

**CALIFORNIA COASTAL COMMISSION**

455 MARKET ST., SUITE 300  
SAN FRANCISCO, CA 94105-2219  
FAX (415) 904-5400  
TDD (415) 597-5885



# Th12a

**9-20-0458 (Ocean Fathoms)**

**August 12, 2021**

## **EXHIBITS**

[Exhibit 1](#) – Project Location

[Exhibit 2](#) – Correspondence between Commission Enforcement Staff and Ocean Fathoms

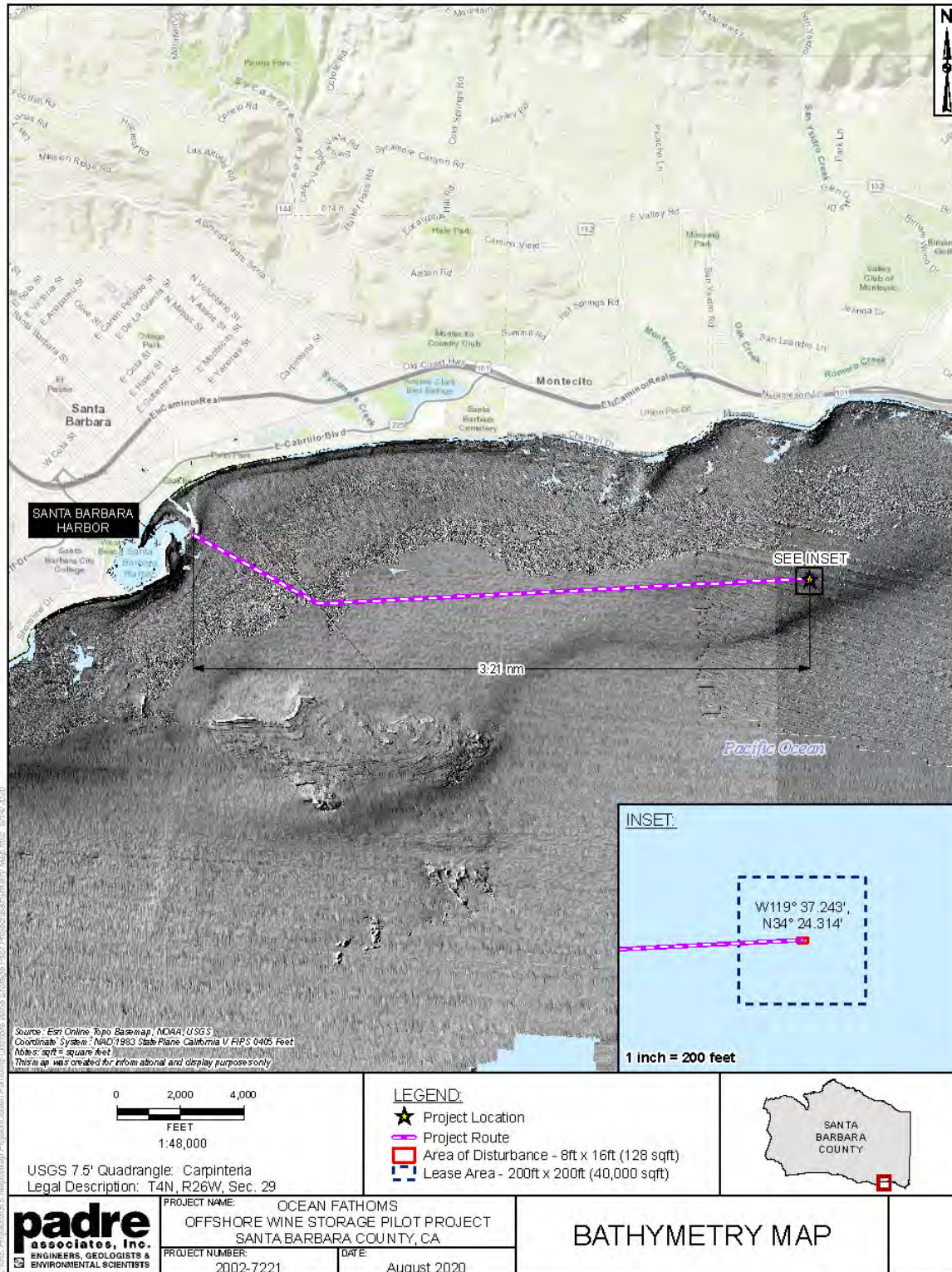


Figure 1.1-1. Site Location and Bathymetry Map

**CALIFORNIA COASTAL COMMISSION**

455 MARKET STREET, SUITE 300  
SAN FRANCISCO, CA 94105-2421  
VOICE (415) 904-5200  
FAX (415) 904-5400

**SENT BY ELECTRONIC MAIL**

February 2, 2021

Emanuele Azzeretto  
President  
50 Fathoms LLC  
[emanuele@oceanfathoms.com](mailto:emanuele@oceanfathoms.com)

Jennifer Leighton  
Senior Project Manager  
Padre Associates, Inc.  
[jleighton@padreinc.com](mailto:jleighton@padreinc.com)

Violation File No.: V-9-20-0060 (Ocean Fathoms)

Location: Offshore Santa Barbara County, approximately 3.7 miles east of Santa Barbara Harbor, in 70 feet of water

Violation<sup>1</sup> description: Unpermitted development, including but not limited to, the placement, in subsurface waters, of cages for the purpose of storing/aging bottled wines

Dear Mr. Azzeretto and Ms. Leighton:

It has come to the attention of Coastal Commission Enforcement staff that 50 Fathoms LLC, dba Ocean Fathoms ("Ocean Fathoms") has been conducting unpermitted development in the water offshore Santa Barbara County consisting of the unpermitted placement into these waters of cages containing wine for the purpose of storing/aging these wines. We are aware that Cassidy Teufel of our Energy & Ocean Resources Division has been reviewing Coastal Development Permit ("CDP") Application No. 9-20-0458, which seeks authorization for an offshore wine storage pilot project that includes cage installation and recovery. We are now aware that a portion of the proposed project

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<sup>1</sup> Please note that the description herein of the violation at issue is not necessarily a complete list of all unpermitted development on the subject property that is in violation of the Coastal Act. Accordingly, you should not treat the Commission's silence regarding (or failure to address) other unpermitted development on the subject property as indicative of Commission acceptance of, or acquiescence in, any such development. Please further note that the term "violation" as used throughout this letter refers to alleged violations of the Coastal Act.

