

BLUE FOLDER ITEM

Blue folder items are additional back up material to administrative reports and/or public comments received after the printing and distribution of the agenda packet for receive and file.

CITY COUNCIL MEETING FEBRUARY 17, 2026

- H.5 APPROVE CONTRACTS UNDER \$35,000:
5. APPROVE A LICENSE AGREEMENT BETWEEN THE CITY OF REDONDO BEACH AND CLEAR RECOVERY CENTER LLC TO LICENSE AND USE OFFICE SPACE AT BEACH CITIES HEALTH DISTRICT (BCHD) UNIT 324 LOCATED AT 514 N. PROSPECT AVENUE, REDONDO BEACH, CA IN AN AMOUNT NOT TO EXCEED \$1.00 PAYABLE TO THE CITY FOR THE TERM FEBRUARY 17, 2026 TO SEPTEMBER 9, 2026

CONTACT: JOY FORD, CITY ATTORNEY

- **PUBLIC COMMUNICATION**

From: [Mark Nelson \(Home Gmail\)](#)
To: [CityClerk](#)
Cc: [Communications](#); [Joy Ford](#)
Subject: OPPOSE H5 - Blue Folder Item - Public Comment - H5 - Martha Koo ethics complaint at BCHD - No transactions should occur with Clear Recovery until resolution
Date: Tuesday, February 17, 2026 12:00:50 PM

CAUTION: Email is from an external source; Stop, Look, and Think before opening attachments or links.

A formal complaint has been filed with BCHD regarding Board Member Martha Koo and her company's (Clear Recovery Center LLC, <https://clearbehavioralhealth.com/about-clear/our-team/dr-martha-koo-md/>) apparent preferential business relationship with BCHD and ALLCOVE. At present, BCHD has refused to provide the public with any information about the payment and referral methodology used by BCHD and ALLCOVE to funnel clients to Clear Recovery. Until such time as BCHD processes its ethics review and makes it public, no transaction should occur with Clear Recovery by the City either until BCHD cleans up its current ethics complaint regarding Clear Recovery founder, Martha Koo, Board Member of BCHD.

As a preferential partner with a BCHD Board member interlock, this requires public disclosure and investigation by BCHD. As of yet, BCHD refuses to provide any ethics investigation to the public.

The following demonstrates the preferential referral relationship between Koo's Clear Recovery LLC and BCHD and its subsidiaries:

Entity	Current Status / Role
BCHD	Lead Agency; Lead Fiscal Agent; Landowner of the Healthy Living Campus.
allcove	Public-facing "One-Stop Shop" for youth (12–25). Provides free early-intervention therapy.
Clear Behavioral Health	Private Partner; provides Level 2 & 3 care (IOP, Detox, Residential) for BCHD referrals.

The following is from public records and indicates that Koo has been a significant beneficiary of Clear Behavioral health finances during her time as a Board member at BCHD:

The financial relationship between **Dr. Martha Koo** and **Michael Joly** is primarily rooted in their partnership as co-founders and executive leaders of **Your Behavioral Health (YBH)**, a Southern California-based mental health and addiction treatment network.

Their shared financial history is defined by the following key developments:

- **Co-Foundership and Executive Leadership:** Mike Joly serves as the **Chief Executive Officer (CEO)**, while Dr. Martha Koo serves as the **Chief Medical Officer (CMO)**. Together, they built the YBH platform, which includes brands such as *Clear Behavioral Health*, *Neuro Wellness Spa*, and *New Life House*.

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- **Significant Liquidity Event (2023):** In June 2023, the pair oversaw the **acquisition of Your Behavioral Health by Comvest Partners**, a private equity firm. While the specific financial terms were not disclosed, Joly and Koo remained in their leadership roles to guide the company's expansion following the sale.
- **Ongoing Growth and Acquisitions:** Under their continued leadership, and with backing from Comvest, the entity has continued to expand financially, including the 2024 acquisition of the teen-focused *Insight Treatment Programs*.