



# City of Richmond

## Report to Council

**To:** Richmond City Council **Date:** April 9, 2018  
**From:** Carli Edwards, P.Eng. **File:** 12-8275-20-AMANDA  
 Acting Senior Manager, Community Safety #/2018-Vol 01  
 Policy, Programs and Licencing

**Re: Business Licence Suspension - Zodiac Karaoke**

### Staff Recommendation

That the business licence of Zodiac Karaoke Inc., doing business as Zodiac Karaoke Cabaret, operating from a premises located at Unit #155 – 8291 Alexandra Road, Richmond BC, be suspended for a period of 10 consecutive days from June 1<sup>st</sup> 2018 to June 10<sup>th</sup> 2018, inclusive.

Carli Edwards, P.Eng.  
 Acting Senior Manager, Community Safety Policy, Programs and Licencing  
 (604-276-4136)

Att. 2

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Law RCMP	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: 	APPROVED BY CAO 

## Staff Report

### Origin

This report deals with activities and bylaw violations of Zodiac Karaoke Inc, doing business as Zodiac Karaoke Cabaret (“Zodiac Karaoke”), operating from a premises at Unit #155 – 8291 Alexandra Road, Richmond BC. This report supports Council’s 2014-2018 Term Goal #1 A Safe Community:

*Maintain emphasis on community safety to ensure Richmond continues to be a safe community.*

Zodiac Karaoke is licenced as a “karaoke cabaret” business, with a liquor primary licence, in the City of Richmond. In order to obtain and maintain a licence in good standing, businesses are required by the Business Licence Bylaw to comply with the requirements of this, or any other bylaw of the City. This business came to the attention of Chief Licence Inspector as a result of concerns forwarded by the RCMP that the business was allowing smoking inside the premises, contrary to Public Health Protection Bylaw No 6989.

### Findings of Fact

Zodiac Karaoke Inc. has been licenced in the City of Richmond since 2013. In August of 2015, Jian Ping (Ken) Zhang, acting at that time as the manager, was issued a Municipal Ticket Information (“MTI”) for permitting smoking in a business. The fine issued at the time was \$1,000. In January 2017, the ownership of the business licence was transferred to Mr. Zhang, and his business partner, Jung Gang (Kenny) Gu.

On February 2, 2018, the Richmond RCMP Gang Unit conducted inspections of Zodiac Karaoke checking for compliance of the Provincial Liquor Control & Licensing Act as well as City of Richmond Bylaws. The RCMP provided the following information to City Staff:

- There were approximately 20 occupants in 3 rooms during the inspection;
- There was a sign inside the business premises indicating “NON – SMOKING ROOM AVAILABLE”;
- RCMP members observed staff collecting what appeared to be ashtrays (unused drink glasses containing cigarette butts) from each room and to putting them into a drawer; and
- RCMP members spoke with Mr. Zhang and advised of the Public Health Bylaws and warned him of the penalties associated with breaching regulations related to smoking.

On February 23, 2018 the Richmond Gang Unit attended Zodiac Karaoke and made the following observations:

- Approximately 30 patrons were observed in 5 different rooms;
- As members were entering the premises, Zodiac Karaoke staff were going room to room warning of Police presence;
- RCMP members noted heavy smell of cigarette smoke and cigarette packs on tables in 3 of the rooms;

- Police spoke with Mr. Zhang advising again of the violation to Public Health bylaws and penalties associated with this violation; and
- Mr. Zhang was reminded of the warning he received on February 2, 2018 and informed that RCMP would be forwarding information to City staff. Mr. Zhang's response was it was Chinese New Year, business was poor and he wanted another chance.

On March 11, 2018 the Richmond Gang Unit attended Zodiac Karaoke and made the following observations:

- 15 patrons inside 3 different rooms;
- Three occupants were observed blowing smoke out of their mouths;
- RCMP members observed heavy smell of smoke in the premises and observed another room with a cigarette pack on the table and cigarette butts in the glasses;

RCMP spoke with Mr. Zhang regarding the three separate incidents and issued MTI 53876, under the Public Health Protection Bylaw No 6989, section 6.1.2 for operator permitting smoking, fine of \$1,000.00.