**Exhibit 2**

CDP Application No. 9-20-0458

(Page 1 of 16)

for which Ocean Fathoms seeks authorization has already been in place since March 2019, which constitutes a violation of the Coastal Act<sup>2</sup>.

As you may know, the California Coastal Act was enacted by the State Legislature in 1976 to provide long-term protection of California's 1,250-mile coastline through implementation of a comprehensive planning and regulatory program designed to manage conservation and development of coastal resources. The California Coastal Commission is the state agency created by, and charged with administering, the Coastal Act of 1976. In making its permit and land use planning decisions, the Commission carries out Coastal Act policies, which, amongst other goals, seek to protect and restore sensitive habitats; protect natural landforms; protect scenic landscapes and views of the sea; protect the marine environment and its inhabitants; protect against loss of life and property from coastal hazards; and provide maximum public access to the sea. The Commission plans and regulates development and natural resource use in the coastal zone in keeping with the requirements of the Coastal Act.

### Violation

It appears that over the last 22 months, you have been placing into offshore waters cages containing bottles of wine for the purpose of aging them, and then removing and replacing the cages, without benefit of a CDP.

We also note that you appear to be lacking necessary approvals for these activities from other State or Federal agencies, such as the U.S. Army Corps of Engineers, U.S. Fish and Wildlife Service, California State Lands Commission, and the Regional Water Quality Control Board. We are aware that you have had some preliminary discussions with staff from these agencies and are currently seeking appropriate permits. However, to our knowledge at this time, you have not obtained all necessary permits for your proposed or ongoing projects.

