



# BUSINESS LICENSE APPEAL - STAFF REPORT

Community Development Department ♦ 501 Delta Avenue ♦ Marysville, WA 98270  
 Office Hours: Mon - Fri 8:00 AM - 4:30 PM ♦ Phone: (360) 363-8000

| PROJECT INFORMATION                     |  |  |  |
|---|--|--|--|
| <b>Project Title</b>                    | Lavender Massage 1 LLC   | <b>Date of Report</b>                              | January 26, 2024   |
| <b>File Number</b>                      | PA23-022   | <b>Attachments</b>                                 | Public Hearing Exhibits (001 – 015)  |
| <b>Staff Recommendation</b>             | Deny the business license application for Lavender Massage 1 LLC   |  |  |
| BACKGROUND SUMMARY                      |  |  |  |
| <b>Applicant</b>                        | Lavender Massage 1 LLC   |  |  |
| <b>Request</b>                          | The City of Marysville provided a letter of denial dated October 13, 2023 related to a business license application submitted by Lavender Massage 1, LLC. The applicant submitted a notice of appeal on October 17, 2023, appealing the business license decision. Per MMC 5.02.060(3), the Hearing Examiner shall hold a public hearing to consider the appeal. |  |  |
| <b>Proposed Business Location</b>       | 1326 5th Street, Suite C3, Marysville, WA 98270  |  |  |
| <b>Reviewing Agencies</b>               | Marysville Community Development, Legal and Police Departments   |  |  |
| ACTION                                  |  |  |  |
| <input type="checkbox"/> Administrative | <input type="checkbox"/> City Council  | <input checked="" type="checkbox"/> Quasi-Judicial | <input type="checkbox"/> Planning Commission   |
| <b>Date of Hearing</b>                  | January 30, 2024   | <input type="checkbox"/> Approved                  | <input type="checkbox"/> Denied <input type="checkbox"/> Continued                   |
| STAFF                                   |  |  |  |
| <b>Name</b> Haylie Miller               | <b>Title</b> CD Director   | <b>Phone</b> 360.363.8211                          | <b>E-mail</b> <a href="mailto:hmiller@marysvillewa.gov">hmiller@marysvillewa.gov</a> |

## 1.0 - FINDINGS AND CONCLUSIONS

- Description of Proposal.** The City of Marysville provided a letter of denial dated October 13, 2023 (Exhibit 002) related to a business license application submitted by Lavender Massage 1, LLC (Exhibit 001). The applicant submitted a notice of appeal on October 17, 2023, appealing the business license decision (Exhibit 003). Per MMC 5.02.060(3), the Hearing Examiner shall hold a public hearing to consider the appeal.
- Business Address.** The business address is 1326 5<sup>th</sup> Street Suite C3, Marysville, WA, 98270.
- Present Use of Property.** Suite C3 is currently being operated as a massage parlor without a valid business license. The Suite was also, previously occupied by a massage business, under different ownership.
- Public Notice.** The public hearing for the proposed request was advertised in accordance with [MMC 22G.010.110](#), *Notice of public hearing* (Exhibit 011).
- Procedures for issuance of denial of a license.** MMC 5.02.060 (Exhibit 005) outlines criteria for denial of a business license application. Per MMC 5.02.060(2)(d) (iii), a business license may be denied by the City of Marysville community development department (CD) if the director has

reasonable grounds to believe applicant to be dishonest or to desire such license to enable applicant to practice some illegal act or some act injurious to the public health or safety.