On March 21, 2018, Business Licence staff and a member of the RCMP Gang Unit met with Mr. Zhang, Mr. Gu and their associate Ms. Vivian Chung ("the March 21<sup>st</sup> meeting") to discuss the operations of Zodiac Karaoke and the violations of the Public Health Protection Bylaw. At the meeting, the representatives of Zodiac Karaoke were presented with a summary of the RCMP and City Staff's observations (Attachment 1).

### **Analysis**

Business Licence Bylaw No. 7360 requires that every business must comply with any City Bylaw and Council may revoke, cancel or suspend any business which does not comply with these and other regulations. Public Health Protection Bylaw No. 6989 states that a responsible person for a business must not permit, suffer or allow a person to smoke while the person is within a building (or within any other areas designated by the bylaw). The bylaw describes a responsible person as anyone who owns controls, manages or supervises a business.

During the March 21<sup>st</sup> meeting, Mr. Zhang and Mr. Gu presented City staff with a response to the accusations of smoking at their business (Attachment 2). They further explained they were unable to control the customers who were smoking and requested the City's help to manage their patrons. Staff explained to them that it is the responsibility of the business to control the behaviour of their patrons, similar to the expectations to control alcohol consumption.

In the March 21<sup>st</sup> meeting, the RCMP also clarified that they did not observe smoking in any of the other businesses that they had inspected over a campaign of several months. During this time, they visited Zodiac Karaoke three times and observed evidence of smoking on all three occasions.

Zodiac Karaoke was issued an MTI in 2015 for allowing smoking and was observed to be allowing smoking during three visits by the RCMP Gang Unit over a period of 5 weeks earlier this year. Despite the insistence of the business owners that they will no longer allow smoking,

it is felt that they have received enough warnings and a business licence suspension is warranted at this time. Staff recommend a suspension for a period of 10 days, encompassing two weekends, for a period of June 1, 2018 to June 10, 2018, inclusive.

**Financial Impact**

None.

**Conclusion**

In careful consideration of the continuous violations of Public Health Protection Bylaw No. 6989, it is recommended that the business licence for Zodiac Karaoke be suspended for a period of 10 days, from June 1, 2018 to June 10, 2018, inclusive.



Carli Edwards, P.Eng.  
Acting Senior Manager, Community Safety Policy, Programs and Licencing  
(604-276-4136)

- Att. 1: Information presented at Show Cause Hearing on March 21, 2018
- 2: Letter from Mr. Zhang and Mr. Gu in response to smoking accusations

# Show Cause Hearing

## INFORMATION:

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**Business:** Zodiac karaoke Inc. dba: **Zodiac Karaoke Cabaret**

**Address:** Unit # 155-8291 Alexandra Road, Richmond, BC V6X 1C3

**Ref. File #:** 13650423

**Hearing Date:** Wednesday, March 21, 2018

**Time:** 1:30 p.m.

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

### History:

The City of Richmond introduced prohibition to smoking inside public places in May of 2000. Fines were introduced as \$100.00 for operators who permitted smoking. In 2005, fine amounts were increased to \$250.00. In 2008 fines were increased to \$1000.00 and penalties were also introduced to individuals found smoking inside public premises. Anyone found smoking could be fined on an escalation of 1<sup>st</sup> offence, \$250.00; 2<sup>nd</sup> offence \$500.00 and 3<sup>rd</sup> or more offences \$1000.00 per violation. This intensification of penalties appeared to deter continuation of these types of violations.

In 2013 Zodiac Karaoke Inc doing business as Zodiac Karaoke Cabaret (hereinafter referred to as **ZKC**) commenced operations.

On August 4, 2015, current owner, Jian Ping (Ken) ZHANG (hereinafter referred to as, **ZHANG**) registered as Manager and Emergency Contact for **ZKC**. At this time, a Municipal Ticket Information (MTI) BL 06576, was issued to **ZKC**, under the Public Health Protection Bylaw No. 6989, section 6.1.2, description of operator permitting smoking with a fine amount of \$1,000.00. The MTI was served to **ZHANG** as Manager, acting on behalf of **ZKC**.