Pursuant to Section 30106 of the Coastal Act:

*"Development" means, on land, **in or under water, the placement or erection of any solid material or structure**; discharge or disposal of any dredged material or of any gaseous, liquid, solid, or thermal waste; grading, removing, dredging, mining, or extraction of any materials; change in the density or intensity of use of land, including, but not limited to, subdivision pursuant to the Subdivision Map Act...**change in the intensity of use of water**, or of access thereto; construction, reconstruction, demolition, or alteration of the size of any structure,... and the removal or harvesting of major vegetation other than for agricultural purposes...(Emphasis added)*

As such, the placement of cages and other materials into offshore waters, as well as any other activities associated with your underwater wine storage operation, constitutes

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<sup>2</sup> The Coastal Act is codified in the California Public Resources Code, sections 30000 to 30900. References to section numbers in this letter are to that code, and thus, to the Coastal Act.

“development” under the Coastal Act. Section 30600(a) of the Coastal Act requires that any person wishing to perform or undertake development in the coastal zone must first obtain a CDP, in addition to any other permit required by law, before carrying out any development. Any development activity conducted in the coastal zone without a valid coastal development permit constitutes a violation of the Coastal Act. Thus, the unpermitted activities described above that are being undertaken in waters offshore Santa Barbara County are considered to be unpermitted development, constituting one or more Coastal Act violations.

### **Enforcement Remedies**

Whenever possible, Commission enforcement staff prefers to work cooperatively with alleged violators to resolve Coastal Act violations administratively. We are hopeful that we can resolve this matter without resorting to formal action. However, please be advised that the Coastal Act has a number of potential remedies to address violations of the Coastal Act, including the following:

Section 30809 states that if the Executive Director of the Commission determines that any person has undertaken, or is threatening to undertake, any activity that may require a permit from the Coastal Commission without first securing a permit, the Executive Director may issue an order directing that person to cease and desist. Section 30810 states that the Coastal Commission may also issue a cease and desist order. A cease and desist order may be subject to terms and conditions that are necessary to avoid irreparable injury to the area or to ensure compliance with the Coastal Act. Section 30811 also provides the Coastal Commission the authority to issue a restoration order to address violations at a site. A violation of a cease and desist order or restoration order can result in civil fines of up to \$6,000 for each day in which each violation persists.

Additionally, Sections 30803 and 30805 authorize the Commission to initiate litigation to seek injunctive relief and an award of civil fines in response to any violation of the Coastal Act. Section 30820(a)(1) provides that any person who undertakes development in violation of the Coastal Act may be subject to a penalty amount that shall not exceed \$30,000 and shall not be less than \$500 per violation. Section 30820(b) states that, in addition to any other penalties, any person who “knowingly and intentionally” performs or undertakes any development in violation of the Coastal Act can be subject to a civil penalty of not less than \$1,000 nor more than \$15,000 per violation for each day in which each violation persists.

Failure to resolve the violations noted above could result in formal action by the Commission. Said formal action could include a civil lawsuit, the issuance of an Executive Cease and Desist Order or Commission Cease and Desist and/or Restoration Order, and/or imposition of monetary penalties, as described above.

### **Resolution**

Please note that after reviewing your CDP application, staff believes that your proposed project is not approvable under the Coastal Act. Section 30233 of the Coastal Act

describes allowable diking, filling, or dredging activities in open coastal waters, wetlands, estuaries, and lakes. These allowable activities include such things as new or expanded port facilities, new or expanded boating facilities, activities for restoration purposes, and nature study. Your proposed project as submitted does not appear to comprise an allowable use in coastal waters. Thus, Commission staff is unlikely to recommend approval of your proposed project, and the Commission is unlikely to approve your proposed project.

In any case, you do not at this time have a CDP for your proposed operation, and so, to initiate resolution of the outstanding Coastal Act violation, you must remove all materials and equipment associated with your operation immediately.

Please contact me at by telephone at **415-904-5269** or by email at [jo.ginsberg@coastal.ca.gov](mailto:jo.ginsberg@coastal.ca.gov) by **February 5, 2021** to discuss how you intend to resolve the Coastal Act violations associated with your wine storage operation. Also, please contact **Cassidy Teufel** of the Commission's Energy and Ocean Resources Division at **805-585-1825** by **February 5, 2021** to discuss removal protocols. Please provide us with photographic evidence of this removal operation ("before" and "after" photographs and photographs taken during the removal process), as well as documentation by an independent third-party source that such removal has taken place. This removal must take place by **February 14, 2021**.

Please note that if it is determined that your operation has resulted in adverse impacts to coastal resources, restoration and/or mitigation may be required.

