

# REPORT

To the Honorable Mayor and City Council  
From the City Manager

July 11, 2005

**Subject**

Appeal Hearing in the denial of a Massage Establishment Permit, under 18A.23 RCC

**Recommendation**

In the matter of Tiffany Xu, the City Council should continue the hearing of the denial of a massage establishment application to July 25, 2005.

**Background**

On May 5, 2005 Tiffany Xu filed an application for a massage establishment permit with the Police Department. She intends to open a massage parlor at 465 Convention Way, Suite #6 in Redwood City. Her application indicated she was the sole person who would have a financial interest in this business, that she was certified in massage therapy by an educational program certified by the California State Department of Private Post-secondary Education, and that she was the manager of a massage parlor known as the Bay Health Care Center Inc. in Fremont California, she listed no other massage establishment work history on her application and all of this information was found by staff to be false.

Pursuant to Section 18A.3 and 18A.7 a background investigation was conducted which revealed that:

1. Tiffany Xu mischaracterized her employment as a manager in the employ of Bay Health Care Center in Fremont where she actually is the owner of this massage establishment in Fremont and of another establishment in Walnut Creek.
2. The school certificate which Ms. Xu submitted as evidence of massage training has been de-certified by the State of California for selling certificates of graduation. The owner of the school in Milpitas has since been convicted for criminal fraud.
3. In appealing the denial of the permit, Mr. Jason Dai admits he has financial interest in the intended massage parlor which Ms. Xu intends to open in Redwood City. This information was omitted from her application in violation of Section 18A.3 Redwood City Code thereby not subjecting his background to investigation as required by the Code.
4. Ms. Xu and Mr. Dai admit the information they provided in her application was incomplete and offered to provide full disclosure of their massage establishment interests, however they failed to provide any information about the Walnut Creek establishment.
5. Ms. Xu signed a sworn statement indicating the information she had provided was true, complete, and she agreed that false statements were grounds for denial of the permit.
6. Extensive documentation related to the business practices of Ms. Xu and Mr. Dai are available to Council. These include the application, advertisements, reviews, a search warrant affidavit, arrest reports, and other investigative documents.

6.1I-2

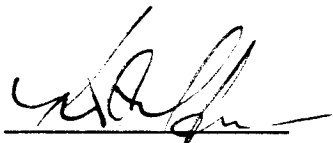
On June 6, 2005, Police Sergeant Keith A. Harper sent Ms. Xu a denial letter pursuant to Section 18A.7.C of the Redwood City Code due to the false, misleading, or fraudulent statement of facts in the permit application. On June 15, 2005 a letter was received by City Staff appealing the denial of a massage establishment permit from Ms Xu.

### Alternative

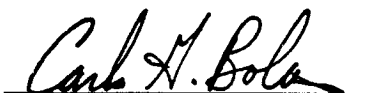
1. Another city employee or individual could be appointed to hear this appeal for Council.
2. Council could grant the appeal approving a massage establishment permit for Ms. Xu against the recommendation of Staff.

### Fiscal Impact

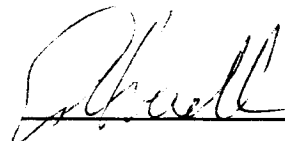
There are no fiscal impacts of City staff being assigned to conduct this appeal. Significant staff costs and legal expenses could be generated in the event an illegal massage operation is allowed to establish itself and resists closure.



Keith A. Harper  
Administrative Sergeant



Carlos G. Bolanos  
Police Chief

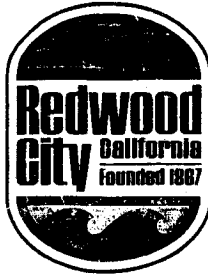


Ed Everett  
City Manager

Attachments: Denial Letter  
Letter of appeal

MAILED 6/11-3

Police Department  
Carlos G. Bolanos  
Police Chief



1301 Maple Street  
Redwood City, CA 94063  
Telephone (650) 780-7122  
FAX Line (650) 780-7149

June 6, 2005


Ms Tiffany Fen Xu  
29465 Chesterfield Court  
Hayward, CA, 94544

Dear Ms. Xu,

I have reviewed your application for a Massage Establishment Permit. The City Attorney has opined that under Section 18A.7. Redwood City Code, the police department could consider your background, the completeness of your application, the character of your current business operation, and pertinent previous employment in making a decision about the issuance of the permit.

