



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

H-1

333 West Ocean Blvd • Long Beach, California 90802

May 1, 2012

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive the supporting documentation into the record, conclude the hearing and uphold the decision of the Chief of Police and the Director of Financial Management to deny the business license application of Qi Pingan, DBA Pine Ave Spa, 421 Pine Avenue. (District I)

DISCUSSION

On February 1, 2012, the Long Beach Chief of Police recommended that the Department of Financial Management deny the business license application of Qi Pingan, DBA Pine Ave Spa, 421 Pine Avenue, for failure to comply with applicable laws and regulations, including, but not limited to, Long Beach Municipal Code (LBMC) Section 3.80.210 and California Penal Code Section 647(B). Some of the findings included:

1. A massage technician, with a misdemeanor count for prostitution, working as an independent contractor at Pine Ave Spa.
2. The applicant had massage technicians operating who were not licensed and/or permitted by the City or the State.
3. The applicant was conducting business without a City business license.

Pursuant to the LBMC, the applicant can appeal the denial of a business license to the City Council. The City Council shall set the appeal hearing to be held not less than ten (10) days, nor more than thirty (30) days thereafter. However, the applicant waived any and all rights to a City Council Hearing within forty (40) days of filing his appeal, and agreed to the first available hearing on Tuesday, May 1, 2012.

Whenever it is provided that a hearing shall be heard by the City Council, the City Council may, at its discretion, conduct the hearing itself or refer it to a hearing officer. If the matter is referred, the City Council shall set the hearing to be held not less than twenty (20) days thereafter.

This matter was reviewed by Deputy City Attorney Kendra Carney on April 13, 2012.

TIMING CONSIDERATIONS

City Council action on this item is requested on May 1, 2012 to comply with the hearing requirements pursuant to LBMC 2.93.050, as outlined above.

FISCAL IMPACT

There is no fiscal or local job impact associated with this item.

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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

ES:AMK
K:\Exec\Council Letters\Business Relations\Hearing Letters\05-01-12 ccl - Pingan Qi - Refer to CC not HO Denial.doc

ATTACHMENTS

APPROVED:



PATRICK H. WEST
CITY MANAGER



City of Long Beach
Working Together to Serve

Memorandum

RECEIVED
PURCHASING

2012 FEB -7 AM 8:04

Date: February 1, 2012
To: Erik Sund, Bureau Manager, Business Relations Bureau
From: Jim McDonnell, Chief of Police *J McD R. L.*
Subject: **REQUEST FOR DENIAL OF BEAUTY SHOP OWNER BUSINESS LICENSE
#BU21138690, PINGAN QI, DBA PINE AVENUE DAY SPA, 421 PINE AVENUE**

The Director of Financial Management is the issuing authority for business licenses pursuant to Long Beach Municipal Code Chapter 3.80. Pursuant to LBMC §3.80.421.5, the Director is also empowered to reject the business license application when the business fails to comply with applicable laws and ordinances. Pursuant to this authority, the Police Department respectfully requests that you **DENY** the business license application (BU21138690) for Pingan Qi, DBA Pine Avenue Spa, to operate a business at 421 Pine Avenue.

Mr. Pingan Qi recently purchased an existing beauty salon, Pine Avenue Spa, located at 421 Pine Avenue. On December 8, 2011, as the new owner of the business, he submitted a business license application for a Beauty Salon with massage. On January 10, 2012, Vice Detectives met with the owner, Pingan Qi, and his massage technician, Jun Tian. During this meeting, Detectives advised Pingan Qi and Jun Tian that illegal activities such as prostitution would not be tolerated, and any violation of law would be cause for denial or revocation of their business license. Detectives advised the owner, Pingan Qi, that even though the inspection was complete, he could not open for business until a valid Business License was issued.

On January 12, 2012, while researching "Craigslist," Vice Detectives saw an advertisement for massage services located at 421 Pine Avenue. Detectives responded to the location and determined the establishment was open for business. Detectives entered the business and paid \$60 for a one-hour massage. During this investigation, Vice Detectives received a massage from Jun Tian. After the massage was complete, Jun Tian agreed to perform an act of prostitution. She was subsequently arrested for prostitution, California Penal Code § 647 (B). The business owner, Pingan Qi, was present during the investigation and arrest, and was advised of the arrest charges.

On January 23, 2012, the City Prosecutor's Office filed one misdemeanor count for prostitution, a violation of California Penal Code § 647 (B), case #2LG00214, against Jun Tian.

While researching a review site for erotic massage parlors, "Rubmaps.com," Vice Detectives located a review of 421 Pine Avenue. The review indicated that a massage therapist by the name of Linda allowed sexual conduct at the above location.

Erik Sund, Bureau Manager, Business Relations Bureau
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Based upon the owner operating without a valid business license, a violation of law, and the subsequent arrest for prostitution from his business, I respectfully request that you **DENY** the business license application (BU21138690), for Pingan Qi, DBA Pine Avenue Spa, to operate a business at 421 Pine Avenue.

If you have any questions or require additional information, please contact me, or my Chief of Staff, Commander Lisa Lopez, at extension 87301.

JM:CNA:cna
DenialPineAveSpa

Pinqan Qi
421 Pine Avenue
Long Beach, Ca 90802

02/28/2012

John Gross and Erik Sund
333 West Ocean Blvd 7th floor
Long Beach, Ca 90802

RE: Notice of Appeal

Sir,

I am writing to request a review of the recent decision to not approve my business license. The reason for this decision was due to illegal acts by an employee at my store. I.e. section 3.80.421.1 (A), section 3.80.421.5, and section 3.80.429.1 (attached)

Although this was not me that committed these acts I do understand that I have the responsibility to control my business so it follows all laws and guidelines for the city of Long Beach.

This employee has committed these acts without my knowledge or approval, I want to run a respectable and professional spa. I would be most grateful if you can reconsider your decision to deny my business license. If you can I do believe that I can take steps to prevent this from happening again.

I plan to install door peep holes in every door so as I can monitor each massage in progress. These peep holes would also not inhibit the privacy of customers changing clothes inside the room. They will be closed from the inside while customers are by themselves dressing then open for viewing from the outside when the masseuse enters the room and until they leave.

If these peep holes are not enough in your opinion we could actually install windows in these doors with curtains on the inside and then would function in the same manner.

Additionally I will enter a documented work agreement with all employees which will stress the importance and financial responsibility attached to any illegal acts committed. This will support our effort.

I am very remorseful for what has happened and I am determined to not let this happen again. This has hurt me and my standing in the city of Long Beach and I want to regain your trust.

Please, please reconsider this decision.

I am also open to suggestions/ recommendations from you and other city depts as to what else I can do.

Thank you for your time and consideration,

Ping An Qi

Ping An Qi

2/28/2012

Enclosures