Failure to meet the deadlines noted above may result in formal action by the Commission to resolve this Coastal Act violation, including initiation of the enforcement remedies discussed above.

Thank you for your cooperation and prompt attention to this matter. I look forward to speaking with you soon.

Sincerely,



Jo Ginsberg,  
Enforcement Analyst

cc: Kate Huckelbridge, CCC, Deputy Director  
Pat Veesart, CCC, Enforcement Supervisor  
Cassidy Teufel, CCC, Senior Environmental Scientist  
Theresa Stevens, U.S. Army Corps of Engineers  
Christopher Huitt, California State Lands Commission

## Exhibit 2

CDP Application No. 9-20-0458

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February 4, 2021

California Coastal Commission  
Attn: Cassidy Teufel  
455 Market Street, Ste. 228  
San Francisco, CA 94105

**Subject: Coastal Development Permit Application No. 9-20-0458, Notice of Violation Letter Dated February 2, 2021**

Dear Mr. Teufel and Ms. Ginsberg:

We are in receipt of your letter dated February 2, 2021, outlining your belief that Ocean Fathom's placement of test wine storage cages is in violation of the California Coastal Act and your request that they be removed by February 14, 2021. Please note that a Coastal Development Permit (CDP) application was filed with your Commission as soon as we became aware of the requirement. The testing phase of the Project was disclosed to the Commission staff by Ocean Fathom's within the Project Description Summary (August 2020) including a chronology of the attempts to obtain clarity regarding what permits were required to meet the FDA's approval process.

Although disappointed by the response by the Commission, Ocean Fathoms has contracted Aqueos Subsea Solutions to recover the two existing cages at the Project site. A dive team and specialized equipment have already been coordinated by Aqueos in support of this effort. Due to the complexities associated with scheduling the recovery work including vessel, dive crew, equipment availability, and associated Covid-19 clearance requirements, Aqueos has indicated that March 15, 2021 is the soonest they anticipate being able to schedule the Project. We are attempting to accelerate this schedule, however scheduling offshore work during the winter months is challenging.

Ocean Fathom's will comply with the request from the Commission staff to remove the test cages, however we request that the removal deadline be amended to reflect the current scheduling challenges outlined above.

If you have any further questions regarding this schedule, please contact me at the number listed below.

Sincerely,

Emanuele Azzaretto  
President  
Ocean Fathoms  
476 North Canon Drive  
Beverly Hills, CA 90210  
Office: (805) 302-9378

467 North Canon Drive. Beverly Hills, CA 90210 (310) 888.8042

**Exhibit 2**

CDP Application No. 9-20-0458

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**SENT BY ELECTRONIC MAIL**

February 9, 2021

Emanuele Azzeretto  
President  
50 Fathoms LLC  
[emanuele@oceanfathoms.com](mailto:emanuele@oceanfathoms.com)

Jennifer Leighton  
Senior Project Manager  
Padre Associates, Inc.  
[jleighton@padreinc.com](mailto:jleighton@padreinc.com)

**Re: Violation File No.: V-9-20-0060 (Ocean Fathoms)**

Dear Mr. Azzeretto and Ms. Leighton:

Thank you for your letter sent on February 4, 2021 in response to our Notice of Violation (“NOV”) letter of February 2, 2021.

We appreciate your willingness to remove the two existing cases at the project site. In our NOV letter, we asked that you remove these cases by February 14, 2021. In order to meet your scheduling needs, you have requested a time extension until March 15, 2021 for their removal. While we understand that it takes some time to arrange for this type of removal work, these cases have been in place without permits for nearly two years. We are willing to grant a time extension per your request, but we urge you to remove them as quickly as possible. Please let us know when they have been removed and we will take the actual removal date into account when considering potential next enforcement steps.

Regarding your assertion that your operation constitutes an “allowable use” in coastal waters, staff continues to believe that your proposed project is not consistent with Coastal Act Section 30233. However, you may submit, to Cassidy Teufel’s or my attention, any additional materials you think would be helpful in demonstrating your proposed project’s consistency with the Coastal Act, and staff will consider this information when making a staff recommendation to the Coastal Commission. When your CDP application is heard by the Coastal Commission in the upcoming months, you may present your arguments to the Commission.