On January 11, 2016, **ZHANG** and his business partner, Jung Gang (Kenny) GU (hereinafter referred to as **GU**) applied for a change of owner and registered as Principal operators of **ZKC**

### Current Information:

On February 02, 2018, at or about 10:50 PM the Richmond RCMP Gang Unit conducted inspections of **ZKC** checking for compliance of the Provincial Liquor Control & Licensing Act as well as City of Richmond Bylaws. Cst. Adam CARMICHAEL (hereinafter referred to as **CARMICHAEL**), as a member of the Richmond Gang Unit, provided the following information to City Staff:

- There were approximately 20 occupants in 3 rooms during the inspection;
- There was a sign inside the business premises indicating "**NON – SMOKING ROOM AVAILABLE**;
- While RCMP members were conducting inspections of the premises, staff attempted to collect ashtrays in each room and attempted to hide them in a drawer; and

- Members of the Richmond Gang Unit spoke with Owner/Manager, **ZHANG** and advised of the Public Health Bylaws and the penalties associated with breaching regulations related to smoking; and
- **ZHANG** was advised that he would be receiving a verbal warning at that time.

The e-mail from **CARMICHAEL** to Business Licences staff is provided as **Attachment 1** and photos from the inspection are given as **Attachment 2, 2A and 2B**.

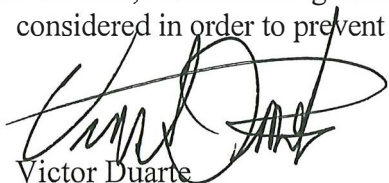
- On February 23, 2018 at or about 11:30 PM, **CARMICHAEL** and other members of the Richmond Gang Unit attended **ZKC** and made the following observations:
- Approximately 30 patrons were observed in 5 different rooms;
- As members were entering the premises, **ZKC** staff were scrambling going room to room warning of Police presence;
- **CARMICHAEL** noted a heavy smell of cigarette smoke;
- Cigarette packs were observed by **CARMICHAEL** on tables in 3 of the rooms and smoke was visible in the air;
- Police spoke with **ZHANG** advising again of the violation to Public Health bylaws and penalties associated with this violation; and
- **ZHANG** was reminded of the warning he received on February 2, 2018 and informed that Police would be forwarding information to City staff. **ZHANG**'s response was it was Chinese New Year, business was poor and wanted another chance.

The email forwarded to City Staff regarding this occurrence is provided in **Attachment 1**.

- On March 11, 2018 at or about 12:45 AM, **CARMICHAEL** and other members of the Richmond Gang Unit attended **ZKC**. They noted:
- 15 patrons inside 3 different rooms;
- Three occupants were observed blowing smoke out of their mouths;
- **CARMICHAEL** observed heavy smell of smoke in the premises and observed another room with a cigarette pack on the table and cigarette butts in the glasses;
- RCMP spoke with **ZHANG** regarding the three separate incidents and issued MTI 53876, under the Public Health Protection Bylaw No 6989, section 6.1.2 for operator permitting smoking, fine of \$1,000.00.

The email forwarded to City Staff regarding this occurrence is provided in **Attachment 3**

In careful consideration of the continuous violations of the Public Health Protection Bylaw No. 6989, is the undersigned's belief that a licence suspension or cancellation should be considered in order to prevent continuation of these offences.



Victor Duarte  
Licence Inspector  
City of Richmond

## Attachment 1

**Duarte,Victor**

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**From:** Adam Carmichael <adam.carmichael@rcmp-grc.gc.ca>  
**Sent:** February 24, 2018 02:00  
**To:** Ketelsen,Brodie; Duarte,Victor  
**Subject:** Zodiac Kareoke 2018-5883  
**Attachments:** IMG\_8247.jpg; IMG\_8248.jpg; IMG\_8249.jpg

Hi Brodie / Victor,

Advising you of a check at Zodiac a few hours ago, Smoking in the business (again) we gave them a verbal warning on 2018-02-02 for the same. ZHANG was requesting another chance, it was explained that members have already given that under a promise that it would not happen again. This was not the case. I have attached two synopsis' documenting both events and have also attached photos from our check on 2018-02-02.

