



**BUSINESS LICENSE COMMISSION
CITY OF WEST HOLLYWOOD
MINUTES
Tuesday, July 08, 2014**

- 1. CALL TO ORDER:** Vice Chair Kay called the meeting to order at 7:00 P.M.

PLEDGE OF ALLEGIANCE: Commissioner Charity led the Pledge of Allegiance.

ROLL CALL:

PRESENT: Vice Chair Kay
Commissioner Charity
Commissioner Cromer
Commissioner Jones
Commissioner Kazakos
Commissioner Lo
Commissioner Zaden

ALSO PRESENT: Laura Langer, City Attorney, Jonathan Holub, Staff Attorney, Code Compliance Manager Jeffery Aubel, Code Compliance Officer Jeff Strong, and Staff Liaison, Anne Van Valkenburgh.

- 2. APPROVAL OF THE AGENDA:**

Motion by Vice Chair Kay, seconded by Commissioner Zaden to approve the July 8, 2014 agenda. The agenda was unanimously approved.

- 3. APPROVAL OF MINUTES:**

Motion by Vice Chair Kay, seconded by Commissioner Zaden to approve the minutes for March 12, 2013. The minutes were unanimously approved.

SPECIAL ITEMS:

A. ADMINISTER THE OATH OF OFFICE TO NEWLY APPOINTED COMMISSIONERS:

Council member Abbe Land administered the oath to four (4) newly appointed Commissioners: Charity, Cromer, Jones and Lo.

B. COMMISSION ELECTIONS:

Elect Steven Kay as Chair of the Business License Commission for a term through July 31, 2015. **Motioned by Commissioner Zaden, seconded by Commissioner Kazakos and unanimously carried.**

Elect Sibyl Zaden as Vice-Chair of the Business License Commission for a term through July 31, 2015. **Motioned by Commissioner Kay, seconded by Commissioner Kazakos and unanimously carried.**

4. **PUBLIC COMMENT: None.**

5. **CONSENT CALENDAR: None.**

6. **PUBLIC HEARINGS**

- A. The Business License Commission shall conduct a public hearing to consider modifying, suspending, or revoking Medical Marijuana Collective License #004153 and Public Eating License #004161 for the business known as Zen Healing Collective, located at 8464 Santa Monica Blvd., West Hollywood, CA 90069.

City Attorney Langer gave instructions on the procedures for the public hearing and swore in the public speakers.

Jeffery Aubel, Code Compliance Manager, provided background information as outlined in the Staff Report dated July 8, 2014.

Chair Kay asked if any of the Commissioners had questions for Staff. Vice-Chair Zaden asked why the Sunset Super Shop was closed.

Jeffery Aubel stated the store was an illegal operation.

Chair Kay asked how long it took to close the Sunset Super Shop. Jeffery Aubel stated it took 18-24 months.

Commissioner Kazakos asked if Mr. Kramer was in jail and who was running the Collective.

Jeffery Aubel stated Mr. Kramer is in jail and there are two (2) licensed managers now.

Chair Kay asked if the Commissioners had any disclosures to make.

Commissioners Kay, Charity and Kazakos made disclosures of walking into the Collective.

Chair Kay opened the public hearing and the following speakers came forward:

Arthur Hodge, legal counsel for the licensee representing Zen Healing Collective Corporation was given ten (10) minutes to speak.

Mr. Hodge asked the Commission not to disrupt the flow and connection to a certain strain of medicine Zen Healing Collective provides for their clients for medical treatments.

He stated the current use of land is in compliance with California law and the two (2) managers are currently licensed and in compliance with West Hollywood law. He added that the 3 charges presented in Attachment A are regarding Mr. Kramer who is incarcerated and no longer a director/manager at Zen Healing Collective, nor is he presently on the articles of incorporation for Zen Healing Collective. These allegations happened outside the place of business and did not involve the Zen Healing Collective licenses.

