DATE: June 30, 2010

TO: Interested Persons

FROM: Office of the City Clerk

SUBJECT: NOTICE OF EXPIRED FILE STATUS

In 2005, the Council approved a policy wherein all Council files pending before the City Council, which have not been placed on a Council or Committee agenda for consideration for a period of two years or more, are deemed "received and filed." The City Clerk is responsible for the administration of this process.

Quarterly each year, the City Clerk administratively closes all received and filed Council files. This letter provides notice that this Council file, and its subject matter, is no longer active as of June 30, 2010. This Council File is deemed closed.

PLACE IN FILES

JUL 26 2010

DEPUTY

JAMES K. HAHN
CITY ATTORNEY

WRITER'S DIRECT DIAL: 213-485-5478
FAX: 213-237-0399
TTY: 213-485-1607

Office of the City Attorney
Los Angeles, California

REPORT NO. R99-0115

APR 26 1999

REPORT RE:

INVESTIGATING POSSIBLE FRAUDULENT ACTIONS SURROUNDING CLOSING OF MARINA ATHLETIC CLUB

RECEIVED
CITY CLERK'S OFFICE
99 APR 27 AM 10:21
BY _____ CITY CLERK
DEPUTY

The Honorable City Council
City of Los Angeles
Room 615, City Hall

(Council File No. 99-0127, transmitted herewith)

Honorable City Council:

Your Honorable Body has, by motion, requested that the City Attorney investigate the "possible fraudulent actions surrounding the closing of the Marina [Athletic] Club and report back to Council with recommendations for obtaining redress for the affected Los Angeles residents."

We have been informed that the Los Angeles County Department of Consumer Affairs is investigating that matter. Therefore, all information has been forwarded to the Los Angeles County Department of Consumer Affairs. The Department of Consumer Affairs is the lead agency in the investigation. However, this office through its Consumer Protection Section is in contact and is working closely with the Department of Consumer Affairs.

The following is an overview of this office's involvement with the investigation as of this date. On February 3, 1999, Deputy City Attorney Donald Kass, Supervisor of the City Attorney's Consumer Protection Section, met with an aide to Councilmember Gallanter, in whose district the Marina Club is located. Also at this meeting was a detective from the Los Angeles Police Department's Financial Crimes Section as well as Deputy City Attorney Keith Dela Rosa. During the meeting, relevent information was turned over to the Los Angles Police Department from this office and the Council office.

Subsequent to the February 3, 1999 meeting, it was learned that the Los Angeles District Attorney's office was referring citizen complaints to the Los Angeles Department of Consumer Affairs. Consumer Affairs is handling the investigation of complaints from that office as well. The investigation is ongoing.

If the investigation results in information which leads to the filing of misdemeanor complaints, this office will prosecute the case. If the investigation results in the filing of felony complaints, the District Attorney's office has jurisdiction to prosecute.

Very truly yours,

JAMES K. HAHN, City Attorney

By 
GAIL C. WEINGART
Assistant City Attorney

GCW:ls

doc 42751

J. MICHAEL CAREY
City Clerk

When making inquiries relative to this matter refer to File No.

CITY OF LOS ANGEL
CALIFORNIA



RICHARD J. RIORDAN
MAYOR

Office of the
CITY CLERK
Council and Public Services
Room 615, City Hall
Los Angeles, CA 90012
Council File Information - (213) 485-5703
General Information - (213) 485-5705

99-0127

FEB 9 1999

February 4, 1999

City Attorney (with file)
Councilmember Galanter
Councilmember Feuer
City Administrative Officer
Police Department

CALTRANS
1120 "N" Street
Sacramento, CA 95814

RE: INVESTIGATING POSSIBLE FRAUDULENT ACTIONS SURROUNDING THE CLOSING OF THE MARINA ATHLETIC CLUB

At the meeting of the Council held January 29, 1999, the following action was taken:

Attached report adopted	
Attached motion (Galanter - Feuer) adopted	X
Attached resolution adopted	
Motion adopted to approve attached report	
Motion adopted to approve attached communication	
To the Mayor FORTHWITH	
Mayor concurred	
Findings adopted	
Negative Declaration adopted	
Categorically exempt	
Generally exempt	
EIR certified	

J. Michael Carey

City Clerk
et

steno\990127

1-22

TO CITY CLERK FOR PLACEMENT ON NEXT REGULAR COUNCIL AGENDA TO BE POSTED | #59

MOTION

JAN 22 1999

Last month, the California Department of Transportation (Caltrans) evicted the Marina Athletic Club from a state-owned property on the median at the intersection of the Marina Freeway (Route 90) and Culver Blvd in Marina del Rey. The Dec. 29 eviction left thousands of club members without a workout facility and prompted allegations of fraudulent and unethical business practices against the owners and management of the Marina Athletic Club.

Responding to the allegations in published reports, the club owner said that the closure of the club was a "total shock" and that he had "no idea" that Caltrans had been planning the eviction. This account is disputed by Caltrans officials, who claim the club was served with a 90-day eviction notice in April 1998. Caltrans officials also claim they served a 5-day eviction notice December 18, 1998 after months of discussions between the state and the club owner about the impending eviction. Club members allege that Marina Athletic Club staff continued to sell memberships subsequent to both eviction notices and that sales staff and the club owner dismissed widespread rumors about the club's imminent eviction as false.

Since the closure, the club owner told a local newspaper that he would establish a "hotline" to notify members about the status of the club and their pre-paid memberships. The club owner made assurances that either the club would re-open or that members would be reimbursed. The number the club owner listed as a "hotline" has since been disconnected.

These allegations of unfair and fraudulent business practices raise grave concerns about whether hundreds of Los Angeles residents have been cheated and defrauded.

I THEREFORE MOVE that the City Attorney be requested to investigate the possible fraudulent actions surrounding the closing of the Marina Club and report back to Council with recommendations for obtaining redress for the affected Los Angeles residents.

Presented by Ruth Galanter
RUTH GALANTER,
Councilmember, Sixth District

Seconded by Michael Feuer

Friday, January 22, 1998

MO.
ADOPTED

JAN 29 1999

Los Angeles City Council

COUNCIL VOTE

29-Jan-99 11:14:21 AM, #2

Items for Which Public Hearings Have Not Been Held - Items 9-27
Voting on Item(s): 9-18e,21-26
Roll Call

ALATORRE	Yes
BERNSON	Yes
CHICK	Yes
FEUER	Yes
GALANTER	Yes
GOLDBERG	Absent
HERNANDEZ	Yes
HOLDEN	Absent
MISCIKOWSKI	Yes
RIDLEY-THOMAS	Absent
SVORINICH	Absent
WACHS	Yes
WALTERS	Yes
*FERRARO	Yes
	Absent

Present: 10, Yes: 10 No: 0