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CDP Application No. 9-20-0458


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If you have any enforcement-related questions, please contact me at by telephone at **415-904-5269** or by email at [jo.ginsberg@coastal.ca.gov](mailto:jo.ginsberg@coastal.ca.gov). For permit-related questions and to discuss removal protocols, please contact **Cassidy Teufel** at **805-585-1825**. As we noted in our letter of February 2, 2021, please provide us with photographic evidence of this removal operation (“before” and “after” photographs and photographs taken during the removal process), as well as documentation by an independent third-party source that such removal has taken place. This removal must take place as soon as possible, and by no later than **March 15, 2021**.

Thank you for your continued cooperation.

Sincerely,



Jo Ginsberg,  
Enforcement Analyst

cc: Kate Huckelbridge, CCC, Deputy Director  
Pat Veesart, CCC, Enforcement Supervisor  
Cassidy Teufel, CCC, Senior Environmental Scientist  
Theresa Stevens, U.S. Army Corps of Engineers  
Christopher Huitt, California State Lands Commission

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**SENT BY ELECTRONIC MAIL**

July 16, 2021

Emanuele Azzeretto  
President  
50 Fathoms LLC  
[emanuele@oceanfathoms.com](mailto:emanuele@oceanfathoms.com)

Jennifer Leighton  
Senior Project Manager  
Padre Associates, Inc.  
[jleighton@padreinc.com](mailto:jleighton@padreinc.com)

Violation File No.: V-9-20-0060 (Ocean Fathoms)

Location: Offshore Santa Barbara County, approximately 3.7 miles east of Santa Barbara Harbor, in 70 feet of water

Violation<sup>1</sup> description: Unpermitted development, including but not limited to, the placement, in subsurface waters, of cages for the purpose of storing/aging bottled wines

Dear Mr. Azzeretto and Ms. Leighton:

As discussed in our Notice of Violation (“NOV”) letter of February 2, 2021, 50 Fathoms LLC, dba Ocean Fathoms (“Ocean Fathoms”) conducted unpermitted development in the water offshore Santa Barbara County consisting of the unpermitted placement into these waters of cages containing bottles of wine for the purpose of storing/aging these wines. In that NOV letter, we indicated that, to begin resolution of this violation, you must remove these cages by February 14, 2021. You responded, on February 4, 2021, requesting a time extension until March 15, 2021, which we granted.

You indicated that you would seek a coastal development permit (“CDP”) to authorize, after-the-fact, development already undertaken and to authorize continuance of your wine

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<sup>1</sup> Please note that the description herein of the violation at issue is not necessarily a complete list of all unpermitted development that Ocean Fathoms has undertaken in violation of the Coastal Act. Accordingly, you should not treat the Commission’s silence regarding (or failure to address) other unpermitted development as indicative of Commission acceptance of, or acquiescence in, any such development. Please further note that the term “violation” as used throughout this letter refers to alleged violations of the Coastal Act.

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CDP Application No. 9-20-0458

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storage operations. Cassidy Teufel, Manager of our Energy & Ocean Resources Division, indicated that staff would likely be unable to recommend approval of such a proposal, as this proposed use did not appear to be allowable under the Coastal Act. I also reiterated this in my NOV letter of February 2, 2021. Nonetheless, you submitted a request for after-the-fact authorization for installation and use of three underwater wine storage cages and proposed establishment of a seafloor wine storage facility consisting of several additional cages. CDP Application No. 9-20-0458 was scheduled to go before the Coastal Commission on July 8, 2021 with a staff recommendation for denial of the proposed project. You then requested a postponement; we anticipate that the application will go forward at the August 2021 Commission hearing.

Several issues concerning your wine storage operation have since arisen, which I will now discuss in detail:

We initially understood that the wine storage operation had been in place since March 2019 without any authorization from the Coastal Commission or any other State or federal agencies. However, based on information in the news articles posted on your website, it now appears that the unpermitted wine storage activity has been taking place for approximately six years, which makes the Coastal Act violation more egregious than we initially thought and it exposes you to greater penalties than originally contemplated.

Further, It appears that the time extension you requested for “scheduling” reasons so that removal of the wine cages would take place on March 13, 2021 was done so the wine could remain illegally in the water for a full year, and then removed to coincide with a private wine-tasting and PR event that took place on the vessel *Channel Cat* to promote your business. It appears that you delayed compliance with our Enforcement request to remove the unpermitted development immediately and used this event as an opportunity to attract future customers and/or investors. We are aware that invitations were sent out at \$1,000 per person to attend this event, which included promotion of your wines.

