604 276 4389  
F: 604 276 4157

vduarte@richmond.ca

6911 No. 3 Road  
Richmond, BC V6V 2C1





# City of Richmond

6911 No. 3 Road  
Richmond, BC V6Y 2C1  
www.richmond.ca

December 1, 2010  
File: 12-8275-20-AMANDA #/2010-Vol 01

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

Hong Tao  
UNIT 906 - 9633 Manchester Dr.,  
BURNABY BC V3N 4Y9

Dear Sir:

**Re: Licence Review Meeting - Water Cube Vancouver Health Club doing business as Water Club at the Radisson, Unit 1288-8181 Cambie Road, Richmond BC**

City of Richmond records indicate you are the principal of the noted establishment and under the Business Licence Bylaw are personally issued a Business Licence to operate this business.

I reference my prior correspondence to you July 7, 2010 referencing denial of access to RCMP officers to your premises and follow up inspections from the RCMP.

During inspections of this business on September 29, 2010, November 21, 2010 and November 26, 2010 bylaw infractions were noted in contravention to City of Richmond bylaws noted in the attached inspection report.

You are requested to appear at a Business Licence Review meeting to discuss these matters which may result in business licence discipline from Richmond City Council including suspension or cancellation of your Business Licence.

You are also requested to provide a written response to the infractions noted in the inspection report specifically addressing the following violations:

*September 29, 2010*

Business Regulation Bylaw No. 7538, Section 7.2.1. c (ii) referencing an obstructed window in your body rub studio.

Business Regulation Bylaw No. 7538 Section 7.3.1 (c) permitting a person engaged in a body rub or other service unless such person is wearing garments covering his or her body between the neck, top of knees and below the elbows.

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Licence Bylaw No. 7360 Section 4.1.1, operating without a business licence referring to the noted unregistered body rub employee.

Business Regulation Bylaw No. 7538 Section 7.1.1 (b) operating a body rub studio outside of permitted hours.

Public Health Protection Bylaw No 6989 Section 6.1.2 permitting a person to smoke on the premises

*November 21, 2010*

Public Health Protection Bylaw No 6989 Section 6.1.2 permitting a person to smoke on the premises

**November 26, 2010**

Public Health Protection Bylaw No 6989 Section 6.1.2 permitting a person to smoke on the premises.

Business Regulation Bylaw No. 7538 Section 7.2.1 (b) failing to provide illumination of body rub studio room.

Richmond Zoning Bylaw No. 8500 Section 22.1.2 use of a commercial premise for dwelling unit

The meeting is set to commence at 10:00 am Wednesday December 15, 2010 at Richmond City Hall, Room M 2:001, 6911 No. 3 Road, Richmond. Questions on this matter can be directed to the undersigned at 604-276-4136.



W. Glenn McLaughlin  
*Chief Licence Inspector & Risk Manager*

WGM:wgm

Att. 8

pc: Water Cube Vancouver Health Club, 4411 #3 Rd, Richmond  
Victor Duarte - Licence Inspector  
Sgt. K Hansen Richmond RCMP



# TARNOW & COMPANY

## BARRISTERS & SOLICITORS

#210 - 7480 WESTMINSTER HWY, RICHMOND, BC, V6X 1A1

Phone: 604.278.0555 Fax: 604.278.0525

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DAVID C. TARNOW

JASON D. TARNOW

January 12, 2011

Mr. W. Glenn McLaughlin  
Chief Licence Inspector & Risk Manager  
City of Richmond  
6911 No. 3 Road  
Richmond, B.C. V6Y 2C1

Dear Mr. McLaughlin:

**Re: Licence Review Meeting  
Water Club  
Written Submissions**

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In response to your request, these are my written submissions in relation to the Business Bylaw infractions as set out in your letter of December 1, 2010.

