

**CEASE AND DESIST ORDER NO. CCC-22-CD-02 AND
ADMINISTRATIVE CIVIL PENALTY ASSESSMENT NO. CCC-22-AP-02
(Headlands)**

1. CEASE AND DESIST ORDER CCC-22-CD-02

Pursuant to its authority under California Public Resource Code (“PRC”) Section 30810, the California Coastal Commission (“the Commission”) hereby orders and authorizes Headland Properties Associates LLC, Headland Properties Associates LP, Cal Coast Companies, Headland Properties Inc, and Edward Miller and Joseph Guarrasi, in their individual capacities and in their roles related to the foregoing entities, and all of their successors in interest, assigns, employees, agents, contractors, and anyone acting in concert with any of the foregoing (hereinafter collectively referred to as “Headlands”) to take all actions required by this Cease and Desist Order, in compliance with its terms, including by complying with the following:

- a.** Cease and desist from engaging in any development, as that term is defined in the Coastal Act (PRC Section 30106), that requires a Coastal Development Permit (“CDP”) on any of the property identified in Section 4, below (“the Property”), unless authorized pursuant to the Coastal Act (PRC Sections 30000 to 30900), which includes pursuant to this Cease and Desist Order.
- b.** Fully and completely comply with CDP No. A-381-78, as amended (“the CDP”), including by complying with Special Condition 7 of CDP amendment No. A-381-78-A1, Special Condition 2 of CDP amendment No. A-381-78-A9, and Special Conditions 2 and 4 of CDP amendment No. A-381-78-A11, by, among other things, resolving any and all outstanding issues regarding the title to the Property and ensuring that title is held by the City of Los Angeles Department of Recreation and Parks (“City”) or another public or not-for-profit entity approved by the Commission’s Executive Director in compliance with the explicit conditions of the CDP, as described in more detail in Section 1.d, below.
- c.** Operation and Maintenance: If Headlands comes to have any claim to holding any legal interest in the Property sufficient to allow Headlands to manage the Property, including, but not necessarily limited to, via a conveyance from the current record owner, 1205-1207 Wooster Street LLC (“Wooster”), or based on the issuance of a court order directing conveyance of the Property to Headlands or ruling that Headlands is the owner, then, within ten (10) days from the date of obtaining such control, Headlands shall take the steps listed in subsections i through iii, immediately below; and within twenty (20) days of regaining such control of the Property, Headlands shall take the step listed in subsection iv; and it shall continue to maintain the property as indicated below, and to provide evidence, every ninety (90) days and upon demand, demonstrating that it is doing so, for the duration of the period during which Headlands holds such an interest:

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- i. Remove any impediments to the public's vehicular and pedestrian access to the Property and take no new action that prevents the public from parking in and using the public parking lot and facilities on the Property.
 - ii. Remove all trash and debris from the Property, including from the public parking lot and public restrooms, and do so on a continuing basis until such time as the transfer of the Property is finalized pursuant to the CDP and this Cease and Desist Order.
 - iii. Clean and sanitize the public restrooms on the Property, ensure that toilets and sinks are fully functional and make any plumbing or other repairs that are needed, fully stock the restrooms with all necessary amenities, such as toilet paper, hand soap, and paper towels, and continue to clean and stock the restrooms until such time as the transfer of the Property is finalized pursuant to the CDP and this Cease and Desist Order. If the locks on the restroom doors are non-functional at the time that Headlands re-acquires the Property, Headlands shall also repair both locks and keep them unlocked from dawn to dusk.
 - iv. Submit, to the address provided below in Section 5, or to whatever updated address the Commission may subsequently indicate has become the current address, photographic evidence documenting that the Property has been cleaned and maintained in accordance with Section 1.c.i through iii.
- d. Title: Within one hundred and twenty (120) days of the effective date of this Cease and Desist Order, Headlands shall take any and all steps within its power (including working with Wooster, as necessary) to ensure that title is held by the City, as required by and consistent with the CDP, at no cost to the City, including by providing an executed quitclaim deed to the City. If, at any point in the future, subsequent developments may suggest that Headlands may once again possess any ownership interest in the Property, within sixty (60) days thereof, Headlands shall once again quitclaim any interest it may have in the Property to the City or other entity approved by the Executive Director. In carrying out either of the requirements listed immediately above, Headlands shall take any and all steps necessary to ensure that the City has all of the physical and legal effects necessary to actuate ownership, operation, and maintenance as required by the CDP.
 - i. If Headlands is unable to effectuate a transfer to the City only because the City elects not to accept the Property, Headlands shall, within 60 days of the City's election not to accept the Property or 180 days of the effective date of this Cease and Desist Order, whichever occurs first, submit, for the Executive Director's review and approval, the name and specifications of a government entity or not-for-profit entity that Headlands proposes as an alternative recipient of the Property, consistent with the CDP. Within 30 days of receiving approval of the entity by the Executive Director Headlands shall ensure the transfer of the Property to the approved entity.