In addition, various articles displayed on your company’s website contain some very concerning information. Of particular concern to us is an article in the Santa Barbara Magazine called “Cellar in the Sea,” written by Gabe Saglie in June of 2021 which says, *“Then there’s Ocean Fathoms’ secret location, a spot about 1.2 miles off the coast of Montecito that the team is tending with the blessing of the Santa Barbara Harbormaster, the **California Coastal Commission**, and the U.S. Coast Guard.”* We also noted with great concern the various photos showing an octopus and/or various marine invertebrates clinging to your wine bottles, and the advertising of your wine as being “decorated by nature.” The sea creatures “decorating” your wine bottles do not appear to have survived the journey to the surface and remain collateral damage of your unpermitted operation.

As you well know, the Coastal Commission has never given its “blessing” to your operation; in fact, soon after we became aware of it, we opened a violation file, sent you an NOV letter in which we clearly communicated that your operation was unpermitted, constituted a Coastal Act violation, and requested that you stop unpermitted operations immediately and remove the wine cages. Misrepresenting an illegal business enterprise as legal, possibly in the hopes of attracting investors and/or customers, appears to be

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inconsistent with Business and Professions Code Section 17200. We are copying Joyce E. Dudley, the Santa Barbara County District Attorney, on this letter to inform her of this situation.

In a March 15, 2021 email sent by Jennifer Leighton of Padre and Associates, the environmental consulting firm you have retained to serve as your agent, Ms. Leighton states that the two test cages were successfully removed from the offshore Project location on Saturday, March 13, 2021. This email provides a photo of two wine storage cages on the deck of a vessel and indicates that additional video of the seafloor before and following retrieval of the cages will be forwarded shortly. Neither Cassidy Teufel nor I have received such a video confirming the complete removal of all unpermitted materials, as was requested in our Notice of Violation.

Please note that, going forward, if you continue your operations without a CDP, any new unpermitted development will be considered “knowing and intentional” Coastal Act violations, for which you would be liable for enhanced fines and penalties, as described in the next section of this letter, in addition to any penalties that have already accrued.

### **Enforcement Remedies**

As I noted in my previous NOV letter of February 2, 2021, whenever possible, Commission enforcement staff prefers to work cooperatively with alleged violators to resolve Coastal Act violations administratively. However, please be advised that the Coastal Act has a number of potential remedies to address violations of the Coastal Act, including the following:

Section 30809 states that if the Executive Director of the Commission determines that any person has undertaken, or is threatening to undertake, any activity that may require a permit from the Coastal Commission without first securing a permit, the Executive Director may issue an order directing that person to cease and desist. Section 30810 states that the Coastal Commission may also issue a cease and desist order. A cease and desist order may be subject to terms and conditions that are necessary to avoid irreparable injury to the area or to ensure compliance with the Coastal Act. Section 30811 also provides the Coastal Commission the authority to issue a restoration order to address violations at a site. A violation of a cease and desist order or restoration order can result in civil fines of up to \$6,000 for each day in which each violation persists.

Additionally, Sections 30803 and 30805 authorize the Commission to initiate litigation to seek injunctive relief and an award of civil fines in response to any violation of the Coastal Act. Section 30820(a)(1) provides that any person who undertakes development in violation of the Coastal Act may be subject to a penalty amount that shall not exceed \$30,000 and shall not be less than \$500 per violation. **Section 30820(b) states that, in addition to any other penalties, any person who “knowingly and intentionally” performs or undertakes any development in violation of the Coastal Act can be subject to a civil penalty of not less than \$1,000 nor more than \$15,000 per violation for each day in which each violation persists** (emphasis added).