You failed to provide complete information on your application regarding your prior employment and your training certificate is not from an educational program registered with the California State Department of Private Post-Secondary Education as required by Redwood City Municipal Code section 18A3.E. An investigation into the information you have provided on your application, does not convince me that your intended operation would comply with all state laws and city codes. Therefore, I am denying the issuance of a permit as you have failed to meet the requirements of Section 18A7.A., & 18A7.C. of the Redwood City Code.

If you have any questions, please feel free to call me at (650) 780-7173.

Sincerely,  
  
Keith A. Harper, Sergeant  
Administrative Services

CC: Planning

6.1I-4

# **BAY HEALTHCARE CENTER INC.**

39168 STATE STREET, FREMONT, CA 94538 TEL: (510)-713-8808 FAX: (510)713-0488

## Letter of Appeal

JUNE 10, 2005

City Collector  
City of Redwood City,  
P. O. Box 189,  
1017 Middlefield Road,  
Redwood City, CA 94064

Dear Collector:

I am sorry to learn that my application for the Massage Establishment Permit in the city of the Redwood City was denied because of that I failed to provide complete information on my application.

First, I'd like to apologize for the possible failure of providing you with the required information as adequate as possible as well as the possible mistakes I might make in filling the application form since , for family emergency reasons, I was in a hurry to leave the country the same day I prepared and filed the application.

However, I still like to take the chance to make clear the following points which you mentioned in your denial letter in regard to the Redwood City Municipal Code section 18A3.E, 18A7.A and 18A7.C..

For the Code section 18A3.E. issues, I'd like to provide you with more evidence that I have been working as the president and massage therapist in the Bay Healthcare Center Inc. in the City of Fremont – a California State incorporated alternative healthcare and massage company for the last five years . The company has been in good standing in the business in the city of Fremont and even within the San Francisco bay area for the last five years and you may contact Fremont City Licensing authority for more details concerning the authentication of the company as well as my employment information I provided on the application.

As for your concern over the massage training program I have involved , so far as I know the school was in good standing while I was a student 10 years ago and the

certificate I received from the school was accepted by quite a number of California cities. Even in the city of the Redwood City, the training certificates issued by this school are still accepted by the city licensing authority. I had at least two former employees obtained Redwood City massage therapist permit by providing the same school diploma and I still have one current employee who was graduated from the same school and obtained a Redwood City massage therapist permit not long ago. More detailed information can be provided upon request.

For the Code section 18A7.A. and section 18A7.C. violations you mentioned in your denial letter, I do not have any clues about what they are referred to. If the issues are relating to the section Code 18A3.E. violation, hope my above-listed self-explanation as well as the evidence I provided you can help solve the doubt. However, if the denial are based on the facts other than the ones listed on the section Code 18A3.E. part, I am still interested to know that and try my best to avoid that if that's my case.

Thanks for all your efforts to help the US entrepreneurs to become more law-abiding and help to create a business environment that makes people from all works of life to have a peace of mind.

Should you need any further information about the application, please do not hesitate to contact me.

Sincerely,



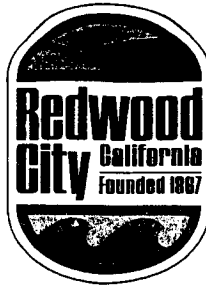
Tiffany Fen Xu

President, Bay Healthcare Center Inc.

CC: Keith A. Harper, Sergeant, Administrative Services, RCPD

6.1I-6

Police Department  
Carlos G. Bolanos  
Police Chief



1301 Maple Street  
Redwood City, CA 94063  
Telephone (650) 780-7122  
FAX Line (650) 780-7149

June 23, 2005

Ms Tiffany Fen Xu  
29465 Chesterfield Court  
Hayward, CA, 94544

Dear Ms. Xu,

I have received your letter of appeal dated June 10, 2005 in the matter of the denial of your establishment massage permit. The City Clerk has scheduled your appeal to be heard on July 11, 2005. The City Council will be provided the attached staff report, which you will note recommends a continuance to July 25, 2005. This matter will be heard at 7:00 P.M on July 25, 2005 at the Redwood City Council Chambers, 1017 Middlefield Road, Redwood City.

If you no longer wish to pursue your appeal, or have any questions, please feel free to call me at (650) 780-7173.

Sincerely,

A handwritten signature in black ink, appearing to read "Keith A. Harper".

Keith A. Harper, Sergeant  
Administrative Services

Attachment: Council Staff Report

CC: Planning