Mr. Hodge told the commission that there could be some confusion with the City's business license application for a Collective because it is a non-profit business and it is not owned. Mr. Hodge reiterated that Mr. Kramer is not the owner of Zen Healing Collective nor is he currently on the articles of incorporation that are filed with the Secretary of State. Mr. Hodge concluded that there has been no record of criminal history or public safety concerns happening at this location that would warrant an immediate suspension or revocation of licenses at Zen Healing Collective.

Chair Kay asked if any of the Commissioners had questions for Mr. Hodge.

Commissioner Kay asked does Mr. Kramer or any related entity or family member draw a salary or receive any type of compensation from the Collective.

Mr. Hodge stated he has no information on the accounting for the Collective. He stated he was retained by the Collective a week ago on the matters of compliance and has not looked into any accounting for the Collective.

Commissioner Jones asked if the Collective has a record of registration with the IRS for a non-profit business status or what designation would it consider for a non-profit does the Collective hold.

Aubel stated the Collective is founded by the State of California as a nonprofit mutual benefit corporation.

Aubel stated the City of West Hollywood conducted audits on Zen Healing in the past and Mr. Kramer was paid a salary. He didn't have the audits in front of him but will get this information to the Commission.

Chair Kay continued the public hearing and numerous public speakers were present and all public speakers were sworn in by City Attorney Langer.

Tom Demille, West Hollywood resident, expressed concern with the proposed Staff Recommendation.

David Serrurier, Los Angeles resident and West Hollywood business and property owner, expressed concern with the proposed Staff Recommendation.

Joel Mogul, Los Angeles resident and trustee of the Trust which owns the property Zen Healing is located on, spoke against the Staff Recommendation.

Eric Kinney, West Hollywood resident, current manager of Zen Healing and officer of Zen Healing Collective, spoke against the Staff Recommendation.

Mitzi Mogul, Los Angeles resident and trustee of the Trust which owns the property Zen Healing is located on, spoke against the Staff Recommendation.

Commissioner Kazakos asked Ms. Mogul how she would be negatively impacted if she had to re-rent the property at 8464 Santa Monica Blvd.

Ms. Mogul stated it would be difficult and catastrophic for her family and her 93 year old mother if she had to re-rent this property.

Commissioner Lo asked how much rent is for the property.

Ms. Mogul stated she didn't know how much.

Joel Mogul, Los Angeles resident and trustee of the Trust which owns the property Zen Healing is located on stated Zen Healing occupies three (3) store fronts in a five (5) store front property. He stated that Zen Healing Collective pays \$14,000 a month in rent.

Victor Omelczenko, West Hollywood resident, expressed concern with the proposed Staff Recommendation.

Marvin Auerbach, West Hollywood resident spoke in favor of Staff Recommendation.

Stanley Kimmel, Los Angeles resident, and attorney representing the Mogul family spoke against the Staff Recommendation.

Jason Beck, West Hollywood resident spoke in favor of Staff recommendation.

Aubel clarified that the City's Municipal code does not require that the property owner to be notified when the responsible party, Zen Healing Collective is cited.

Aubel stated the Staff recommendation applies not only to Andrew Kramer but for Zen Healing Collective. He also stated according to the City's Planning Division Zen Healing is only authorized to utilize two store fronts.

Arthur Hodge, legal counsel for Zen Healing Collective made closing comments about the business license terminology on the business application and how the Collective business structure is not owned by one person.

Commissioner Jones asked for clarification on who was the licensee.

Aubel stated the licensee is Zen Healing Collective and the applicant is Andrew Kramer and he is currently listed on the business application as such.

Commissioner Jones asked for clarification about the Zen Healing business structure.

Aubel stated there is a Board and Mr. Kramer is the Collective's President. Aubel continued that he has not been presented with any new paperwork from Zen Healing Collective reflecting new changes to this affect even after requesting this information from the new managers; Mr. Duong and Mr. Kinney.

Commissioner Kazakos asked if the new managers at Zen Healing Collective were named on the original business application.