## **Exhibit 2**

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## Resolution

To continue resolution of your Coastal Act violation, the following steps should be taken:

1. Remove all articles or other materials from your website that say or suggest that the Coastal Commission has in any way approved your unpermitted operations or given its "blessing" to your operations. Please confirm in writing by July 21, 2021 that this has taken place.
2. Request that Santa Barbara Magazine print a retraction of the false statement that the Coastal Commission has given its blessing to your operation. Confirm in writing by July 21, 2021 that this request was made.
3. Respond in writing by July 21, 2021 to the allegation that you have been conducting an undersea wine storage operation since 2015 and describe in detail said operation(s) including location(s).
4. Submit by July 21, 2021 the video of the seafloor before and following retrieval of the wine cages, as promised in Ms. Leighton's email of March 15, 2021.
5. If you intend to pursue this undertaking further, complete the process for CDP Application No. 9-20-0458 and abide by any resulting terms, conditions, or direction of the Coastal Commission.

I can be reached at **415-904-5269** or by email at [jo.ginsberg@coastal.ca.gov](mailto:jo.ginsberg@coastal.ca.gov). Failure to meet the deadlines noted above may result in formal action by the Commission to resolve this Coastal Act violation, including initiation of the enforcement remedies discussed above.

Thank you for your cooperation and prompt attention to this matter. I look forward to speaking with you soon.

Sincerely,



Jo Ginsberg,  
Enforcement Analyst

cc: Kate Huckelbridge, CCC, Deputy Director  
Lisa Haage, CCC, Chief of Enforcement  
Pat Veesart, CCC, Enforcement Supervisor  
Cassidy Teufel, CCC, Manager of the Energy, Ocean Resources, and Federal Consistency Unit  
Theresa Stevens, U.S. Army Corps of Engineers  
Christopher Huitt, California State Lands Commission  
Joyce E. Dudley, Santa Barbara County District Attorney

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July 22, 2021

California Coastal Commission  
Attn: Jo Ginsberg, Enforcement Analyst  
455 Market Street, Ste. 228  
San Francisco, CA 94105

**Re: Violation File Number: V-9-20-0060**

Dear Ms. Ginsberg:

I would like to first thank you for taking the time to discuss your July 16<sup>th</sup>, 2021 letter regarding the Notice of Violation (NOV) referenced above. Please note that Ocean Fathoms takes this matter very seriously and will comply with all requested actions outlined in the NOV letter to resolve your concerns.

As outlined in our previous communications, Ocean Fathoms has removed all cages containing bottles of wine within the time period agreed to. The removal of the previously deployed cages did occur on March 13, 2021 and was timed based on the availability of a vessel capable of recovering the cages and diver support. Although Ocean Fathoms did conduct a promotional event during the recovery, this event did not dictate the timing of the recovery. Funds from the event did however help fund the recovery operations.

Ocean Fathoms also wishes to further clarify the timeline of the development of this project. Full scale cage testing, subject to the requested after the fact permit, was started in 2019. However, several small tests were conducted to help develop the project as currently designed. These included an initial test of 100 bottles of wine suspended under a boat in small crab pots in the Santa Barbara Harbor from August to September 2015. A second test was attempted adjacent to the Goleta wastewater from November to December 2015. The second test involved divers who deployed 4 crab pots with a total of 50 bottles. In both cases the wine was stolen.

In January 2016, with permission from the Santa Barbara harbor master, a final test was conducted with 200 bottles in simple steel cages in the area we are currently proposing to use for our pilot project. These bottles were recovered in November 2016. Based on the information we obtained during these tests, a patent was filed in August 2017 with the Federal Department of Agriculture for the design of the bottle seals. In 2019 Ocean Fathom was incorporated and initiated the permitting efforts for our proposed project. These efforts are outlined below.

- Our agency consultations were started in 2019-2020 and included the Santa Barbara Harbor Master, the US Coast Guard (USCG) and California State Lands Commission (CSLC). Due these initial discussions, none of these agencies identified the need for an approval from the California Coastal Commission (CCC).
- In February 2020 Ocean Fathoms submitted a CSLC Lease Application
- In July 2020, Ocean Fathoms then submitted a U.S. Army Corps of Engineers (ACOE) and CCC Application.

467 North Canon Drive. Beverly Hills, CA 90210 (310) 888.8042

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- The Staff report incorrectly indicates that ACOE alerted CCC of the activity in July 2020, but a Coastal Development Permit (CDP) application was filed
- With CCC at the same time as ACOE
- The Staff report also incorrectly indicates that ACOE alerted Ocean Fathom that several state and federal agencies approvals were needed, but CSLC, CCC, and ACOE applications had already been filed. Consultations with SB Harbormaster, and USCG had previously conducted. Discussions with the Regional Water Quality Control Board (RWQCB) in October 2021 indicates low impact discharges.