On 2018-02-02 at approximately 2250 hrs the Richmond Gang Unit attended Zodiac Karaoke, located at 155-8291 Alexandra Rd, to conduct LCLA checks. There were approximately 20 people inside in 3 rooms. While conducting patrols staff started collecting ash trays out of the karaoke rooms and attempting to hide them in to a drawer. Police spoke with manager Jian ZHANG (Ken), and advised him smoking insides was against Public Health bylaws and explained the penalties associated to breaking the laws. ZHANG stated he understood and apologized. Police advised tonight was just a verbal warning but would follow up again in the future. No PRIME files indicating previous warnings.

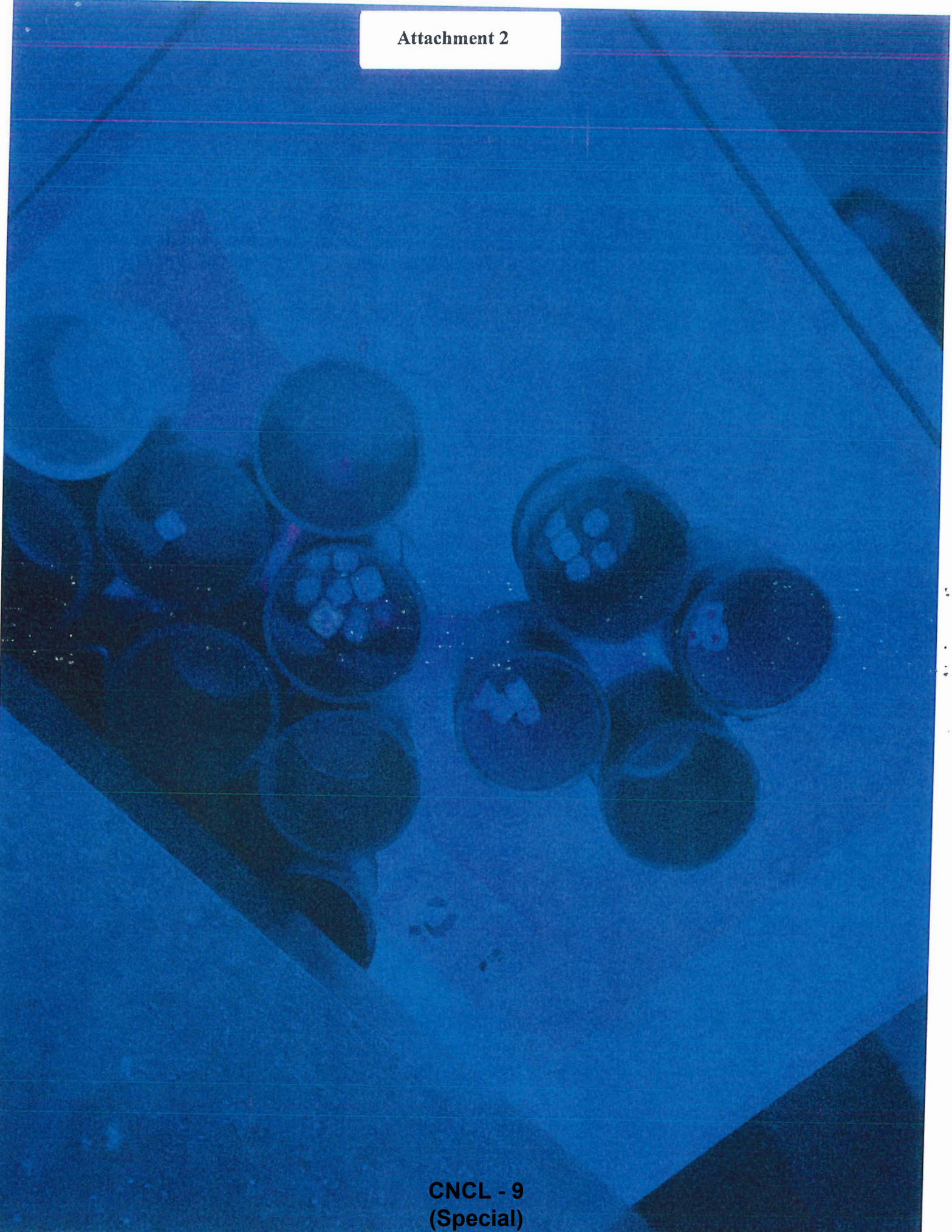
Concluded here.