Aubel stated no they were not named on the application and came into the business after Mr. Kramer was arrested.

Vice-Chair Zaden asked for clarification on how many Collectives are allowed in the City and if these licenses were revoked can another Collective operate in the same location.

Aubel answered there are four (4) Collectives allowed in the City and no, the new applicants would have to apply for a new commercial space.

Commissioner Kazakos asked how much a Collective license cost in the City.

Aubel stated the initial license fee is \$2000 and the renewal is \$2000.

Chair Kay asked if Mr. Kramer or any related entity, family members are currently receiving any compensation or salary from the Collective.

Mr. Kinney replied no. He stated board members, and employees were receiving a salary from the Collective. Mr. Kinney stated the highest paid salary was him at \$20 an hour.

Commissioner Lo asked how the Collective receives payments for transactions.

Kinney replied in cash and checks. Credit cards are not accepted.

Chair Kay requested a detail accounting for the Collective and would like to verify that Mr. Kramer is not receiving any compensation.

Laura Larson, West Hollywood resident, expressed concern with the proposed Staff Recommendation.

Chair Kay closed the public comment section and brought the matter back to the Commissioners for discussion.

Commissioner Kazakos would like to see proof that Mr. Kramer is not involved with Zen Healing Collective in any form.

Commissioner Charity would like to see mandated security on site.

Chair Kay motioned to continue the matter next month, August, request documentation on any and all of Mr. Kramer's involvement in the Collective, including bank statements, and past statements (back 2 years) that show the last time Mr. Kramer was last paid, Zen Healing Collective voting records showing when Mr. Kramer was voted off the Board, documentation on management and security, and any other information on code compliance.

Vice Chair Zaden seconded the motion. The motion was carried unanimously.

7. NEW BUSINESS: None.

8. UNFINISHED BUSINESS: None.

9. EXCLUDED CONSENT CALENDAR: None.

10. ITEMS FROM STAFF

Aubel announce the formation of a new committee named Shared Economy Task Force and Commissioner Lo and Commissioner Cromer showed interest.

11. PUBLIC COMMENT

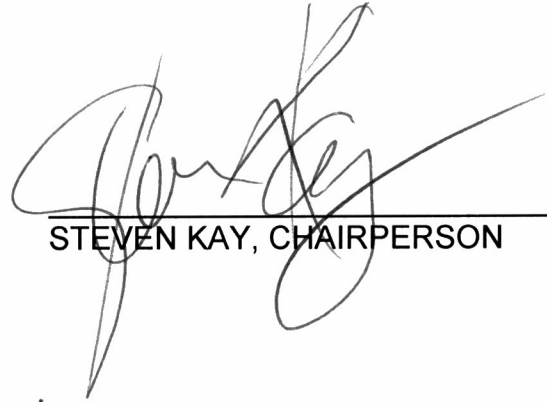
Larry Block, a West Hollywood resident, expressed concern with the prior public speakers.

12. ITEMS FROM COMMISSIONERS/SUBCOMMITTEE REPORTS: None.

13. ADJOURNMENT

Motion by Chair Kay to adjourn meeting. Seconded by Vice-Chair Zaden. Meeting adjourned at 9:07 PM until the next meeting of the Business License Commission scheduled for August 5, 2014.

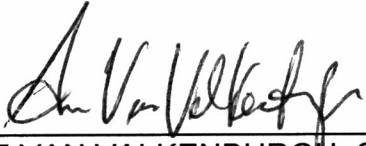
APPROVED BY A MOTION OF THE BUSINESS LICENSE COMMISSION ON THIS
19th DAY OF August, 2014.



A handwritten signature in black ink, appearing to read 'Steven Kay', written over a horizontal line.

STEVEN KAY, CHAIRPERSON

ATTEST:



8/19/14

A handwritten signature in black ink, appearing to read 'Anne Van Valkenburgh', written over a horizontal line. To the right of the signature is the date '8/19/14'.

ANNE VAN VALKENBURGH, STAFF LIAISON