As is outlined in our letter regarding the recently completed staff report, since Ocean Fathoms became aware of the permitting requirements for our project, we have attempted to navigate a complex permit process. After receiving initial guidance that incorrectly identified which permits were required, we have attempted to complete the permit process. This has included obtaining technical support from an environmental consulting firm to prepare the numerous application forms and research site specific environmental conditions. We have also worked closely with local businesses, commercial fishers and political leaders to address any questions or concerns.

Ocean Fathoms wishes to resolve the violations outlined in your July 19<sup>th</sup> letter. These actions include:

- We have removed all materials from our website indicating we have the blessing from the Coastal Commission for our operations (see Company website);
- We have submitted a written request to Santa Barbara Magazine to retract the statement that the Commission has blessed the project (see attached letter);
- We have provided an outline of the timeline of the development of our project including locations and descriptions of these operations (see above); and
- The wine cage recovery videos have been submitted to you via email.

We wish to resolve of all these alleged violations and proceed with the review of our proposed project before the California Coastal Commission. Please let us know if you have any further questions or require any additional information.

Thank you for your continued support in processing this application.

Sincerely,

Emanuele Azzaretto  
President

467 North Canon Drive. Beverly Hills, CA 90210 (310) 888.8042

## Exhibit 2

CDP Application No. 9-20-0458

(Page 13 of 16)



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476 North Canon Drive  
Beverly Hills, CA 90210  
Office: (805) 302-9378

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**Exhibit 2**

CDP Application No. 9-20-0458

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**CALIFORNIA COASTAL COMMISSION**

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**SENT BY ELECTRONIC MAIL**

July 23, 2021

Emanuele Azzaretto  
President  
50 Fathoms LLC  
[emanuele@oceanfathoms.com](mailto:emanuele@oceanfathoms.com)

Violation File No.: V-9-20-0060 (Ocean Fathoms)

Location: Offshore Santa Barbara County, approximately 3.7 miles east of Santa Barbara Harbor, in 70 feet of water

Violation<sup>1</sup> description: Unpermitted development, including but not limited to, the placement, in subsurface waters, of cages for the purpose of storing/aging bottled wines

Dear Mr. Azzaretto:

I am writing to acknowledge the email with attachments you sent to me on July 22, 2021 in response to my request that you submit in writing by July 21, 2021 certain materials concerning your Ocean Fathoms operation. I made this request in my latest Notice of Violation (“NOV”) letter dated July 16, 2021 as well as in my email of July 21, 2021.

Pursuant to our request, you provided us with a) written confirmation that you sent to Santa Barbara Magazine a request that they print a retraction of the false statement that the Coastal Commission has given its blessing to your operation; b) a screen shot of your website, which no longer contains the “Press” section; c) a link to the cage recovery video; and d) a written description of the undersea wine storage operation since 2015. I note that Mr. Teufel emailed Simon Poulter on July 22, 2021 requesting additional clarification concerning the wine storage operation, and we are awaiting a response from him.

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<sup>1</sup> Please note that the description herein of the violation at issue is not necessarily a complete list of all unpermitted development that Ocean Fathoms has undertaken in violation of the Coastal Act. Accordingly, you should not treat the Commission’s silence regarding (or failure to address) other unpermitted development as indicative of Commission acceptance of, or acquiescence in, any such development. Please further note that the term “violation” as used throughout this letter refers to alleged violations of the Coastal Act.

**Exhibit 2**

CDP Application No. 9-20-0458

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We appreciate your continued cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "Jo Ginsberg". The signature is fluid and cursive, with a large loop at the end.

Jo Ginsberg,  
Enforcement Analyst

cc: Kate Huckelbridge, CCC, Deputy Director  
Lisa Haage, CCC, Chief of Enforcement  
Pat Veesart, CCC, Enforcement Supervisor  
Cassidy Teufel, CCC, Manager of the Energy, Ocean Resources, and Federal  
Consistency Unit  
Theresa Stevens, U.S. Army Corps of Engineers  
Christopher Huitt, California State Lands Commission