As was discussed at the review meeting, the Water Club business is located on the top two floors of the Radisson Hotel, occupying 3-4,000 square feet. The Club is comprised of various areas, including: relaxation areas, steam, sauna, Jacuzzi and showers. It also has several massage rooms which are properly illuminated, all of which have windows. There is a large staff of between 30-40 employees. These include reception staff, cleaning and other administrative staff. Also, there are a number of properly licensed massage employees. As Mr. Duarte indicated, Mr. Jin, the manager of the Water Club, regularly attends at City Hall to ensure all employees are properly licensed through the City licensing requirements.

The rent on the premises for Water Club is \$20,000.00 a month. If the business licence is suspended or cancelled, the economic effects would obviously be devastating. Also, of course, 30-40 employees would be without work for that period of time.

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As to the specific allegations as set out in the December 1, 2010 report:

1. September 29, 2010

Mr. Jin, who is the manager, had no knowledge of the activity going on in the massage room with [REDACTED]. No sexual activity is allowed at the Club. Employees are instructed to follow the requirements of the by-law regarding their clothing. They are not allowed to be naked as [REDACTED] was.

After finding out about this incident, [REDACTED] was immediately terminated. She was not allowed back in the premises by Mr. Jin.

As to the late hours, Mr. Jin has faced lots of pressure from friends and clients to allow people in the premises late at night. It does not happen anymore.

Also, as to the smoking allegation, it is very difficult to watch over all of the activities in these very large premises. Many new NO SMOKING signs are now up in the premises.

There is now no smoking of any kind allowed in the premise. If the customers partake in any smoking, they are asked to leave.

2. November 21, 2010

Again, smoking on the premises has not and will not be condoned. There are many NO SMOKING signs up in the premises. Any customers who smoke are not allowed to remain on the premises.

3. November 26, 2010

Again, smoking is not allowed on the premises.

The studio rooms all have lights. The employees are instructed on the by-law requirements regarding the lights. They must be on.

Finally, the room which Mr. Duarte found some beer firstly was Mr. Jin's personal beer. The package was not opened. It was not for others consumption or re-sale.

The room itself is not permanent quarters but a room where Mr. Jin can have a rest during his busy working days. He has more permanent quarters across the street with his father.

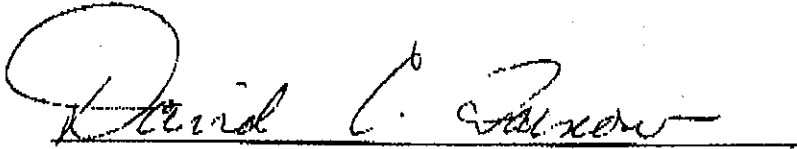
The R.C.M.P. have been to these premises at least ten times since the last inspection as noted by Mr. Duarte. Mr. Jin is attempting to run a legitimate business. There are no new allegations. All employees are properly licensed. There is no

smoking in the premises. Many NO SMOKING signs are up. No sexual activity is allowed. Any employee caught doing same is terminated.

Many individuals rely on this business for their livelihood. Any suspension or a cancellation will cause great hardship for the employees and probably a closing of the business.

It is respectfully submitted that you not recommend the business licence be suspended or cancelled and that the business be given an opportunity that it can follow all the requirements of the City of Richmond.

All of which is Respectfully Submitted

A handwritten signature in cursive script, reading "David C. Tarnow", is written over a horizontal line.

David C. Tarnow  
Barrister & Solicitor



# City of Richmond

## Memorandum

Business and Financial Services Department

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**To:** Richmond City Council

**Date:** March 8, 2011

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

**File:**

**Re:** Business Licence Hearing - Watercube Vancouver Health club

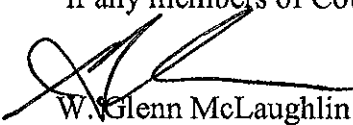
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At the Special Council Meeting scheduled for March 14, 2011 Council will consider a staff report recommending a Business Licence suspension to the Watercube Vancouver Health Club Ltd. doing business as the Water Club at the Radisson.

Provided for Council information and attached to this memo is covering correspondence sent to the licensee and their legal counsel advising of the staff recommendation, attaching the staff report and details of the meeting.