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- e. Headlands shall not undertake any actions that interfere with or otherwise delay compliance with Cease and Desist Order CCC-22-CD-01, issued to 1205-1207 Wooster Street LLC and Henri Levy.
- f. Submit documentation evidencing compliance with Section 1 of this Cease and Desist Order to the addresses listed below in Section 6, or to whatever updated address the Commission may subsequently indicate has become the current address, within one hundred and thirty (130) days of the effective date of this Cease and Desist Order.

2. ADMINISTRATIVE CIVIL PENALTY ASSESSMENT CCC-22-AP-02

- a. Pursuant to its authority under PRC Section 30821, the Commission hereby imposes on Headlands an administrative civil penalty of \$3,000,000.
- b. To maximize the likelihood of (i) expeditious compliance with the requirements in these orders and (ii) the rectification of the Permit violation associated with the title to the Property, if Headlands complies with the requirements of Section 1.d, above (other than the perpetual requirements in the second sentence) within the time frames allotted therein, and the pending quiet title claim, as well as the other claims against the Commission, in *Levy, et al. v. City of Los Angeles, et al.*, Los Angeles County Superior Court Case number 21SMCV00964, have, within the same timeframes, been dismissed or resolved through a stipulated judgment not inconsistent with the requirements and goals listed above and in the CDP for the disposition of the Property, as confirmed by the Executive Director, one third of the administrative civil penalty, i.e., \$1,000,000, (but not the obligations of the Cease and Desist Order, including those in Section 1.c, above) shall be stayed for one year, which period may be extended by the Executive Director for good cause. If, prior to the expiration of the stay, the vesting of title to the Property is completed, including any necessary acceptance of the title and the recordation of documentation with the County Recorder's Office, such that the Property is unambiguously and unassailably vested in the City or a public or not-for-profit entity approved by the Commission's Executive Director, as confirmed by the Executive Director, the penalty shall be reduced to \$2,000,000.
- c. Within one hundred and thirty five (135) days of the effective date of this Administrative Penalty Assessment (if the City has accepted the Property) or one hundred and ninety five (195) days (if the City elects not to accept the Property), Headlands shall submit a plan for the review and approval of the Commission's Executive Director for the payment of the applicable penalty amount, as follows: The initial payment deadline shall be one year from the effective date of this Administrative Civil Penalty Assessment or within 60 days of issuance of any final judgment upholding the requirement for payment of this penalty, whichever comes first. If, by that initial deadline, one third of the original penalty amount

has been stayed pursuant to the prior paragraph, and the vesting process, as described in that paragraph, is complete, so that the penalty amount has been reduced to \$2,000,000, Headlands shall, by that initial deadline, pay that reduced penalty amount of \$2,000,000. If, by the initial deadline, one third of the original penalty amount has been stayed pursuant to the prior paragraph, but the vesting process, as described in that paragraph, is not complete, but the Executive Director has extended the stay on the final one third of the penalty amount, Headlands shall, by that initial deadline, pay the initial \$2,000,000 penalty, and it shall pay the remaining \$1,000,000 upon the expiration of the stay unless that amount has been eliminated as indicated in the prior paragraph. If however, at any point prior to the expiration of the stay. Headlands takes any steps that would interfere with the vesting process, as described in the prior paragraph, or that could call into question the successful disposition of the Property pursuant to the requirements and goals listed above and in the CDP, including any attempt to transfer the Property to another entity without the Executive Director's approval, the stay of the remaining one third of the penalty shall immediately expire, the penalty amount shall not be reduced, and Headlands shall be required to pay any remaining penalty amount to bring the full payment up to \$3,000,000. Headlands shall implement the approved version of the plan.