Cst Adam CARMICHAEL  
#58533 / #188058  
Organized Crime Unit Team 2  
Criminal Intelligence Investigator  
Richmond RCMP

On 2018-02-23 at approximately 2330 hrs the Richmond Gang Unit attended Zodiac Karaoke, located at 155-8291 Alexandra Rd, to conduct LCLA checks. There were approximately 30 people inside in 5 different rooms. When members were walking into the front door, staff were observed scrambling around and appeared to be going room to room to warn or check on patrons. Cst CARMICHAEL noted a heavy smell of cigarette smoke in the business, as did other members. Cigarette packs were observed in 3 of the rooms on the tables and smoke could be seen in the rooms. Police spoke with manager Jian ZHANG (Ken), and advised him again that smoking insides was against Public Health bylaws and explained the penalties associated to breaking the laws. ZHANG was reminded of the warning he was given on 2018-02-02 and now informed that members would be reporting the infraction to the city. ZHANG stated that business was bad and that he wanted another chance and stated that it was Chinese New Year. Cst CARMICHAEL informed him that members already gave him a chance three weeks ago and that this would be reported accordingly.

Cst Adam CARMICHAEL  
#58533 / #188058  
Organized Crime Unit Team 2  
Criminal Intelligence Investigator  
Richmond RCMP

**CNCL - 8  
(Special)**







**SMOKING**

**嚴禁吸煙**

Attachment 2B

GET THE FACTS ON LOW RISK  
DRINKING AT [ALCOHOLSENSEBC.CA](http://ALCOHOLSENSEBC.CA)

NON-SMOKING ROOM AVAILABLE  
本店設有禁煙貴賓房

## Attachment 3

**Duarte,Victor**

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**From:** Adam Carmichael <adam.carmichael@rcmp-grc.gc.ca>  
**Sent:** March 13, 2018 16:54  
**To:** Ketelsen,Brodie; Duarte,Victor  
**Cc:** Edwin Kwok; Kevin Lee; Kevin YU; Marcus K.L. Teo  
**Subject:** Zodiac 2018-03-11

Hi Guys,

FYI, we did another check of Zodiac Karaoke on 2018-03-10 in part of our Gang Suppression Patrols. We found three customers smoking in the front room and more rooms in the back with cigarette butts and such. I wrote up Ken ZHANG for Permitting or Allowing Smoking and issued MTI under Health Bylaw. Let me know if you have any questions.

Our file (18-7585) notes the following:

On 2018-03-11 at approximately 0045 hrs the Richmond Gang Unit attended Zodiac Karaoke, located at 155-8291 Alexandra Rd, to conduct LCLA checks. There were approximately 15 people inside in 3 different rooms. When members were walking into the front door, staff were observed 3 customers blowing smoke out of their mouths. Cst CARMICHAEL noted a heavy smell of cigarette smoke in the business, and observed another room with cigarettes on the table and butts in the glasses. Police spoke with manager Jian ZHANG (Ken), and advised him yet again that smoking insides was against Public Health bylaws and explained the penalties associated to breaking the laws. ZHANG was reminded of the warning he was given on 2018-02-02 and the formal email to the city for the observed offence on 2018-02-23. ZHANG was served MTI 53876 for Permitting smoking Section 6.1.2 of the Public Health Bylaw No 6989, \$1000 fine. ZHANG did not deny the alleged offence and stated that he will pay the ticket at City Hall.