On March 7, 2011 staff received a request from the licensee's legal counsel to postpone this hearing to permit the offshore partners to attend. Staff, having considered the request has denied the postponement for the reasons stated in the response letter attached.

If any members of Council have questions or comments please call me at 604-276-4136.

  
W. Glenn McLaughlin  
Chief Licence Inspector & Risk Manager

Att.

pc: Andrew Nazareth, General Manager, Business and Financial  
Services

**CNCL - 59  
(Special)**



# City of Richmond

6911 No. 3 Road  
Richmond, BC V6Y 2C1  
www.richmond.ca

February 21, 2011

File: 12-8275-20-AMANDA #/2011-Vol 01

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

Delivered by Hand

Tarnow & Company  
Barristers & Solicitors  
#210-7480 Westminster Hwy.  
Richmond BC V6X 1A1

**Attention: David C. Tarnow**

Dear Sir:

**Re: Business Licence Hearing - Watercube Vancouver Health Club  
dba Water Club at the Radisson**

As a follow up to the Business Licence Review Meeting with City Staff on January 12, 2011, dealing with bylaw infractions occurring at the Water Club at the Radisson, my findings are that the business operator did commit multiple and serious violations against City of Richmond Bylaws.

Infractions of this nature are brought forward to Richmond City Council to consider Business Licence discipline. The city staff report on this matter is attached and will be dealt with by City Council at a Special Meeting scheduled for Monday March 14, 2011 at 4:00 p.m. at Richmond City Hall, 6911 No. 3 Road, Richmond BC in meeting room 2:001. If this scheduled date is changed I will advise you accordingly.

Also attached and referenced in the staff report as being provided to you, are unvetted copies of documents showing the names of employees involved with some of the infractions. Those names are vetted in the public staff report for Privacy Legislation compliance. These documents, Attachments 1, 5 and 6 to Appendix 4 of the staff report, are provided to demonstrate the conflict between your written response to the allegations and statements provided by RCMP members.

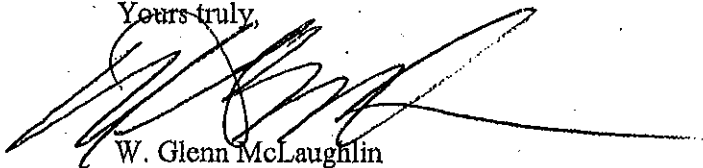
Your client and legal counsel are entitled to be heard by City Council and may provide a written or oral presentation when this matter is considered.

If you have any questions on Council process please contact the City Clerks Office or myself.

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Please acknowledge your acceptance of this notice on behalf of the Watercube Vancouver Health Club by signing below and returning a copy of this letter to the undersigned.

Yours truly,



W. Glenn McLaughlin  
*Chief Licence Inspector & Risk Manager*

Att.

pc: City Clerks Office  
Victor Duarte, Business Licence Inspector  
Sgt. K. Hansen – RCMP Richmond Detachment  
Water Club at the Radisson

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Receipt of service by legal counsel for the Watercube Vancouver Health Club Ltd.  
Tarnow & Company  
Barristers and Solicitors

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Date

# TARNOW & COMPANY

**BARRISTERS & SOLICITORS**

#210 - 7480 WESTMINSTER HWY, RICHMOND, BC, V6X 1A1

Phone: 604.278.0555 Fax: 604.278.0525

**DAVID C. TARNOW**

**JASON D. TARNOW**

March 7, 2011

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

Attention: Mr. McLaughlin

**Re: Business License Hearing – Watercube Vancouver Health Club  
March 14, 2011 at 4:00 p.m.**

I am counsel for Watercube Vancouver Health Club.

The manager, Paul Jin, has instructed me that three of the partners who own this business wish to attend the hearing repeating the issues you have not met. These three partners all live in China and cannot attend the prepared date of March 14, 2011.

Would your office please agree to a postponement of this hearing until approximately May 15, 2011, to give these 3 individuals an opportunity to attend.

I look forward to hearing from you.