- d. The monetary penalty shall be deposited in the Violation Remediation Account administered by the California State Coastal Conservancy (see PRC Section 30823) and as designated by the Executive Director. The monetary penalty shall be submitted to the Commission's Ventura Office, at the address provided in Section 11, to the attention of Heather Johnston of the Commission, payable to the account designated under the Coastal Act, and include a reference to this Administrative Penalty by number.

PROVISIONS COMMON TO BOTH THE CEASE AND DESIST ORDER AND ADMINISTRATIVE PENALTY¹

3. PERSONS SUBJECT TO THIS CEASE AND DESIST ORDER AND ADMINISTRATIVE PENALTY ASSESSMENT

The persons and entities subject to this Cease and Desist Order and Administrative Penalty Assessment (hereinafter collectively referred to as "these Orders") are Headland Properties Associates LLC, Headland Properties Associates LP, Cal Coast Companies, Headland Properties Inc, Edward Miller and Joseph Guarrasi, in their individual capacities and as members of the foregoing entities; all of their successors in interest, assigns, employees, agents, and contractors, and anyone acting in concert with the foregoing.

¹ The following provisions apply to both the Cease and Desist Order and the Administrative Penalty assessment unless specifically stated otherwise.

4. PROPERTY SUBJECT TO THIS CEASE AND DESIST ORDER AND ADMINISTRATIVE PENALTY ASSESSMENT

The term “the Property,” as used throughout these Orders, refers to the property at 16701 Via La Costa, City of Los Angeles, Los Angeles County, also identified by the Los Angeles County Assessor’s Office as APN 4431-039-029, and on Tract Map 32184A (recorded with the Los Angeles County Recorder’s Office on November 12, 1991, as Book 1182 Page 20, Document Number 91 1788234) as Parcel 77.

5. SUBMITTAL OF DOCUMENTS

All documents and funds submitted to the Commission pursuant to these Orders shall be sent to both of the following addresses, with the original sent to the Ventura office, unless and until Commission staff informs Headlands of an updated mailing address:

California Coastal Commission
Attn: Heather Johnston
89 S. California Street, Ste 200
Ventura CA 93001

California Coastal Commission
Attn: Andrew Willis
301 E. Ocean Blvd, Ste 300
Long Beach CA 90802

6. REVISION OF DELIVERABLES

The Executive Director may require revisions to deliverables under these Orders, as necessary to satisfy the requirements established in these Orders, and Headlands shall revise any such deliverable consistent with the requested specifications and resubmit it for review and approval by the Executive Director, by the deadline established by the modification request from the Executive Director.

7. COMMISSION JURISDICTION

The Commission has jurisdiction to issue the Cease and Desist Order pursuant to PRC Section 30810, and jurisdiction to impose the Administrative Civil Penalties pursuant to PRC Section 30821.

8. EFFECTIVE DATE AND TERMS OF THIS CEASE AND DESIST ORDER AND ADMINISTRATIVE PENALTY

The effective date of these Orders is the date the Commission votes to issue these Orders. This Cease and Desist Order and Administrative Penalty Assessment shall remain in effect permanently unless and until either is rescinded or modified by the Commission.