Adam

**Cst. Adam CARMICHAEL**

Criminal Intelligence Section / Section du Renseignement Criminel  
Organized Crime Unit / Unite de la Criminalite Organisee  
Richmond RCMP / GRC de Richmond  
11411 No. 5 Road / 11411 rue No. 5  
Richmond B.C. V7A 4E8  
Telephone: (604) 278-1212 ext. 2232  
Facsimile: (604) 207-4710  
[Adam.Carmichael@rcmp-grc.gc.ca](mailto:Adam.Carmichael@rcmp-grc.gc.ca)

To: **Victor Duarte** | Supervisor, Business Licence  
Community Safety  
City of Richmond

From: **Zodiac Karaoke Inc. (aka Zodiac Karaoke Cabaret) ("Zodiac")**  
  
**c/o Jian Ping (Ken) Zhang**  
**c/o Jun Gang (Kenny) Gu**

Date: March 21, 2018

RE: **Business Licence Contraventions and Licence Review Hearing**

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Dear Sir

We are the operators of Zodiac. We received your email on March 14, 2018 to attend a hearing to be held at 1:30 p.m., on Wednesday, March 21, 2018 at Richmond City Hall located at 6911 No. 3 Road, Richmond, in Room T.4.139, for the purposes of deciding whether Zodiac's business licence should be suspended/cancelled.

**Preventative Measures of Zodiac**

It has always been our policy to provide a smoke-free environment to our guests.

As preventative measures, there are several "Non Smoking" signs posted at the prominent areas inside the premises of Zodiac. Please see Exhibit A for pictures. Every time when guests come in, we will verbally remind them that no smoking is allowed inside our premises, no matter whether inside the Karaoke rooms, the washrooms or any obscure corner.

As part of our routine inspection, our personnel will often walk through the corridor to peek through the glass windows of each room to ensure that the smoking policy is being followed. When our personnel provide services such as delivery of fruit plates or drinks to the Karaoke rooms, our personnel will again verify whether the rooms have signs of smoke. If we spotted signs of smoking, our supervisor will immediately warn the guests again that no smoking is allowed. We are always doing our best in providing a smoke-free environment to all our guests. As a matter of fact, we have been keeping good records since we took over the business of Zodiac since September 2014.

Despite our best efforts, there are occasional sneaky guests who smoke inside the Karaoke room or try to be sneaky by smoking in the washrooms with the ventilation on. These sneaky guests don't realize the high expense it takes to remove the odour.

During the police inspection on February 2, 2018, a policeman discovered a tea cup with several cigarette butts inside a drawer of the cabinet at the corridor. During our routine check, our supervisor confiscated the tea cup in one of the karaoke rooms after we discovered smoking inside the room. Our supervisor again warned the guests no smoking is allowed.

During the police inspection at or around midnight on Mar 11, 2018, a policeman discovered a guest smoking inside one of the rooms. Just a few minutes before, these guests were warned twice.

We further re-iterate that providing a smoke-free environment to our guests is of our policy.

**Tightening up control of anti-smoking**


We adopted the following measures to tighten up control of anti-smoking:

- (a) Posting more "Non-Smoking" signs inside the Premises;
- (b) Training our personnel to be more vigilant in spotting signs of smoking;
- (c) Checking with higher frequency routines by our personnel (with an attempt to check on a 15-minute interval);
- (d) Setting up a designated smoking area outside the premises where smoking is permitted; and
- (e) Reporting to the police if our personnel discover persistent sneaky smokers who do not take our policy seriously.


We appreciate the City's warning. We welcome visits from the City at any time. If you have any suggestions or recommendations on how we could do better in implementing our smoke-free policy, please do let us know.

We are devoted to deliver best quality service to our guests.

Your truly



**Jun Gang (Kenny) Gu**



**Jian Ping (Ken) Zhang**

Exhibit A- Pictures of the Signs at the premises of Zodiac



Exhibit A- Pictures of the Signs at the premises of Zodiac



Exhibit A- Pictures of the Signs at the premises of Zodiac