6. **Reasons for denial.** The Community Development Director has reasonable grounds to believe applicant to be dishonest or to desire such license to enable applicant to practice some illegal act or some act injurious to the public health or safety. The application is denied for the following reasons (consistent with the denial parameters outlined in MMC 5.02.060(2)(d)(ii):
  - 6.1. During review of the business license application, it was discovered by the Marysville Police Department that the phone number provided (425-535-1711) as part of the application has been used in online advertisements for illegal activity, specifically in advertisements for prostitution. CD, therefore, has reasonable grounds to believe that the granting of a business license in this matter would enable the business to practice illegal acts, or other acts injurious to public health and safety. Specifically, CD has reasonable grounds to believe that the granting of a business license and subsequent operation of a massage parlor at the business location would enable the applicant to engage in the promotion of prostitution.
  - 6.2. A list of 239 advertisements posted from July 20, 2022 to April 7, 2023 on a website called skipthegames.com, utilize the cell phone number provided on the applicant's license application (425-535-1711). Skipthegames.com is a website that displays advertisements for prostitution. (Exhibit 004 ¶¶ 6-8).
  - 6.3. Additional advertisements located by performing a Google search of the phone number listed on the business license application is provided via the declaration of Burton Eggertsen, along with associated attachments to that declaration (Exhibit 012).
  - 6.4. The applicant, Feng Xu, provided a statement to the City, dated November 14, 2023 (Exhibit 010). The applicant stated that he is not familiar with the phone number 425-535-1711. The applicant stated that he instead uses a different number, 425-589-2016. The applicant additionally stated that the previous owner's accountant helped him with the business license application.
  - 6.5. The applicant provided the City a background check of Feng Xu (Exhibit 007).
  - 6.6. The applicant provided the City a statement from Curtis Cannon (legal assistant to the applicant's attorney), dated November 30, 2023. (Exhibit 009). Mr. Curtis stated that the phone number used on the business license application (425-535-1711) originally belonged to someone named Jing Emtage. The statement also provides that a person named Gerald Emtage helped the applicant prepare the business license application. The statement also provides that the applicant now uses the number 425-589-2016.
  - 6.7. Jing and Gerald Emtage are currently charged in King County with the following: (a) Leading Organized Crime, (b) Money Laundering; and (c) ten counts of promoting prostitution in the second degree (Exhibit 013). Both Jing and Gerald Emtage are under electronic home detention (Exhibit 014 and Exhibit 015).
  - 6.8. The number that the applicant claims he now uses, 425-589-2016, is also associated with online prostitution advertisements. There are two advertisements posted on skipthegames.com using that number, and the applicant's business address (1326 5th Street C3, Marysville, WA) and business name (Lavender Massage). (Exhibit 04 ¶9).
7. **Appeal:** The applicant submitted a notice of appeal on October 17, 2023 (Exhibit 003).

**8. Procedures for the appeal and hearing are included below (full section in Exhibit 005) with staff comments in *bold italics*:**

- 8.1.** Pursuant to MMC 5.02.060(3), if the city of Marysville community development department or designated licensing official denies a license, written notice of said denial, stating the reasons therefor, shall be sent to the applicant within one working day thereafter. ***The City issued a denial letter on October 13, 2023 (Exhibit 002).***
- 8.2.** The applicant shall have a period of 10 working days after the date of license denial to appeal the same to the city’s hearing examiner. ***The applicant submitted a notice of appeal on October 17, 2023 (Exhibit 003).***
- 8.3.** Upon receiving written notice of appeal, the hearing examiner shall hold a public hearing within 21 days thereafter to consider, de novo, whether to issue or deny the license. ***The public hearing is scheduled for January 30, 2024. The applicant and the City agreed to extend the hearing to this date.***
- 8.4.** The applicant shall be given not less than seven days’ advance written notice of the hearing. ***Written notice was provided to the applicant via email on January 5, 2024.***
- 8.5.** The decision of the hearing examiner shall be announced at the conclusion of the hearing and shall be final, subject only to a petition for writ of certiorari being filed with the Snohomish County superior court within 14 days following the date of the hearing examiner’s decision.

## **2.0 - RECOMMENDATION**

The Community Development Department recommends that the Hearing Examiner ***DENY*** the business license application.

## **3.0- EXHIBITS**

The following Exhibits can be accessed electronically via the link provided in the exhibit header below.

[PA23022 Lavender Massage 1, LLC Appeal](#)

- E001 Business license application
- E002 City denial letter
- E003 Applicant appeal letter
- E004 Declaration of Donald Castanares
- E005 MMC 5.02.060
- E006 Staff Recommendation
- E007 Abbot investigation report
- E008 Continuance Request No. 2
- E009 Declaration of Curtis Cannon
- E010 Declaration of Feng Xu
- E011 Notice of Public Hearing
- E012 Declaration of Burton Eggertsen
- E013 Information Sheet – State of Washington v. Jing Emtage and Gerald Emtage<sup>1</sup>

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<sup>1</sup> Certified copies of Exhibits 13, 14, and 15 will be provided at the Hearing.

E014 Conditions of Release and Electronic Home Monitoring – Gerald Emtage  
E015 Conditions of Release and Electronic Home Monitoring – Jing Emtage