9. FINDINGS

This Cease and Desist Order and Administrative Penalty Assessment are issued on the basis of the findings adopted by the Commission, as set forth in the document entitled “STAFF REPORT: RECOMMENDATIONS AND FINDINGS FOR CEASE AND DESIST ORDER AND ADMINISTRATIVE CIVIL PENALTY ASSESSMENT.” The Commission has ordered and authorized the activities required in this Cease and Desist Order and Administrative Penalty Assessment and has determined them to be consistent with the resource protection policies set forth in Chapter 3 of the Coastal Act, if carried out in compliance with the terms of this Cease and Desist Order and Administrative Penalty.

10. COMPLIANCE OBLIGATION

Strict compliance with this Cease and Desist Order and Administrative Penalty Assessment by all parties subject hereto is required. Failure to resolve violations addressed herein or comply with any term or condition of this Cease and Desist Order, including any deadline contained herein, will constitute a violation of said Cease and Desist Order, and may result in the imposition of civil penalties under PRC Section 30821.6 of up to SIX THOUSAND DOLLARS (\$6,000) per day for each day in which each violation persists. In addition, failure to comply with any terms or conditions of these Orders may result in the Commission seeking judicial relief and additional penalties as authorized under Chapter 9 of the Coastal Act, including PRC Sections 30820, 30821(d), and 30822.

11. SITE ACCESS

Headlands shall take no action to prevent access to the Property by staff of the Coastal Commission, staff of any agency having jurisdiction over the work being performed under this Cease and Desist Order, or staff of any entity having an ownership interest in, or maintenance obligation with respect to, the Property. If Headlands comes to acquire the Property, Headlands shall provide access to the Property for staff of the Coastal Commission, staff of any agency having jurisdiction over the work being performed under this Cease and Desist Order, and staff of any entity having an ownership interest in, or maintenance obligation with respect to, the Property. Nothing in this Cease and Desist Order (or in the penalty assessment) is intended to limit in any way the right of entry into, or inspection of, the Property that any agency may otherwise have by operation of any law.

12. GOVERNMENT LIABILITY

Neither the State of California, nor the Commission, nor its employees shall be liable for injuries or damages to persons or property resulting from acts or omissions by Headlands in carrying out activities required and/or authorized under these Orders; nor shall the

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State of California, the Commission or its employees be held as a party to any contract entered into by Headlands or their agents in carrying out activities pursuant to these Orders.

13. DEADLINES

The Executive Director may extend deadlines specified herein. Any extension request must be made in writing to the Executive Director and received by Commission staff ten (10) days prior to the expiration of the subject deadline. Any such request shall be sent to the attention of the staff and to the addresses listed in Section 5, above.

14. SEVERABILITY

Should any provision of these Orders be found invalid, void, or unenforceable, such illegality or unenforceability shall not invalidate the whole, but these Orders shall be construed as if the provision(s) containing the illegal or unenforceable part were not part thereof.

15. SUCCESSORS AND ASSIGNS

This Cease and Desist Order shall bind Headlands and all its successors in interest, newly created LLCs and corporations, heirs, and assigns.

16. MODIFICATIONS AND AMENDMENTS

Except as provided in Section 13 of these Orders, or for ministerial corrections, these Orders may be amended or modified only in accordance with the standards and procedures set forth in Section 13188(b) of Title 14 of the California Code of Regulations.

17. APPEAL

Pursuant to PRC Section 30803(b), any person or entity against whom this Cease and Desist Order, under Section 1, is issued may file a petition with the Superior Court for a stay of this Cease and Desist Order.

18. GOVERNMENT JURISDICTION

These Orders shall be interpreted, construed, governed, and enforced under and pursuant to the laws of the State of California.

19. NO LIMITATION OF AUTHORITY

Except as expressly provided herein, nothing herein shall limit or restrict the exercise of the Commission's enforcement authority pursuant to Chapter 9 of the Coastal Act (PRC

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Sections 30800 to 30824), including the authority to require and enforce compliance with these Orders.

20. COMPLIANCE WITH OTHER LAWS

All work to be done under this Cease and Desist Order shall be done in compliance with all other applicable laws.

Executed in _____ on behalf of the California Coastal Commission.

By: _____ Date: _____

John Ainsworth,
California Coastal Commission
Executive Director