Yours truly,

TARNOW & COMPANY



DAVID C. TARNOW

DCT/ks



# City of Richmond

6911 No. 3 Road  
Richmond, BC V6Y 2C1  
www.richmond.ca

March 8, 2011  
File:

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

Via Fax: 604-278-0525

Tarnow & Company  
Barristers & Solicitors  
#210-7480 Westminster Hwy.  
Richmond BC V6X 1A1

**Attention: David Tarnow**

Dear Sir:

**Re: Watercube Vancouver Health Club Business Licence Hearing**

Responding to your letter of March 7, 2011 requesting a postponement of this hearing to May 15, 2011 and your subsequent telephone request to April 18, 2011.

In denying your request, I note that upon concluding the inspection and reporting requirements associated to Business Licence Hearings, the three week notice period advising a licensee of a scheduled hearing is applied to all businesses.

I understand your off shore clients desire to attend and note that of the 5 Directors reported on a current Company Search, 2 of the 5 have a local mailing address. I believe that the licensee's legal counsel; the manager of the business and the local directors can adequately represent their interests to City Council.

Yours truly,

W. Glenn McLaughlin  
*Chief Licence Inspector & Risk Manager*

pc: Victor M. Duarte, Business Licence Inspector

**CNCL - 63  
(Special)**





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## BC Company Summary

For  
**WATERCUBE VANCOUVER HEALTH CLUB LTD.**

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Date and Time of Search: March 07, 2011 02:58 PM Pacific Time  
Currency Date: February 03, 2011

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### ACTIVE

Incorporation Number: BC0848149  
Name of Company: WATERCUBE VANCOUVER HEALTH CLUB LTD.  
Recognition Date and Time: Incorporated on March 20, 2009 12:59 PM Pacific Time    In Liquidation: No  
Last Annual Report Filed: March 20, 2010    Receiver: No

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### REGISTERED OFFICE INFORMATION

Mailing Address:  
1288-8181 CAMBIE ROAD  
RICHMOND BC V6X 3X9  
CANADA

Delivery Address:  
1288-8181 CAMBIE ROAD  
RICHMOND BC V6X 3X9  
CANADA

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### RECORDS OFFICE INFORMATION

Mailing Address:  
1288-8181 CAMBIE ROAD  
RICHMOND BC V6X 3X9  
CANADA

Delivery Address:  
1288-8181 CAMBIE ROAD  
RICHMOND BC V6X 3X9  
CANADA

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### DIRECTOR INFORMATION

Last Name, First Name, Middle Name:  
Gao, Kong Qing

Mailing Address:  
1312 E 33TH AVE.  
VANCOUVER BC V5V 3B7  
CANADA

Delivery Address:  
1312 E 33TH AVE.  
VANCOUVER BC V5V 3B7  
CANADA

**Last Name, First Name, Middle Name:**

Hao, Gui Zhen

**Mailing Address:**

NO. 11 YANCHENG ROAD  
QINGDAO  
CHINA

**Delivery Address:**

NO. 11 YANCHENG ROAD  
QINGDAO  
CHINA

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**Last Name, First Name, Middle Name:**

Jia, Gong Ping

**Mailing Address:**

502-8080 CAMBIE RD  
RICHMOND BC V6X 0C1  
CANADA

**Delivery Address:**

502-8080 CAMBIE RD  
RICHMOND BC V6X 0C1  
CANADA

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**Last Name, First Name, Middle Name:**

Jia, Shi Guo

**Mailing Address:**

701-BUILDING 7, 39 GUIZOU ROAD  
QINGDAO  
CHINA

**Delivery Address:**

701-BUILDING 7, 39 GUIZOU ROAD  
QINGDAO  
CHINA

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**Last Name, First Name, Middle Name:**

Zhang, Wei Qing

**Mailing Address:**

602-44 HONG ST.  
TIAN HE TI YU DONG LU GUANGZHOU  
CHINA

**Delivery Address:**

602-44 HONG ST.  
TIAN HE TI YU DONG LU GUANGZHOU.  
CHINA

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NO OFFICER INFORMATION FILED AS AT March 20, 2010.

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(Special)